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ORIGINAL

Marysville City Council

7:00 p.m.

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AM

Public Safety Center

February 10, 2003

Call to Order/Pledge of Allegiance/Roll Call	7:00 p.m.
Approval of Minutes	
January 27, 2003 City Council Meeting	Approved
February 3, 2003 City Council Work Session	Approved
January 28, 2003 Joint Council, Planning, MERC Meeting	Approved
Consent Agenda	
Approval of February 10, 2003 Claims in the Amount of \$860,616.00; Paid by Check Nos. 5161 through 5511 with Check Nos. 5053, 5148, 5161, and 5175 Void.	Approved
Approval of February 8, 2003 Payroll in the Amount of \$818,106.24; Paid by Check Nos. 10087 through 10181.	Approved
Approval of New Liquor License for Jack-Pot Food Mart ; 5830 Grove Street, Marysville.	Approved
Authorize Mayor to Sign Yearly Harley-Davidson Police Renewal for Motorcycle Lease Agreement; Bears & Roses Harley-Davidson.	Approved
Authorize Mayor to Sign TIB FY 2004 Program Funding Status Form to Allow Staff to Proceed with Obligating and Billing of TIB Funds in the Development of the State Avenue 136th Street NE to 152nd Street NE Road Improvement Project.	Approved
Approval of Sensitive Areas Ordinance Environmental Consultant List; PA 0209038.	Approved
Current Business	
Approval to draft an ordinance to establish a salary commission.	Approved
New Business	
Approval of Zoning/Development Code Amendments; PA 0209039, Draft 2	Approved
Approval to Retain Title 18C-Impact Fees & School Mitigation Enabling Ordinance as Written.	Approved
Ordinances and Resolutions	
Resolution of the City of Marysville Declaring Certain Items of Personal Property to be Surplus and Authorizing the Sale or Disposal thereof.	Approved Resolution 2087
Information Items	
Approval to Authorize Seeking the EPA Grant for the Education of Stormwater for the City of Marysville.	Approved
Adjournment	10:16 p.m.
Executive Session	10:25 p.m.
One real estate issue. No action taken	
Adjournment	10:35 p.m.

MARYSVILLE CITY COUNCIL MEETING MINUTES

February 10, 2003

7:00 p.m.

Public Safety Center

CALL TO ORDER / PLEDGE OF ALLEGIANCE / INVOCATION

Mayor David Weiser called the February 10, 2003 meeting of the Marysville City Council to order at 7:00 p.m. He then led the assembly in the Pledge of Allegiance. There was not a pastor in attendance so Mayor Weiser dispensed with the invocation.

ROLL CALL

Chief Administrative Officer Mary Swenson called the roll. The following councilmembers and staff members were in attendance:

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

Staff: Police Chief Robert Carden; Mary Swenson, Chief Administrative Officer; Sandy Langdon, Finance Director; Thom Graafstra, City Attorney; Gloria Hirashima, Community Development Director; and Jim Owens, Public Works Director.

COMMITTEE REPORTS

Councilmember Mike Leighan mentioned that the Implementation Committee had met. They are looking at dividing into five committees and would like to see each councilmember take a committee and also a staff member and other members on each committee. The committees mentioned were: image and identity, business retention, land use permitting, work force education, tourist and recreation. They are planning to meet again this Thursday and hopefully come back to report to the full committee in the next few weeks.

Councilmember Jeff Seibert attended the Facilities meeting where they discussed rebuilding the barn storage area that was burned down at Jennings Park and also improvements to be done to the Allstate Building. He was pleased to note that most of the improvements, except for the building of the vault, will be done in-house.

PRESENTATIONS

Tara Mizell, Recreation Services Manager, Parks and Recreations, enlightened the Council about the Gellerson family who donated a large sum of money to the City. She gave an interesting and in-depth history of the family. Harold Gellerson (November 13, 1906 – April 18, 1989) was born and raised in Marysville. He served in the Merchant Marines during WWII. He was a salesman for Sears for many years and finished his career working at Nord Door. He was a life member of the Everett Lodge #127 and

Master Masons Club of Snohomish County. He served on the Marysville Cemetery Endowment Board and was a District 12 Fire Commissioner. Harold was very civic-minded and could often be found attending Marysville City Council meetings. His wife, Julietta (May 17, 1906 – July 5, 2002), was born in Oak Harbor and moved to Marysville in 1918. She attended school here and graduated with the Class of 1925. She attended Rogers Business college of Everett and worked at Builder's Supply of Everett until their marriage in 1930. After they married they first lived on 2nd Street in Marysville, then built a house on 3rd Street, and finally moved "out to the country" and built a home on Armar Road. The couple loved to travel and had adventures all over the world. They also loved to go for walks, drives and out to eat. They had a boat and enjoyed fishing. Harold was an avid reader and was also very interested in the stock market. Julietta loved to do crafts. She made some beautiful "fancy work" and would knit bonnets for babies and give them to local hospitals. Gardening was also a passion for Julietta. They were both members of the Kellogg Marsh Garden Club.

Harold and Julietta wanted "to do good things for their community" according to Julietta's cousins. They wanted the money they left behind to be used to help people and did not want a big fuss or recognition on their behalf. The family left funds to the following agencies: Sno-Isle Community Blood Bank, Marysville Library, John Flynn Cancer Center, Children's Hospital and Medical Center, and Marysville Parks and Recreation. Ms. Mizell explained that the first installment of the trust has arrived in the amount of \$30,000 and a future gift will be issued when the estate is closed. The money left to the Parks was to be used for the purpose of improving and/or maintaining Jennings Park and/or acquiring other park property. The family hopes that the monies will go where the need is and help the Parks and Recreation Department. Ms. Mizell concluded by saying that it was a pleasure getting to know the Gellersons and she was looking forward to working on this project in their memory. Mayor Weiser thanked Ms. Mizell for meeting with the family and for sharing their history with the Council.

