

**MINUTES RECAP
MARYSVILLE CITY COUNCIL - REGULAR MEETING
DECEMBER 6, 1999**

CORRECTED: SEE 12/13/99
MINUTES

CALL TO ORDER/FLAG SALUTE	7:00 p.m.
ROLL CALL	All present.
MINUTES OF PREVIOUS MEETING 1. November 22, 1999 city council 2. November 29, 1999 council workshop	Approved as presented. Approved as presented.
AUDIENCE PARTICIPATION	Sim Wilson, Clarence Kelly, Jim Raleigh
PRESENTATIONS/PETITIONS/COMMUNICATIONS 1. Marysville Seniors Against Crime	
ACTION ITEMS	
REVIEW BIDS None.	
PUBLIC HEARING 1. L.I.D. No. 69, Parkside Drive sanitary sewers 2. Parks and recreation participation/user fee schedule 3. Water and sewer capital improvement fees 4. Preliminary Budget	Approved with 10-year payback period. Approved with additional language and 50% fee schedule. Continued to December 13; no further public testimony. Continued to December 13
CURRENT BUSINESS None.	
NEW BUSINESS 1. Custodial services for city facilities. 2. Amend 1999 city operating budget (first reading)	Approved Jabco Janitorial. First Reading given.
CONSENT AGENDA 1. Approve December 1, 1999 claims in the amount of \$554,140.79; paid by check nos. 49057 through 49284 with check nos. 48423, 48853, and 49174 void. 2. Approve November, 1999 payroll in the amount of \$794,994.13 paid by check nos. 36751 through 36987 with check no. 36987 void. 3. Approve new liquor license for Marysville Gas & Food Mart, 3608 88 th Street N.E., Marysville. 4. Approve utility variance request for water and sewer connections subject to conditions; Emerald Land Development LLC; 58xx 108 th street N.E., Marysville; UV 98-018.	Approved. Approved. Approved. Approved.
LEGAL MATTERS 1. Recovery Contract, George Rose, 4502 92 nd Street N.E., Marysville	Approved.
ORDINANCES AND RESOLUTIONS 1. A Resolution of the City of Marysville regarding pipeline safety improvements.	Continued to December 13
EXECUTIVE SESSION To discuss four personnel and one potential litigation issues.	
RECONVENE 1. Settlement agreement as discussed in Executive Session	Approved.
ADJOURN	11:17 p.m.

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**MINUTES
MARYSVILLE CITY COUNCIL - REGULAR MEETING
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CALL TO ORDER/FLAG SALUTE

The meeting was called to order by Mayor Weiser at 7:00 p.m. in the Council Chambers, and the assemblage joined in the flag salute. A voice roll call of councilmembers was conducted. Attendance was as follows:

Councilmembers Present:
Dave Weiser, Mayor
Donna Wright, Mayor Pro Tem
Shirley Bartholomew
Jim Brennicks
NormaJean Dierck
Otto Herman, Jr.
Mike Leighan
Donna Pedersen

Administrative Staff present:
Dave Zabell, City Administrator
Robert Carden, Police Chief
Mary Swenson, Assistant City Administrator
Gloria Hirashima, City Planner
Grant Weed, City Attorney
Ken Winckler, Public Works Director
Ed Erickson, Finance Director
Jim Ballew, Parks and Recreation Director
Roger Kennedy, Fleet & Facilities Manager

MINUTES OF PREVIOUS MEETING

1. City Council Meeting, November 22, 1999.

MOTION by Dierck, second by Wright, to approve the minutes of the November 22, 1999 meeting as presented. Motion carried unanimously (7-0).

2. City Council Workshop, November 29, 1999

MOTION by Leighan, second by Wright, to approve the minutes of the November 29, 1999 council workshop as presented. Motion carried unanimously (6-0), with Pedersen briefly out of the room.

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AUDIENCE PARTICIPATION

Sim Wilson, 312 Priest Point Drive N.W., stated he was the owner of a business on 5th and State. He had received a mailing from the City Engineer regarding three plans for beautification of State Avenue from 4th Street north. This came without background explanation of the project or any information on traffic flow; State carried about 10,000 cars per day. He asked where the funding for the project would come from. He further suggested that the business owners had not been involved, and turning State into a pedestrian area would cause loss of value, business and property to the area. Mayor Weiser responded that the project started with State needing to be repaved. If funds were available, the city wanted to underground the utility lines. This led to the beautification discussions. The Downtown Revitalization Committee had been meeting for two years and six business owners sat on the committee. He noted the council had received copies of the letter Mr. Wilson had sent on the subject.

