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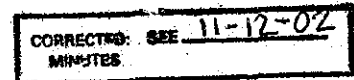
November 4, 2002

Marysville City Council Work Session

7:00 p.m.

Public Safety Center

Call to Order/Pledge of Allegiance



Mayor Weiser called the November 4, 2002 meeting of Marysville City Council Work Session to order at 7:00 p.m., and led the assembly in the Pledge of Allegiance.

Roll Call

Mary Swenson called the roll:

Council: Mayor David Weiser, Mayor Pro Tem Mike Leighan, Jeff Seibert, Donna Wright, Suzanne Smith, John Soriano, Lisa Vares, Jon Nehring

Staff: Police Chief Robert Carden; Mary Swenson, Chief Administrative Officer; Sandy Langdon, Financial Director; Grant Weed, City Attorney; Randy Brower, Program Engineer - Surface Water; Gloria Hirashima, Community Development Director; Jim Owens, Public Works Director, Larry Larson, Public Works Superintendent, Jim Ballew, Director of Parks and Recreation; Robin Nelson, City Engineer.

Committee Reports

John Soriano reported the Governmental Affairs Committee met today with Pastor Dennis Niva and Terry Deffries regarding a temporary roadside memorial. He noted that this meeting was productive as there was some agreement on putting a limit on temporary memorials.

Consent

- A. Approval of November 12, 2002 Claims.
- B. Approval of October, 2002 Payroll.
- C. Approval of New Liquor Licenses for The Great Northern Tavern and Smokey's Cascadia.
- D. Purchase of Vehicle Lift System from City of Tacoma; Bid #G05899.

It was requested that this item be removed until further research could be done.

E. Approve Design Service Contract with Sparling for the Edwards Springs Standby Generator and Authorize Mayor to Sign Contract.

Councilmember Leighan asked if this couldn't be done in house. Larry Larson indicated that it was fairly complicated. Councilmember Suzanne Smith asked if we had any electrical engineers on staff. Mayor Weiser said that we didn't. Jeff Seibert wondered if this item was in the budget. Mr. Larson replied that it was in the 2002 budget.

F. Approve Time Extension for Professional Services Agreement with Pertect Engineering; SR 528 Columbia to 55th Drive Road Improvements.

Councilmember Leighan commented on the delay in hearing back from Washington DOT and wanted to know what was done in house to monitor this. Robin Nelson, City Engineer stated that they have been in constant contact with them to try and get these things completed, but that the State has just been slow to respond. He said that they have been contacting the DOT bi-monthly. Jeff Seibert wanted to make sure that this delay was at no cost to the City. Robin Nelson said that was correct. Jeff Seibert added that this delay was characteristic of Washington DOT and was not unusual.

G. Accept the 2002 Street Overlay Project as Complete and Begin 45-Day Lien Filing Period.

Councilmember Seibert asked if part of this project involved doing the striping. Robin Nelson, City Engineer, said that it did. Jeff Seibert voiced concerns about not being able to park on 51st Street. Mr. Nelson stated that he would inquire into this matter.

H. Contract for Deferred Construction of Curbs, Gutters, And Sidewalks; Four "M's" Limited Family Partnership.

Councilmember Leighan asked if this was an owner occupied house or if it was slated for resale. City Engineer Robin Nelson replied that he was not sure. Mr. Leighan said that he had concerns about future owners being responsible for the sidewalks. Mr. Nelson stated that it should show up on a title search. He also noted that there were no other deferments or sidewalks along that street on either side. Councilmember Jeff Seibert asked if it was a lot that had been divided in order to build another house because it seemed odd that there would be a vacant lot in this area. Mr. Nelson did not know.

Councilmember Suzanne Smith asked why it was necessary to bring this to Council. Mary Swenson, Chief Administrative Officer, said that the Council needed to authorize the Mayor to sign this. City Attorney Grant Weed echoed this and also stated that if Council did not approve this, it could be a problem. Ms. Smith asked about the utilities variances that were no longer brought before the Council. Mr. Weed stated that the Utilities Variance Code was changed so that the Mayor no longer needs to sign them. Councilmember Leighan asked why we would need to do this under one system and not for all. City Attorney Grant Weed stated that in this case it was necessary because it was a contract. Jeff Seibert expressed frustration that this hadn't been brought to Council at an

earlier date so they wouldn't be stuck to approve it. Mr. Weed explained that the City could amend the code so that in the future Council could review each variance on a case by case basis.