AUDIENCE PARTICIPATION

Mayor Weiser solicited audience participation. There was none.

APPROVAL OF MINUTES

A. January 27, 2003 City Council Meeting.

Motion by Councilmember Lisa Vares, second by Councilmember Suzanne Smith, to approve the January 27, 2003 City Council Meeting Minutes as presented. **Motion** passed unanimously (7-0).

B. February 3, 2003 City Council Work Session

Motion by Councilmember Vares, second by Councilmember John Soriano to approve the February 3, 2003 City Council Work Session Minutes as presented. **Motion** passed unanimously (7-0).

C. January 28, 2003 Joint Council, Planning, MERC Meeting

Motion by Councilmember Jon Nehring, second by Councilmember Mike Leighan to approve the January 28, 2002 Joint Council, Planning, MERC Meeting Minutes as presented. **Motion** passed unanimously (7-0).

CONSENT AGENDA

- A. **Approval of February 10, 2003 Claims in the Amount of \$860,616.00; Paid by Check Nos. 5161 through 5511 with Check Nos. 5053, 5148, 5161, and 5175 Void.**
- B. **Approval of February 8, 2003 Payroll in the Amount of \$818,106.24; Paid by Check Nos. 10087 through 10181.**
- C. **Approval of New Liquor License for Jack-Pot Food Mart ; 5830 Grove Street, Marysville.**
- D. **Authorize Mayor to Sign Yearly Harley-Davidson Renewal for Police Motorcycle Lease Agreement; Bears & Roses Harley-Davidson.**
- E. **Authorize Mayor to Sign TIB FY 2004 Program Funding Status Form to Allow Staff to Proceed with Obligating and Billing of TIB Funds in the Development of the State Avenue 136th Street NE to 152nd Street NE Road Improvement Project.**
- F. **Approval of Sensitive Areas Ordinance Environmental Consultant List; PA 0209038.**

Motion by Councilmember Jeff Seibert, second by Councilmember Donna Wright to approve Consent Agenda Items A-F. **Motion** passed unanimously (7-0).

CURRENT BUSINESS

A. **Salary Commission.**

Mayor Weiser asked if there were any questions. Councilmember Jon Nehring asked what the term is for a salary commission member. No one was quite sure. Mr. Nehring asked how often they were reviewed. This had not yet been determined.

Mayor Weiser then solicited audience comments or questions. There were none so the topic was closed to public input.

Motion by Councilmember Jon Nehring, second by Councilmember Jeff Seibert to direct the city attorney to draft an ordinance to establish a salary commission for a two- year term with an annual review.

Mary Swenson said that typically the terms would be staggered so there was always somebody with some history on the committee. She offered to bring back some information on what other cities have done. Mr. Nehring thought this was a good

idea. City Attorney Thom Graafstra then further explained how that this is typically handled. He said that typically you would establish a commission with a certain number of people on it such as five members. The original appointees might have one for a 1-year term, two for a 2-year term and two for a 3-year term and thereafter have everyone on a 3-year term. He also explained there was nothing that addressed the length of the term except to say that there is a limitation that no person can serve more than two terms.

There was discussion about how the appointments would be handled. Councilmember Donna Wright asked about compensation for this position. She also suggested a review only every other year.

Mr. Seibert suggested that everyone must fill out an application or letter of interest and go through an interview. He also asked if a background check might be necessary. Mr. Graafstra said that it was not a legal issue, but a policy issue. Mary Swenson said that there was not typically a background check. She also commented that councilmembers were the only paid committee members.

Councilmember Leighan asked if this requires the City to adopt a referendum process. He referred to Item 6 which states "salary increases and decreases shall be subject to referendum petitions by the people of the town or city in the same manner as a city ordinance upon filing such a petition with the city clerk within 30 days of the salary schedule". Mr. Graafstra said there were different interpretations to this. He explained what those were. One interpretation would be that a general referendum process would need to be adopted. Another interpretation would be that only the salary increases would be subject to a referendum process and election by the voters. He explained that the voters would either approve or disapprove an issue. It would not be open for negotiation by the citizens.

Mayor Weiser then referred to a fairly comprehensive ordinance from the City of Bainbridge Island that addresses many of the questions brought up.

Motion by Councilmember Jon Nehring, second by Councilmember Jeff Seibert to direct the city attorney to prepare an ordinance authorizing the appointment of a salary commission with a 3-year term with initial staggered terms within that and following the state law that no member shall serve more than two terms. The members shall report biennially (every other year) and that the applicants be City residents and shall sign a letter of interest with basic background information included. The size of the commission shall be seven members. **Motion** approved 6-1 with Councilmember Leighan voting against.

NEW BUSINESS

A. Zoning/Development Code Amendments; PA 0209039

Mayor Weiser asked Community Development Director Gloria Hirashima if she had anything to add to this. Ms. Hirashima explained that they had provided an alternative draft ordinance that struck one of the paragraphs that had been suggested regarding

Code Amendment 2, Accessory Buildings, 16 C, to allow accessory buildings to be allowed in the front or side yard without topography or lot configuration restrictions. Councilmember Seibert thanked Gloria for making this change and said he felt a lot more comfortable with this added.

Mayor Weiser solicited public comment. There was none.

Motion by Councilmember Mike Leighan, second by Councilmember Jeff Seibert to approve Code Amendments Draft 2 as presented tonight with the changes as enumerated by the Community Development Director. **Motion** passed unanimously (7-0).

B. Title 18C-Impact Fees & School Mitigation.

There were several citizens who wished to address the Council regarding this item.