Clarence Kelly, 8115 49 Avenue NE, noted that during the public hearing on the budget the council had been asked to be creative and go to the community and ask for help. He had spoken to the leaders of his church, the Church of Jesus Christ of Latter Day Saints, and the leaders had taken this suggestion to the congregation. The result was that the congregation as a whole was seriously committing to helping the community with service projects during 2000. Their commitment covered two service projects utilizing 50 to 70 people, 20 to 30 youth with 10 to 15 adult leaders, an active Boy Scout troop, and five Boy Scouts looking for Eagle projects. He stated he would be the contact person. Mayor Weiser and the balance of councilmembers thanked Mr. Kelly and his church for their generous offer.

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Jim Raleigh, 1950 East Blaine Street, Seattle, advised he was the owner of vacant land at the corner of Cedar and Grove Streets which received many unauthorized campaign signs every political season. He requested council implement a fine for unauthorized sign placements. Mr. Weed responded that the property owner could remove unauthorized signs from private property. Mr. Raleigh stated that was not always convenient. Councilmember Pedersen stated that after the councilmembers-elect were seated, she intended to propose legislation regarding campaign signs.

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PRESENTATIONS/PETITIONS/COMMUNICATIONS

Mayor Weiser read the Marysville Seniors Against Crime proclamation, and explained the work the group did, including organizing block watches, vacation checks on vacant homes, schools programs, and the new Alzheimer's I.D. program. He presented the proclamation to Mr. Loree Parker and Dolores Rasmussen amid spontaneous applause from the assemblage.

ACTION ITEMS

Review Bids

None.

Public Hearing

1. L.I.D. No. 69; Parkside Drive sanitary sewers

Councilmember Wright excused herself from the proceedings and left the room, stating this issue affected her personal property.

Mr. Winckler gave the staff presentation, noting the final assessment roll had been prepared and the final cost was about 10 percent higher than estimated. This was a direct result of construction costs. He added that Lot 62 was not a buildable lot and the combination of lots 62 and 63 had one house on it. So lot 62 would not receive an assessment. He requested council set the payback period, noting staff recommended a 10-year payback, which would be consistent with two previous LIDs. A property owner would have to pay \$1,100 per year on a 10-year payback, \$760 on a 15-year and \$620 on a 20-year. A property owner had 30 days after the ordinance was effective to pay off the entire assessment without interest. If that wasn't done, the first payment would become due 1 year and 30 days after the effective date.

Councilmember Bartholomew asked about the impact of I-695 on the city's ability to sell the bonds. Mr. Erickson responded that he had spoken with bond counsel, who foresaw no difficulties as LID bonds were backed up by a clear contractual arrangement with the landowners.

Mayor Weiser opened the public hearing. There was no one wishing to speak, so the public comment portion was closed.

Mr. Weed noted testimony in a quasi-judicial proceeding needed to be sworn testimony and he administered the oath to staff members who were testifying.

Mr. Winckler added that no comments had been received by staff regarding the payback period.

MOTION by Bartholomew, second by Dierck, to approve the final assessment for LID 69 with a 10-year payback period commencing 30 days after the effective date of the ordinance. Motion carried unanimously (6-0).

Councilmember Wright re-entered the meeting at this point.

2. Parks and recreation participation/user fee schedule

Councilmember Bartholomew questioned Mr. Weed about a possible conflict of interest due to her work with another golf course. Mr. Weed responded there was no conflict so Councilmember Bartholomew continued to hear the issue.

Mr. Ballew gave the staff presentation noting that staff recommended a range of fees for each activity. This would give flexibility for the next two years. After approval of the ranges, staff would prepare a fee schedule to be used for 2000. By having a range approved, that schedule could be revised and increased, if necessary, for the year 2001 without having to hold a special election to approve any increased fees. He stated several cities in the area including Mountlake Terrace, Lynnwood, Kent and others, were using this approach this year. The intent of the fees was to cover the city's costs and have the events pay their way; the exceptions were the youth fees which the city chose to subsidize.