Mr. Leighan also wondered why this was just now getting to the Council if the house is fully framed. Robin Nelson explained that this deferral was triggered by a building permit application and the deferral on the frontage improvements was issued on October 8. Gloria Hirashima, Community Development Director, stated that it is standard practice for building permits that defer frontage improvements.

Mayor Weiser asked if there were any further questions. There were none so he proceeded to the next item.

Review Bids

Wastewater Treatment Upgrade and Expansion; Phase 1.

Robin Nelson explained that they had opened five bids on October 31 which were publicly read aloud. The bids ranged from \$5,687,097 to \$7,351,000 (excluding sales tax). They have checked all the references. IMCO Construction Company from Bellingham is the apparent responsive and responsible low bidder for this project. Staff recommends award to IMCO for \$6,170,500.25 (which includes Washington State Sales Tax). The scope of work included improvements to the wastewater treatment facility headworks, aerated lagoon system, effluent pump station, and site improvements including upgrades to the plant electrical and control systems.

Discussion followed regarding this bid.

Councilmember Smith asked if this amount included a 10% reserve. Mr. Nelson said that it didn't because on a bid this size that amount of money would be too much of a burden. Ms. Smith asked how an overture would be handled. Mr. Nelson replied that it would be brought before the Council.

Current Business

New Business

A. Caretaker Agreement for Jennings Memorial and Nature Park(s); Rory P. and Tracy C. Elwell. (Action May Be Taken. Public Input Accepted.)

Mayor Weiser explained that the Council was addressing this Agreement because there hadn't been time at the last City Council meeting. Jim Ballew of the Parks Department noted a change on Page 1, Number 2 of the Agreement. The amount of the monthly compensation should be \$850.00 not \$700.00.

Councilmember Suzanne Smith asked about the scope of work required of the caretakers, especially regarding cleanup after large events such as the Strawberry Festival. Mr. Ballew stated that generally the caretaker was responsible for the cleaning of the restrooms etc. but that the Parks Department helped out if it was an especially large event.

Councilmember Jeff Seibert expressed concerns about the short notice the City had that the last caretaker was leaving. He had only given a two-week notice and had no penalty for terminating his agreement at that point. He inquired about possibly creating some way to discourage this in the future, such as a deposit. City Attorney Grant Weed said that they certainly could add some sort of disincentive for the future caretakers to leave on short notice. Mr. Seibert also asked if there was a background check done on the caretakers. Mr. Ballew said that they were given the standard Washington State background check done by the Troopers.

Councilmember Donna Wright noticed a discrepancy between the amount of time noted in Agreement and the Lease regarding the termination dates. Mr. Ballew agreed that both should be 30 days. Therefore, Number 8, Page 2 of the Agreement should say "30 days' notice" not "60 days' notice."

Councilmember Vares asked if Mr. Ballew thought there might be a chance that the work might not get done if the employee were really unhappy about his responsibilities. Mr. Ballew stated that it hasn't been a problem in the past. They have daily dialogues with the caretakers. They also encourage the caretakers to take breaks. They can get substitutes to take over for them if they will be away. The substitutes are also required to have background checks.

Motion by Councilmember Seibert, Second by Nehring to accept this Agreement with the addition of a section concerning forfeiture of a deposit if they don't meet the terms of the agreement and with the following changes: Section 2, Page 1 from \$700 to \$850 and Page 2 from 60 to 30 days' notice. **Motion** passed unanimously 7-0.

B. Update - Surface Water Comprehensive Plan/Surface Water Utility Rate Study and Hydrologic Modeling/Master Drainage Basin Planning.

A highly detailed presentation was given by Joe Simmler of OTAK and Tom Gould and Priscilla Purce of Economic and Engineering Services, Inc. (EES). Robin Nelson, City Engineer, gave an overview of the presentation including the City's objectives for this project.