David Toyer, Master Builders Association, 2155 112th Avenue NE, Bellevue, WA 98004

Mr. Toyer explained that he represents the Master Builders Association. He stated that he would like to see the City go back to the 50% amount because of the fairness of this from the developers' perspective. Mr. Toyer passed out a handout he had put together entitled *Estimate of Taxes and Fees Collected during the Development, Construction and Sale of a New Single Family Home in Marysville (2002 Tax Year)*. He reviewed this document with particular attention to discussing other taxes that benefit schools such as annual property taxes, sales and use taxes and REET.

Councilmember Donna Wright referred to the second page of the handout referencing RCW 82.02.050. Mr. Toyer explained that this statute says that counties, cities and towns must provide for a balance between impact fees and other sources of public funds and cannot rely solely on impact fees. He further stated that the impact fees shall only be imposed for system improvements that are reasonably related to the new development; shall not exceed a proportionate share of the costs of system improvements that are reasonably related to the new development; and shall be used for system improvements that will reasonably benefit the new development.

Mayor Weiser asked Mr. Toyer about the tax payment credit. Mr. Toyer replied that this was a one time payment. There was further discussion about the fairness of the impact fees.

Councilmember Mike Leighan asked about REET 1 and REET 2 taxes. He wasn't aware that the schools received REET. Mr. Toyer explained that a residual amount of REET ends up with the school district. He wasn't sure exactly where it came from. Councilmember Leighan commented that there had not been a challenge to this 25% amount and asked Mr. Toyer to comment on that. Mr. Toyer said there had not been a legal challenge to date, but that they had addressed the Council several times.

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Councilmember Nehring asked about the annual property tax and where that went. Mr. Toyer said he wasn't sure, but he noted that it was still an amount the homeowners pay to the schools.

Mayor Weiser commented that no matter what they do to the fees it will be unfair to someone.

Councilmember Seibert commented that the members of Master Builders Association do not pay the fees, but pass them on to the homeowners. He wondered why this was an issue for him. Mr. Toyer said it was an issue of affordability for the homeowners. He claimed that since those potential residents were not here to represent themselves he was here on behalf of them.

In light of this Councilmember Seibert asked if the price of the house would go down if the discount was 50%. Mr. Toyer could not say that the price would go down. He said it was a very complex issue.

Councilmember Smith then asked if Mr. Toyer would give \$4000 (the 50% discount rate) back to the homebuyer if this were approved. Mr. Toyer said it would not be rebated and there was some discussion to clarify this issue. Councilmember Smith asserted that they would sell the house for what the market would bear regardless of what the discount rate was.

Zak Parpia, 1059 State Avenue, Marysville

Mr. Parpia asked Council to reconsider the percentage associated with new construction. He said there just isn't enough money for developers to pay what the City wants them to pay. He affirmed the need to make this into a win-win situation. Mr. Parpia wondered how the citizens could vote against the bonds, but the City could vote to charge it in a different area. He commented that this was an issue for legal minds to discuss. He felt the money needed to come from the broader tax base than just new development. Finally Mr. Parpia asked for a prepayment option so that once developers decided to go into a business venture they knew what they were going to end up paying.

Councilmember Mike Leighan asked about taking it off the permit phase and putting it on final plat approval. Mr. Parpia agreed that this is what he would like to see happen.

Councilmember Donna Wright asked if he was a member of the original group who deliberated on the original fee. He indicated that he was and there was some discussion of the history of this fee.

Councilmember Jeff Seibert commented that Mr. Parpia seemed to support the bond-type process. He asked if it wouldn't be in the best interest to come out and support the bond to relieve the burden on builders. Mr. Parpia agreed, but commented on the lack of trust on the side of the builders.

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Gary Wright, 5533 Parkside Drive, Marysville, WA 98270

Mr. Wright said he was at the meeting to ask that they consider changing the assessment rate from 25% to 50%. He said that one of the issues is that the County gets a 50% discount. He said that the County considered whether or not they would change their rate and decided to leave it at 50% in order to be fair. Mr. Wright asserted that the majority of other municipalities have a 50% discount and said that Marysville is about the highest there is.

He said he supported the schools and voted for the bond issues. He was sorry the bond issue didn't pass. He commented that they were never going to collect enough money from the impact fees to cover the bond amount. The reason for the proposed 50% discount rate is to try to bring equity from other ways that the construction is paying. He believes it is discriminatory that only new construction pays without regard to where the children are. Mr. Wright concluded by saying he hopes the City decides to return the rate to where most other municipalities and where the county has it.

Councilmember Suzanne Smith brought up various scenarios of families in different situations. There was discussion of the unfairness to different entities in each scenario. Ms. Smith asked why the builders were not lobbying the state legislature for these discrepancies. Mr. Wright said the law is already on the books and that it is called property tax and bond issues.

Mayor Weiser thanked Mr. Wright. There were no further comments or questions.

**Jim Fenstermaker, Executive Director of Finance, 4220 80th Street NE
Marysville School District, Marysville, WA 14508 80th Street NE, Lynnwood,
WA 98037**

Mr. Fenstermaker said he believes that the City should retain the 25% discount rate from the calculations provided in the Marysville School District Capital Facility Plan.

Mr. Fenstermaker explained the school district's situation. He said they have to have room for the kids coming in. The majority of fees have been used to provide additional space, primarily in the form of portables for the students. As there is growth, they will need additional revenue to house them. He stated that other taxes come to the district only in a very small percentage.

He then went on to discuss the district match which the State had reduced to 64% and how this further lessens the resources available to the schools.

Mr. Fenstermaker then referred to the student generation rate and how that was figured into the equation. He said it has nothing to do with the growth of the school district. He stated that the district needs the dollars in order to provide portables or purchase land for new schools.