A lengthy discussion ensued. Comments and questions included the following:

- If implemented, what would the impact be on golf fees tomorrow? Mr. Ballew said the fees would remain the same.
- Could fees go up "automatically" after the effective date of I-695 without a vote of the people? Mr. Weed stated this was uncertain because the language of the initiative was unclear. This proposal anticipated council taking action to increase fees but having those increases not become effective until later. That would meet I-695's requirement of taking action now, but there might be risk in this approach.
- There were probably less than 200 Centennial Books left.
- Per Marysville Municipal code, the Park Board was charged with reviewing and recommending fees, but this was the first time the fees had come to council as an ordinance.
- Contracts with instructors drove the ultimate fee charged; a new instructor could charge more than a set fee, which would necessitate discontinuing the program. The range would give the flexibility to respond to that. It would also give flexibility if the school district imposed a fee to use its field for softball.
- Council could adopt a set of fixed fees for each activity, including higher fees which would go into effect automatically in upcoming years. This would not give the flexibility offered by ranges.
- Council might establish ranges and a policy that empowered the Park Board to set fees within the range and as close to the actual cost of providing each service as possible. Mr. Weed was unsure if council could delegate its responsibility to the Park Board.
- Council might approve fixed fees if the city had the option of not implementing increased fees if they were not needed.

Mayor Weiser opened the public hearing.

Jeff Seibert, 5004 80th Street, suggested having two charges for a class, one for the building use and one for the instructor, so if the instructor's fee went up citizens could pay that without the city having to ask for a vote of the people in order to raise fees. Mr. Ballew responded that this would be unworkable administratively for several reasons: the city would be acting as an agent to collect and hold funds for instructors, receipts would have to be generated manually as the city's cash registers did not have this capability.

Mayor Weiser called a five-minute recess to allow Mr. Weed to add language to the proposed ordinance that acknowledged existing fees were in effect and would continue until later action, and fees set in a later action would be related to the actual cost of providing the service.

The meeting was reconvened and Mr. Weed read the propose addition to the ordinance.

Paragraph 4. That the schedule of existing fees as previously established shall remain in full force and effect until further action of the city council. Adjustment of future fees shall be recommended by the Park and Recreation Advisory Board and shall be within the range of fees set forth in Attachment A and shall reasonably reflect the actual cost of providing the service or, in the case where the fees are less than the actual cost, an amount that reflects an appropriate level of support as determined by the city council.

MOTION by Herman, second by Dierck to approve Ordinance 2299 with the addition of paragraph 4 as read and with the further clarification that the referenced Attachment A was the "50%" schedule. Pedersen voted nay; all others voted aye; motion carried (6-1).

3. Water and sewer capital improvement fees

Mr. Winckler gave a brief staff report and introduced Mr. Larry Wade of the consulting engineering firm of Hammond, Collier & Wade-Livingstone Associates, Inc. Mr. Wade explained the thorough analysis his firm had conducted in support of the projected capital needs of \$19,244,000 for water and \$12,900,000 for sewer. He gave two examples where funding should come through rates or revenue bonds, rather than connection fees paid by developers: removing sludge from the lagoon, because this would have been produced by existing users and had nothing to do with new homes coming on to the system in the future, and replacing existing mains. He took the number of customers projected for each utility over the next 20 years, 7407, and divided that into the total capital needs for each system. That resulted in a sewer hook-up charge of \$1750 and a water hook-up charge of \$2,600. He presented a complete table of capital improvement fees and a comparison of what other cities in the area were charging. He briefly reviewed the capital improvement projects which went into the calculations, such as the reservoir by 136th, the work at Edwards Spring, and the new filtration plant on the Stillaguamish River. He added that a multi-family residential unit would receive no break; an 8-plex would pay eight separate hook-up fees.

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Mr. Winckler spoke to the recommended reduction in the fee for 1-1/2" and 2" meters. The recommended fee was based on the actual cost to do the work and with the new meters which were being produced the project was no longer as expensive as it had been in the past.

Mr. Wade noted there was no consideration in these rates for low income or the elderly. The comparisons were based on 1998 information from the Association of Washington Cities.