Randy Brower, Program Engineer, reviewed the history and problems associated with the present system. He discussed: past activities/plans, Quilceda Creek - watershed management area, SW Utility through ILA with County, past flood events/lack of conveyance, watershed planning and new regulations. Mr. Brower concluded with photos depicting the main problem areas.

Next, Mr. Joe Simmler of OTAK displayed slides of more problem areas in the City including: 136th Street NE, BNSF Railroad Cross - Culvert, Quilceda Creek, Detention Pond on 88th Street at Haggens, Fire Trail Road (140th Street NE) and 26th Avenue NE, 23rd Avenue NE, Smokey Point Blvd. and 128th Street NE (including migrating Chum Salmon).

Mr. Simmler went on to describe the way they had analyzed the City's needs which included looking at the City's existing Surface Water Management Program, regulatory compliance needs, capital priorities and needs and funding needs. He stressed that the City's existing program is severely underfunded on capital investments. Mr. Simmler also described the challenge of comparing the current system with upcoming regulatory requirements such as the Federal NPDES II Stormwater Permit and the State's Puget Sound Water Quality Management Plan. He explained what they saw as the problem areas and described the proposed facilities. Their studies identified 16 projects at a total cost of \$14,000,000 which includes 3 basin studies. They focused on the needs of a growing community with a change in population from mostly agrarian to more high density development. The Capital Improvement Projects focused mostly on the North End. Other improvements would be done after the North End Master Drainage Basin is in place.

Their overall assessment of the City's Surface Water Management Program was that the program is not in regulatory compliance. There is an inadequate conveyance system in terms of land use. The program is currently under-funded to meet regulatory requirements and other program needs and there are extensive capital needs.

Tom Gould from EES focused on the revenue requirements for implementing the proposed surface water management improvements. He explained the global rate setting principles around which all rates should be set. He said that rates should be cost-based, equitable and set at such a level that they meet the full revenue requirements of the utility. Rates should be easy to understand and administer. Rates and the process of allocating costs should conform to "generally accepted" rate setting techniques. Rates should be stable in both their ability to provide adequate revenues to meet the utility's financial, operating and regulatory requirements and in the customer's perception of the rates from year to year.

Mr. Gould went over the initial draft of revenue requirements and the reasons why it was rejected by the City. He went on to explain the revised plan for revenue requirements. The changes are as follows: it would meet the NPDES II and PSWQMP regulatory requirements, the plan was expanded to include 2008, they will review and revise the capital plan to initially focus on North End projects, and limit capital plan in any year to create rates equal to \$5.00/month in 2003, with \$1.00/month annual adjustments thereafter.

Mr. Gould showed comparison of Marysville to other residential surface water rates. Compared to neighboring cities, Marysville appears to currently have a rate much lower

than its neighbors. Allowing for the increase to \$5.00/month the rate would still be comparable with surrounding communities.

Tom Gould concluded by discussing four issues which the Council should address in the future:

1. The existing County rates do not charge School Districts and Low-Income Senior Customers
2. There are "exempt" rate classifications that the City will need to address over the next year: common area, open space, vacant mobile home sites, government services, city roads
3. Billing for Surface Water Rates: Should the County continue to bill the City's customers and the fees remain on property tax statements or be billed on a monthly basis by the City?
4. Adoption and Review of Rates

Discussion

Grant Weed asked about funding from outside parties. Mr. Gould stated that in their estimations they had assumed minimal contributions from outside funding.

Councilmember Nehring asked if the need for a rate increase was due to a lack of planning for past growth and to mitigate for future development. Robin Nelson stated that mitigation had just not been addressed in the past.

Councilmember Smith asked about the discrepancy in funding projects in the North End when most residents don't live there. Mr. Nelson noted that commercial establishments would also be contributing to this. Randy Brower commented that the projects would be spread throughout the area.

Regarding the issue of billing for surface water rates, Robin Nelson added that the City needs to give the County notice of its intent by the middle of November in order to give them time to process this. Councilmember Donna Wright commented that having the City do the billing on the water and sewer bill seemed to make sense, but she wondered about the detriments. Sandy Langdon, Finance Director, addressed this question. She said that bimonthly billing would appear to show a larger increase from the customers' perspective. Also, the bills from the County are currently sent to property owners, but if the City began billing it would go to the tenant (along with their utilities bill). Other issues included how to bill sites such as condos and vacant mobile home sites and what to do in the way of penalties for non-payment.