Councilmember Mike Leighan referred to a check sent to the school district in the amount of \$218,000 recently. He asked about the overall amount the district received from the City. Mr. Fenstermaker thought it was around \$300,000. Mr. Leighan asked how much they received from the County. Mr. Fenstermaker estimated that it was probably around \$500,000 wasn't sure of the exact number. Mr. Leighan asked if the school district had the ability to establish a school moratorium. Mr. Fenstermaker replied he was checking into that.

Councilmember John Soriano asked if the bond issue passed right now how long would it be before students would actually walk into a new high school. Mr. Fenstermaker estimated that completion time would take about five years. Councilmember Soriano asked about the number of portables they would purchase in that time. Mr. Fenstermaker estimated that it would be about forty.

Councilmember Donna Wright said she was sorry the bond didn't pass. She asked if Marysville School District wasn't involved in the original negotiation of the rates. He was not sure and thought Dr. Walker would have more info on that.

Councilmember Suzanne Smith asked how changing the impact fees would impact the numbers of the bonds. He said they would have to do without some of the things that they feel the students need. They would probably be forced to reduce the scope of some of the projects. Ms. Smith then asked about the state match. He clarified that only certain projects qualified for those matching funds. Councilmember Smith asked if they would need to know which projects could potentially be funded before they ever go into bond issue. He stated that they apply to the state beforehand to get an idea. The state gives them an amount and commits to that for a year. Councilmember Smith then asked what percentage of new facilities the impact fees pay for. Mr. Fenstermaker stated that it approximates the funding of the facilities for the new students coming in. There was further discussion about student generation rates.

Councilmember Jeff Seibert asked if 100% of the mitigation fee would be able to pay for a new school without bonds or any other funding source. Mr. Fenstermaker said that they would still need additional sources. Mr. Seibert referred to Mr. Toyer's list of qualifications and clarified that all of the situations applied and would hold up in court. Mr. Fenstermaker assured him that they would.

Mr. Nehring asked about the difficulty some people have with the school district using the money on portables. He asked what other costs there are. Mr. Fenstermaker replied that there were costs for additional staff, infrastructure, additional supplies and other parts of the capital facility. He explained that portables are necessary because they are the only way they can receive state funds for un-housed students in the district. Councilmember Nehring asked what happens to the portables if they build a new building. Mr. Fenstermaker said they would probably try to sell some off, but some would probably be used to house more students. He noted that the resale value of portables is very low.

Mayor Weiser asked if it costs the same to build a school in Marysville as in Everett. Mr. Fenstermaker said it was probably approximately the same. Mayor Weiser

referred to a publication he received from Snohomish County which showed that Marysville has the 4th lowest assessment value in Snohomish County. Mayor Weiser asked if the school mitigation fees would be used to clarify some of this difference. Mr. Fenstermaker indicated that they would.

There were no further comments or questions. Mayor Weiser thanked Mr. Fenstermaker for coming to address the Council.

Jake Walker, Executive Director of Business and Operations, Lake Stevens School District c/o 12309 22nd NE, Lake Stevens; and a resident of the City.

Dr. Walker said that he supports the City in maintaining a 25% discount fee for school mitigation or reducing the discount more.

Referenced an item that Councilmembers received in a packet a week or so ago which was an item from the Seattle Times about the rising cost of property. This article said that the rising cost of property could be attributed to the Growth Management Act in UGA's forcing the supply and demand concept to come into place and less property available for building on it. Therefore the price of property has increased dramatically. He firmly stated that that had nothing at all to do with mitigation.

He then referenced *Rethinking School Impact Fees*, an article from the Washington Research Council Special Report of 1995. He said the summary statements in that article had several recommendations regarding addressing problems with determining impact fees. He went through several of the problems addressed by this and its associated suggestions. Some of the topics were defining student generation factor, defining and limiting the level of service to be supported by impact fees, and specifying the timing of payment.

He commented on how builders handle the cost of impact fees. He stated that if demand is strong, the cost of development fees will be passed to the buyer. If demand is weak the cost of the builder will be paid by the developer.

Councilmember Suzanne Smith asked why the school district settled on a \$2000 cap. He said the school district did not settle on a \$2000 cap. His position had been that they should not have a formula that involved a discount fee. His recollection was that over the course of the summer, when the superintendents were gone, this happened and was remediated with a new Council. He said that the 50% discount was a political issue to end this debate. He said that many superintendents were very upset that this ever came about.

Councilmember Jeff Seibert thanked Dr. Walker for coming. Mr. Seibert asked if he was comfortable with the formula in use today. Dr. Walker said he was comfortable with the formula. He said he has never seen any documentation that has shown what is wrong with the formula and how it is applied. He referred to a letter from MBA challenging the decision by a court. He believed this was irrelevant to what the City was doing as the City had no control over a court decision. He said he might support

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the fairness argument if someone could show him what was wrong with the data going into the formula.

Mr. Seibert then asked if he would comfortable with receiving 100% of the mitigation fees. Dr. Walker said absolutely yes. He referred to the decreased state match dollars and stated that the actual match was about 50% because of all the things that the state match funds do not cover. Mitigation fees help to offset those things that the state funds do not cover.

There was more discussion about the costs of operating schools and where the money was coming from. Dr. Walker went on to describe double-shifting and multi-track year round calendars as alternate methods of providing for students without adequate funding.

Councilmember Suzanne Smith requested a copy of the article to which he was referring. Dr. Walker said he would get that to staff. There were no further comments or questions. Mayor Weiser thanked Dr. Walker for coming.

Shelly Rae Jay, 12903 96th Street, NE Lake Stevens, WA 98258

Ms. Jay stated that she is a parent and wants her children to go to good schools. She said she was in support of a compromise between what the Master Builders and the school districts want. She suggested a 35% discount rate. She said that there was no perfect way of predicting the number of children in a new home. She noted that bonds and levies fail and there need to be alternate ways of getting money for new schools. She noted the shortcomings of this such as duplication of taxes being paid by some and said there was no way around this. She didn't feel that it needed to be a win or lose situation, but that it could be a compromise.