Councilmember Herman asked what part of the sewer costs added capacity to the system. Mr. Wade responded that those would include the filter expansion, headworks expansion, adding a mix cell, Trunk D expansion of Phase 2, and miscellaneous additions to the treatment plant.

Mayor Weiser opened the public hearing.

Kirk Borseth, 624 Beech Avenue, asked when connection fees were actually collected. Mr. Winckler responded that the proposal under discussion did not change that; the fee was paid at the time of the connection. Mr. Zabell added that if a developer had a preliminary plat or approved short plat he could pay these connection fees without waiting for the building permit and take advantage of the current fees, but having an approved plat did not vest a developer with the right to pay for connections at the current rate at some point in the future. He read from MMC 14.03. Mr. Borseth stated he would prefer the fees be ramped up rather than having such a steep increase.

Dan Henry, 7619 72nd Drive N.E., spoke in opposition, stating the cost of providing a water hookup would not necessarily triple by next year and raising the fees so steeply in the middle of existing projects placed a burden on builders that they could not have anticipated. Mr. Zabell noted this study had been underway for 1-1/2 years. Mr. Henry stated the fees would be passed along to home buyers and would impact many first time buyers. He supported the vesting of existing lots at the current rates.

Mark Selby, Selby Construction, 11715 7th Street N.E., Lake Stevens, spoke in opposition, noting he had 30 lots outside the city and 30 inside. The proposed fees were very large and approached the nationwide net profit margin, forcing builders to produce a product without compensation. He questioned the accuracy of assigning the costs to new development as opposed to maintenance and repair.

Rick Hart, 7714 78th PL, noted that schools and other non-profit organizations fall under the commercial and industrial category. The proposed fees would have a huge impact on those projects. The rate structure called for a hook-up fee of nearly \$100,000 for a 40,000 square foot school, which actually used very little water. Churches also used very little water. He urged council to not adopt these rates until they had further comparison data. Mr. Wade noted that while these structures didn't necessarily use more water, there was demand on the system for fire flow and storage capacity to meet fire flow to meet the gallons-per-minute requirement. The study had considered all costs, not just drinking and flushing.

There was no one further wishing to speak, and the Mayor closed the public comment portion of the hearing.

Mr. Weed noted that state statute did not differentiate between for-profit and non-profit. If a distinction were made, the city would be giving a gift of public funds. If the city could show there was a difference in the cost of providing service, then it could charge a different fee. He added that it would be possible to phase in the fee increases by establishing the rates and the implementation date but taking action to set those before the end of the year. This would present a higher risk of challenge because the city would be taking an action that was not effective until a later date.

Councilmember Wright spoke in favor of phasing the increases. Mr. Zabell cautioned about grandfathering in existing plats because the life of a plat was up to five years.

Mr. Wade noted that senior citizens or low income people could be offered a break from a service rate standpoint, but he was unaware of any entity that made reductions in connection charges. There was no different demand on the system from an organization that was non-profit. Mr. Weed added that state law allowed a distinction in the monthly rates for low income and seniors, but did not authorize a distinction of rates for non-profit organizations. He was not aware of any different connection fees for seniors or low income.

Councilmember Dierck spoke in support of a reduced fee for non-profit organizations, schools and senior citizens. Councilmember Brennick noted that at the P.U.D. they were prohibited from gifting public funds in that way; they had to charge all customers

an equal, fair fee. Grant money or gifts could be utilized to provide subsidies for special cases or categories.

Mr. Winckler noted that many things had impacted the city's ability to do this study, including the unresolved issues with Arlington and the TMDL issues. Those issues stabilized enough to allow the thorough analysis required for the study. In 2000 the city would do a full analysis of rates.

Councilmember Pedersen expressed concern about the cost to schools and churches, including her church, which had a remodel project planned which would now cost more than anticipated. She asked how this study fit into the joint study with the Tribe. Mr. Zabell noted that by law the city was required to do its own study and this was based on the updated water and sewer comp plans. The work done on this study could be valuable in the joint study, which would take six months to a year to complete once the agreement was negotiated.

Councilmember Wright stated her concerns about the impact on the commercial segment, noting the city needed economic development. The increased connection fees could hamper the city's ability to attract new businesses. But reducing those fees would shift the burden to residential, which also was not palatable. She repeated her interest in having the increases phased in.