Councilmember Nehring asked if the rates could be lowered if the four issues above were addressed. Tom Gould stated that they had made assumptions that those issues would be addressed by 2004 (with the exception of Issue #3). Councilmember Smith asked if the Council could address the issues in the future. Robin Nelson replied that the City would be able to on an annual basis.

Councilmember Leighan wondered about putting an LID on the North End until these issues are addressed. Mr. Gould replied that LID's are a potential option but the City would need the agreement of the area's current property owners to do that.

Councilmember Leighan also inquired about creating a larger special purpose drainage district to set up a regional stormwater authority. Mr. Simmler of OTAK said that Fife is currently doing that and he feels it would be a really good idea. There is a possibility that past drainage districts in the local area might still be on the books and that they could still be collecting funds.

There were no further questions so Mayor Weiser thanked the presenters.

Proposed 2003 Budget and Setting the Property Tax Levy.

Sandy Langdon, Finance Director, presented the Proposed 2003 Budget and discussed setting the Property Tax Levy. She described the options the Council would be facing at the next City Council Meeting on November 12. Discussion followed regarding the impacts of the various options. Mary Swenson reiterated that they are recommending the 1% increase. She emphasized the increasing needs that the City will be facing in the future and the dire straits of the budget if 1% is not approved.

CORRECTED: SEE 11-12-02
MINUTES
Weed and Reed

Councilmember Nehring expressed his reluctance to raise the rates for citizens in this area when there are already other rate increases they will be facing (stormwater, sewer). City Attorney Grant Reed explained that the other increases are required because of changing requirements in the laws. Mayor Weiser commented that the rates would be for existing citizens who are directly responsible for the need to implement them.

Councilmember Leighan emphasized that this would only cost the average person pennies a year. Councilmember Nehring pointed out that the City really needs to show the citizens that growth pays for itself and that we will be responsible with their money. Councilmember Smith commented that citizens don't want to pay for more than their share of growth.

Mayor Weiser emphasized that they have repeatedly and clearly shown the correlation between new regulations and new rates yet some people still don't trust us. He said that citizens can't keep requesting more services and not expect rate increases.

Councilmembers Smith and Nehring both expressed their disapproval of the Parks programs rate increases. Mr. Nehring specifically was concerned that other groups don't have to pay for special services - the costs are spread out over the community (i.e. - seniors aren't the only ones who pay for the senior center; the roads aren't paid for only by people who drive on them.)

Motion by Smith, Second by Nehring to extend the meeting until 10:15. **Motion** carried 5-2 with Councilmembers Leighan and Seibert voting against.

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Mary Swenson, Chief Administrative Officer, described ways that the City had been working to determine that they can cut costs. She also explained that even though they were interested in cutting costs they decided not to charge for the after school programs as this was beneficial to the community by providing activities for children at no charge. To charge for these programs would mean increased costs for the Police Department and other departments to take care of problems associated with kids not being busy after school. Discussion followed regarding the differences between prior budget proposal and this one. Mary Swenson and Sandy Langdon reviewed the proposed budget revenue additions and expenditure reductions.

Councilmember Wright commented that she would not be in favor of raising the taxes 1%.

There was discussion about Maryfest and the potential of charging an admission tax to cover the City's costs.

Councilmember Seibert asked Sandy about the prospect of buying materials (especially paper and other office supplies) from local businesses to generate some sales tax and also to increase community support. She said that they do consider that, but they are saving quite a bit by buying it from Office Depot in Lynnwood.

There were no further questions.

Information Items

Mayor's Business

Mayor Weiser reminded Council of the upcoming Public Hearing next Tuesday where they will be asking for direction on the property tax proposal.

Adjourn

Mayor Weiser adjourned the meeting at 10:09 p.m. and Council convened into Executive Session at 10:15 p.m. At 10:45 p.m. Council reconvened into Regular Session, took no further action, and adjourned.

Approved this 12th of November, 2002.

David Weiser
Mayor

Berry Becker
City Clerk

Sammie Hugdahl
Recording Secretary