Councilmember Smith firmly clarified that 25% was already a compromise. Ms. Jay said she felt 35% would be fair.

Mr. Seibert asked if when she purchased her first home she considered the school district. She said that everyone does, and she had hoped she was buying in a community which supported its schools. There were no further comments or questions. Ms. Jay was thanked for addressing the Council.

Greg Wright, 4802 76th Street NE, Marysville, WA 98270

Mr. Wright said he feels a great sense of obligation to the Marysville School District. He said he has four children, with three children currently attending the schools. He discussed the REET funds that come out of the general funds. He said they play a big portion of construction of schools. He also discussed road fees and the portion of schools that they pay for. Regarding pass-through of the builders' impact fees, he said that inevitably the cost is passed on to the homebuyers. He expressed his frustration with the costs they were forced to pass on to the buyer. He said the schools benefit everyone and need to be supported. He was in support of a 50% discount, but

suggested that lump fees be paid to the schools. He stated that it would be a lower amount, but paid sooner in the process.

Council Discussion:

Councilmember Mike Leighan began by saying that felt everyone in the district should pay the same amount, whether in the City or the County. He noted the changes that have taken place since the 50% discount was put into effect. He commented on the failure of the levy and the need to make sure the children's needs are being met. He said that he also wanted to support the builders. Councilmember Leighan concluded by saying that he supported keeping the ordinance the way it was with the exception of having the fees being paid at the final plat phase.

There was discussion between Councilmember Suzanne Smith and Gloria Hirashima about discount factors and reduction factors. She stated that there are reduction factors already built into the school districts' formula and that further discounts were not necessary. She then asked if Snohomish County has a discount factor that they apply on top of the road impact fees like they do on top of the school impact fees. Mr. Graafstra said he was not aware of one. Ms. Smith referred to her discussion with the mayors of Monroe and Lake Stevens. They thought they were still willing to go forward to Snohomish County Council to ask them to mirror the impact fees of those cities. She said she was willing to research how the formula is administered. She referred to the minutes of the Monroe meeting where they changed the discount and said she could provide a copy for anyone interested.

Councilmember Soriano said he wanted to retain the 25% discount.

Councilmember Seibert said he has a daughter in high school that has to carry all of her books with her because of the lack of lockers in the schools. There are no inside walkways and not enough room for everyone to stand inside in the mornings. He said it feels like they are punishing kids because they can't agree to fund the schools. He stated he does not believe the fee should be discounted at all. With regard to paying at the final plat phase, he did not feel this would be fair for the school district because of the lower amount that they would receive. He said he would hate to see the day when people would not buy homes in Marysville because of the state of the schools. He said he was in favor with keeping the 25% discount.

Councilmember Vares said when the costs of doing business gets too high a businessperson stops doing business or does business elsewhere. She believes they need to support the schools. She was in favor of keeping the level at 25% with the option of paying at final plat.

Councilmember Wright said she would like to see the school discount raised. She was in support of Ms. Jay's compromise of 35%.

Mayor Weiser referred to conversations he had with some acquaintances. He referred to some that did not vote for Proposition 2. He said his concern with mitigation fees always has been that new construction happening and with the students needed to fill

the proposed new schools, and with a 50% match from the state, the school district does not have to have a bond issue passed to build new schools. The issue is what to do in the interim period as population builds up. He concluded by saying that no matter where you put the fee there will always be people who want to have it changed one way or another.

Suzanne Smith wanted to know the effect on the school district of changing the timing of when the fees are paid. Gloria Hirashima explained that currently they pay at the time of building permit application.

Jeff Seibert said he would like to see no discount, but to help this move forward he said he would make a motion.

Motion by Councilmember Seibert, second by Smith to leave the enabling ordinance as is.

Mike Leighan asked for further clarification about the timing of the payment of the fees with regard to vesting and development.

Mr. Graafstra clarified that there were two issues with regard to this. One was at what time do you determine the fee. The other issue was the date on which the fee must be paid. Currently they are allowed to prepay an estimated amount, but must pay the difference if any upon permit application. The amount of the fee is established at the time of building permit application.

Donna Wright asked about tracking. She felt it would be easier to pay upon plat approval.

Mike Leighan commented that from a staff standpoint it would be cleaner and easier at the final plat rather than at the building permit phase.

Motion by Councilmember Seibert, second by Councilmember Smith to retain the school mitigation enabling ordinance as written. **Motion** approved 5-2 with Councilmembers Vares and Wright voting against.

ORDINANCES AND RESOLUTIONS

A. A Resolution of the City of Marysville Declaring Certain Items of Personal Property to be Surplus and Authorizing the Sale or Disposal thereof.

Motion by Councilmember John Soriano, second by Councilmember Suzanne Smith to adopt Resolution No. 2087 – A Resolution of the City of Marysville Declaring Certain Items of Personal Property to be Surplus and Authorizing the Sale or Disposal thereof.

INFORMATION ITEMS

Mayor's Business.

Mayor Weiser noted that there were two upcoming AWC seminars. The first one was on winning local elections and would explain putting tax initiatives in front of voters. There is one on March 5 in Lacey and on March 6 in Woodinville. It is an all-day seminar. The other seminar was on Emergency Management 101 for local officials on April 10 in Everett. Anyone interested in either seminar should contact Lillie.

Staff Business.

Sandy Langdon said they had completed the implementation of the new system. Mayor congratulated Ms. Langdon on the successful implementation. Mary Swenson echoed her appreciation of Ms. Langdon and her staff. She noted that they had worked long hours and even on Sunday to get the system in place. They had recognized the employees' extra effort with balloons and candy bars, but Ms. Swenson noted that they would be bringing certificates of appreciation to Council to present in recognition of the employees.