Mr. Wade suggested that the commercial/industrial segment could be studied further prior to the next meeting to see if they fall into some categories, such as large structures with low demand.

Mayor Weiser noted that a house remained a residential structure for life, but some structures which were built as warehouses had changed their use to light manufacturing and housed 100 to 150 workers. Mr. Wade responded that if the property addressed storage for fire flow demand the city didn't have much other control.

Councilmember Herman stated he was interested in seeing further analysis on categories, implementation dates, and an analysis to support any reduced fee that would be defensible in the future.

MOTION by Herman, second by Dierck, to continue this hearing, without further public testimony, to December 13 to allow for further analysis as suggested. Motion carried unanimously (7-0).

Mayor Weiser called council's attention to the many items of business left to address this evening and before the end of the month. Councilmembers expressed a preference for having a longer meeting on December 13th in order to avoid another meeting. They agreed to begin with the Executive Session at 6:00 p.m.

MOTION by Bartholomew, second by Dierck, to continue the preliminary budget hearing from tonight to December 13. Motion carried unanimously (7-0).

Councilmember Wright pointed out that written comments on the budget from the public could be included in the packet for next meeting.

New Business

1. Custodial services for city facilities

Mr. Kennedy gave the staff presentation, explaining that the low bidder was non-responsive because they did not include supplies or equipment. If the city accepted that bid it would have to supply about \$650 in supplies each month and four or five commercial vacuums in order to cover several buildings at once time.

MOTION by Pedersen, second by Brennick, to award the contract for janitorial services to Jabco Janitorial for a period of 90 days for \$10,750 per month. Motion carried unanimously (7-0).

2. Amend 1999 city operating budget (first reading)

Mr. Erickson explained the need for the budget amendments, noting the amendment needed to be read at this meeting and then adopted at the next.

No one in the audience wished to speak on the topic.

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CONSENT AGENDA

1. Approve December 1, 1999 claims in the amount of \$554,140.79; paid by check nos. 49057 through 49284 with check nos. 48423, 48853, and 49174 void.
2. Approve November, 1999 payroll in the amount of \$794,994.13 paid by check nos. 36751 through 36987 with check no. 36987 void.
3. Approve new liquor license for Marysville Gas & Food Mart, 3608 88th Street N.E., Marysville.

MOTION by Wright, second by Bartholomew, to approve items 1 through 3. Item 1 carried (6-0-1) with Leighan abstaining; items 2 and 3 carried unanimously (7-0).

4. Approve utility variance request for water and sewer connections subject to conditions; Emerald Land Development LLC; 58xx 108th street N.E., Marysville; UV 98-018.

Mr. Winckler clarified this was an extension for an additional six months of a variance which council had previously approved.

MOTION by Wright, second by Leighan, to approve items 4. Dierck voted nay; all others voted aye; motion carried (6-1).

LEGAL MATTERS

1. Recovery contract; George Rose, 4502 92nd Street N.E., Marysville.

MOTION by Bartholomew, second by Wright, to approve Recovery Contract 217. Motion carried unanimously (7-0).

CORRECTED: SEE 12/13/99 MINUTES

Ordinances & Resolutions

1. A Resolution of the City of Marysville regarding pipeline safety improvements.

Councilmember Herman stated he had suggestions for revisions to this ordinance. He agreed to coordinate with Councilmember Dierck and propose revisions to Mr. Weed in time for consideration at the next meeting. The balance of the council concurred.

Councilmember Dierck asked if the city could enter into a franchise agreement with Olympic Pipeline and receive some funds which could be used for trails. Mr. Weed responded the city did have the authority to require franchise agreements with utilities when city streets and rights of way were used. He agreed to research whether the city could require this for an existing operation, such as Olympic.

ADJOURN TO EXECUTIVE SESSION

Council adjourned into Executive Session at 10:55 p.m. to discuss four personnel and one potential litigation issue.

RECONVENE AND ADJOURN

Council reconvened into regular session at 11:15 p.m.

MOTION by Brennick, second by Pedersen, to approve the settlement agreement as discussed in Executive Session. Motion carried unanimously (7-0).

Council adjourned at 11:17 pm.

Accepted this 13th day of December, 1999.

David Wuser
Mayor

Mary P. Swenson
City Clerk

Inna Maurice
Recording Secretary