Thom Graafstra did not have any legal matters to discuss. He noted that it was a pleasure to be part of such a convivial council meeting. Mayor Weiser thanked him for being present at the meeting.

Jim Owens said that part of the surface water program regards the educational part of environmental compliance. He explained that he wants to make application for a \$12,000 matching grant with the Environmental Protection Agency. He explained that there is a 25% City match required to seek that grant which would obligate the City to about \$2500 were they to get the grant. He was asking for Council to approve a letter of commitment by the Mayor to make that match in the event that the EPA were to award the grant to the City.

Motion by Councilmember Jeff Seibert, second by Councilmember Mike Leighan to authorize seeking the EPA grant for the education of stormwater for the City of Marysville. **Motion** passed unanimously (7-0).

Bill Spies addressed the Council regarding their approval of the Facilities Department's purchase of the data lift system. He said it has not been in place long, but they have been able to cut their garbage service in half. He figures just the cost savings on the garbage trucks alone will save about \$9,000 per year. Mr. Seibert thanked Mr. Spies for coming back with his report.

Call on Councilmembers.

Lisa Vares suggested suspending the 2001 Stormwater Manual until the end of the year and going back to the 1998 Manual while staff is getting prepared. Mary Swenson replied that they are in the midst of staff discussions and she will come back to share the result of those with Council as soon as is possible. Mike Leighan asked if

that might open the City up to third party lawsuit. Mary said they would need to explore that. Mayor Weiser affirmed that they would want legal advice on this.

Mike Leighan asked for clarification about the surplus vehicles. Bill Spies clarified that 6 of the 10 vehicles they surplused were not replacement. Mike Leighan asked about reports of dangers associated with Crown Victoria cars. Mr. Spies explained that Ford has agreed to provide a set of parts that allow some guarding of the gas tank for certain vehicles that would help in the event of a rear end collision. These are typically high-end collisions.

Suzanne Smith addressed an issue brought up to her by a constituent regarding differences in sewer rates for single family residence vs. duplex or multiplex rate. She asked Sandy Langdon if the rates were different. Sandy Langdon thought they were, but was not sure what the difference was. She said that was an issue that she also was investigating. Ms. Swenson said that they couldn't just change one rate because of the way it would affect the others. Councilmember Smith asked when the next rate study would be. Ms. Langdon indicated it would probably not be until 2004 as one was just done.

Councilmember Smith's next issue was in regard to parking that was removed on 528 from 47th to Columbia. There was some discussion about erecting a mitigating fence in the front of the Cleator's. Councilmember Mike Leighan felt that there was a commitment and an obligation by the City to build a fence on the front of the Cleator's property. There was some discussion about the height of the fence and if a variance would be needed. Jeff Seibert concurred with Councilmember Leighan that he believed they had made a commitment that a fence would be built there. Mayor Weiser said he and Jim Owens would talk with Mr. and Mr. Cleator.

Ms. Smith went on to say that Larry from Cascade Music called and did not get a letter about the State Avenue project. He just found out about it today and was very upset. Apparently the issue was that he was just leasing and not a property owner and therefore was not notified. There was discussion about how his name slipped through the cracks and if others were possibly not notified. Mary Swenson indicated that they would check on this issue.

Councilmember Smith then asked if there was someone else who could take her place at the Citizens Academy as she would not be able to make it. No one indicated that they would be able to attend in her place.

Finally Ms. Smith discussed the option of Snohomish County Council adjusting their rates to mirror those of the cities. It was determined that this probably was not likely. Councilmember Vares indicated that she would be in support of it if it could be negotiated.

John Soriano said that the Cities and Towns Government Relations Task Force has a meeting on Thursday at 5:00 p.m. at the Community Transit Board Conference Room. He noted that they would be going over the dinner meeting with the legislators and it might be of interest to the Councilmembers.

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Jon Nehring commended staff on doing so much work in-house and cutting costs on the remodeling process even though they were given approval to go ahead and hire Dykeman. He noted that the costs will be as minimal as they can be. He further commented that it was a good example of heading in the right direction financially.

Jeff Seibert thanked Councilmembers for getting the school mitigation bills passed and noted that it was a good discussion. He also thanked the Executive Department, the Mayor and staff for providing the quarterly update. He found it very informational.

ADJOURNMENT

Mayor Weiser adjourned the meeting at 10:16 p.m. with Executive Session to follow to discuss one real estate issue.

EXECUTIVE SESSION

Council convened into Executive Session at 10:25 p.m. to discuss one real estate issue, reconvened into regular session at 10:35 p.m. and adjourned with no further action taken.

Approved this 24th day of February, 2003.

David Weiser
Mayor

Perry Becker
City Clerk

Sammie Hagedorn
Recording Secretary

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MARYSVILLE CITY COUNCIL WORK SESSION MINUTES

February 3, 2003

7:00 p.m.

Public Safety Center

CALL TO ORDER/PLEDGE OF ALLEGIANCE

The February 3, 2003 Work Session of the Marysville City Council was called to order at 7:00 p.m. Mayor Weiser led the assembly in the Pledge of Allegiance.

INVOCATION

Pastor Greg Kenenhen gave the invocation.

ROLL CALL

Mary Swenson, Chief Administrative Officer, called the roll. Those present were noted as follows:

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

Staff: Mary Swenson, Chief Administrative Officer; Sandy Langdon, Finance Director; Gloria Hirashima, Community Development Director; Jim Owens, Public Works Director; and Bill Spies, Fleet and Facilities Manager.

COMMITTEE REPORTS

Councilmember Lisa Vares reported on the Governmental Affairs Committee. She described how they are discussing how to open up dialog with the Tulalip Tribes and also issues to be discussed with the Tribes. She noted they are making some progress in that area.

DISCUSSION ITEMS

A. Surface Water Comprehensive Plan and Hydrologic Modeling/Master Drainage Basin Planning Study.

Mayor Weiser explained that a public hearing was heard with the Planning Commission. This was a continuation of that issue. Gloria Hirashima, Community Development Director, and Jim Owens, Public Works Director introduced this issue. Mr. Owens explained that the County had decided not to raise rates, but had decided to lower them instead. The rates in this Plan would need to be looked at again in light of that.

Councilmember Jon Nehring asked if taking care of the culverts in the north end would help with the backups. Mr. Owens responded that this was a very complex

issue. He said that the natural conveyance systems couldn't carry the volume that they should due to the amount of silt, but if they were cleaned out and freely flowing there would be impacts further downstream.

Chief Administrative Officer Mary Swenson explained that they are considering doing flat rates in order to cut down on staff time and to free up money to solve some of the problems such as this. She also stated that Jim Owens needs to have some more time to review this Plan before requesting adoption by the Council. This is due mainly to the fact that he is newly hired and the people involved in developing the Plan are no longer with the city. Ms. Swenson stated that they planned to continue with the public hearing and get testimony, but more detail needs to be done at staff level.

Councilmember Mike Leighan asked when the new rates needed to be in place. Finance Director Sandy Langdon replied they need to be in place by November 1st. In light of that Councilmember Leighan then asked if it was wise to have the public hearing this early. Community Development Director Hirashima explained that the public hearing had been advertised so they felt they should go through with it. Ms. Swenson added that the hearing could either be cancelled or they could take public participation and delay action. Ms. Hirashima indicated that two people had showed up at the Planning Commission hearing.

Councilmember Jeff Seibert referred to the committee that had been formed to look at this issue. He expressed frustration that they had no voice in any decision that has gone on.

Public Works Director Owens explained that the issue of rate structure could be easily redone. Calculating a flat rate would be much easier, but they need to look at the rate in the context of the city's financial needs. The Plan will not change materially, but they need to carefully evaluate the language in order to make sure they will not add unintended requirements.

Councilmember Lisa Vares addressed the issue she had with the original rate study in that there was no potential credit for developments that are taking care of all or most of their stormwater on site. Mr. Owens said that under a flat rate system they would be charged the same. Councilmember Seibert added that everyone receives the benefit of not having flooding and said that if the city starts exempting some people they will have to look at each situation. Councilmember Suzanne Smith then brought up the possibility of exempting residents who create their own detention on site. Councilmember Vares noted that Arlington was giving a discount to residents who went to great expense and effort to create significant stormwater treatment. Mr. Owens stated that there are numerous small detention facilities and catch basins that the city maintains. Everyone in the city benefits from and has a responsibility to contribute to the overall system of the city.

Councilmember Jon Nehring asked how much of the rate increase was state mandated and how much was to take care of the city. Mr. Owens replied that the DOE Manual is more heavily mandated because new development must meet certain criteria. There was discussion about the DOE standards and the flooding issue.

Councilmember Donna Wright asked how much time Mr. Owens would need in order to become prepared. Mr. Owens replied that it should take 4-6 weeks. Councilmember Leighan noted that he had no problem with it taking longer if needed as long as it got back to Council by June or July. Councilmember Leighan stressed the importance of the city being very thorough in reviewing this Plan. He further stated that he believed the hearing should be cancelled. There was general consensus among the Council to cancel the public hearing at this time.

Councilmembers Leighan and Vares requested copies of the Planning Commission minutes to be put into the Council's packet.

B. Title 18C-Impact Fees & School Mitigation.

Councilmember Wright asked questions about vesting. Ms Hirashima explained this issue to her satisfaction. There was discussion about the timing of the collection of the fees.

Councilmember Smith said that she had spoken with the Mayor of Monroe and the Mayor of Lake Stevens. The City of Monroe just adopted a Capital Facilities Plan and changed their discount to 25%. The City of Lake Stevens had it on their agenda right now, but the mayor there was fairly sure it would go to the 25% discount. Councilmember Smith asked both of the mayors if they would consider going to the County to request that they change their discount factor. She felt it would carry more weight if three councils were in support of this at the same time. Mayor Weiser indicated he wasn't sure if the County could pass an ordinance that would set different discount rates for different areas.

Councilmember Seibert asked if school districts had been notified that this would be on the agenda. Mayor Weiser and Ms. Hirashima both indicated that the districts had been notified.

Councilmember Seibert asked about school districts that were asking for no discounts. He asked to get more information on this. Ms. Hirashima stated that she would look into this issue further.

Councilmember Smith asked what authority the city had to apply a discount at all. She referred to a state mandate that requires the funding of the schools. Ms. Hirashima explained that on the area of impact fees cities and councils have wide authority in implementation. They have broad authority to establish and collect fees. She further explained that it does need to be a fair formula and one that could be defended in court. Safety factors are very common in impact fees. In the school impact fee situation the discount factor is the safety factor. She added that local legislative authorities could determine the percentage.

Mayor Weiser stated that the GMA allows school mitigation fees and establishes the city as the collecting authority. He went on to say that if they are basing the cost of schools on what it costs to build it he wondered about using that money to buy

portables at a fraction of the cost. He asked if mitigation fees should be allowed to buy portables when they are supposed to be used to "house" students. At the same time the school districts are claiming those students are "unhoused" in order to get grant money.

Councilmember Wright then asked about the issue of people with no children buying homes and being charged the school impact fees. Councilmember Smith explained that the rates are averaged among all the residents. There was some discussion about whether or not this was fair.

Councilmember Nehring referred to the 50% discount rate and asked if this amount came out of a meeting with the school districts. There was discussion about the origination of this rate.

Councilmember Smith discussed her concern with severe overcrowding in schools. Councilmember Nehring agreed, but stated that it bothered him that the impact money was spent on portables. He noted that the per-student cost of public school education is far greater than other forms of education. He wondered how much of the schools' problems were due to lack of fiscal restraint and how much were due to overcrowding. Mayor Weiser reminded him that public schools have the added burden of providing educational services to all services, which in turn increases their costs. Councilmember Nehring concluded by saying that he would like to see the impact fees were fair to the school districts and to the new home owners.

Councilmember Leighan commented that the new homes being built are still paying off old bonds. He also noted that it would be easier if the school districts would collect their own fees. He suggested getting public information at the next meeting, but holding off taking action to think about this issue some more.

There were no further comments or questions.

C. Economic Development Council of Snohomish County; Model Permit Process.

Ms. Hirashima introduced this issue by stating the Community Development Department has already implemented a number of measures including enhancing staff training, developing needed application submittal and review checklists, developing handout information, collecting review and permit turnaround information, etc. The Economic Development Council of Snohomish County (EDC) is conducting a pilot of the "Model Permit Process" developed over the past year in a collaborative effort by businesses, jurisdictions and consultants. The City of Marysville will be participating as a pilot jurisdiction along with Mountlake Terrace and Sultan. EDC staff will work closely with Marysville permitting staff through the year to review and audit existing permit review processes and assist in implementing improvements and monitoring mechanisms.

Diana Dollar, Snohomish County Economic Development Council

Ms. Dollar began by explaining the project:

- Is a public/private partnership including government, business, development professional, and community groups.
- Reflects best practices – looked at Kent, Tacoma, Renton, Everett, and Silicon Valley.
- Incorporates feedback from developers, builders, and architects.
- Includes a phased approach and that EDC provides full implementation support of the Model Permit System.

Ms. Dollar continued to explain the project combines a customer service ethic (both citizens and developers) with a straightforward, predictable (consistent), and timely permit process. The project has an emphasis on an administrative review process. Ms. Dollar also noted that there was a heavy focus on the process of large, complex commercial/industrial projects. This is all done within the framework of state and federal laws and requirements and local regulations and permit systems. She added that this work was limited to jurisdictions within UGAs. She explained that there is a heavy emphasis on promoting positive attitude and professionalism.

Ms. Dollar outlined and briefly discussed the 6-Step approach that applies to both the applicant and the jurisdiction. This includes:

1. Submittal Information – This should be clear and simple for Applicant, preferably Web-based.
2. Pre-Applicant Submittal – Everything needs to be provided to applicant at that time.
3. Application Intake – They recommend that this be done at the counter to save time.
4. Application Review – This should be characterized by a team process between multiple departments – also a single point of contact for both sides.
5. Permit Decision – No major changes recommended.
6. Hearing Examiner Appeals – Promote use of this rather than council review.

Kurt Latimore, Snohomish County Economic Development Council

Mr. Latimore reviewed the Model Permit System (MPS) Project timeline for the next year. He also showed examples of Kent's timeline and how their processes increased significantly throughout the year. He explained the difference between full members and associate members of the Pilot Program. Full members such as Marysville will benefit from the full model, full audit, full cycle and full results. The speed and capacity will be determined by the support level from each member. Mr. Latimore concluded by describing the flow diagram as a tool that will be used in this process.

There were no comments or questions following this presentation.

CONSENT AGENDA

A. Approval of February 10, 2003 Claims.

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- B. **Approval of February 5, 2003 Payroll.**
- C. **Approval of New Liquor License Jack-Pot Food Mart; 5830 Grove Street, Marysville.**
- D. **Authorize Mayor to Sign Yearly Harley-Davidson Police Renewal for Motorcycle Lease Agreement; Bears & Roses Harley-Davidson.**

These items were briefly reviewed.

CURRENT BUSINESS

A. Salary Commission.

Mayor Weiser introduced this issue as one that was brought to the Governmental Affairs Committee. Councilmember Leighan commented that their recommendation last year was to take no action on the basis of what they had seen happening in Arlington. Councilmember Nehring indicated that he has always been in favor of this.

NEW BUSINESS

A. State Avenue, 136th Street NE to 152nd Street NE Project Funding Status.

Councilmember Seibert stated he was happy to see this getting started even though it would be awhile until completed. Councilmember Smith asked about the priority status of this project. Councilmember Seibert referred to the list of projects in the packet and noted that it was on track with this grant. Councilmember Vares asked about the timeline of when the work would start and when it would be finished. Mayor Weiser indicated he was not sure about that. There was general consensus among the Council that they hoped this project would get completed quickly.

B. Sensitive Areas Ordinance Environmental Consultant List Update; PA 0209038.

Councilmember Seibert asked about a number of firms that did not meet qualifications in one or more areas. Ms. Hirashima explained that this was due to the fact that they did not have employees who were available and competent in those areas.

There were no further comments or questions.

C. Zoning/Development Code Amendments; PA 0209039.

Councilmember Seibert asked for clarification about the requirements for building a garage in the front yard. Ms. Hirashima referred to Code Amendment No. 2 regarding Accessory Buildings. She explained that code does not allow building in the front yard unless it's not feasible to build it in your backyard. Councilmember Seibert said he had an issue with the same design being acceptable if it is attached, but not acceptable if it's detached. There was some discussion about what constitutes an attached structure. Mr. Seibert asked if the purpose was that it be well integrated with the

house. Ms. Hirashima indicated that it was. She offered to take this back to broaden the terms. She said she would bring back information as to what constitutes an attached building. Mr. Seibert also requested a list of the types of items the city considers when looking at the feasibility of building in the back yard. In response to that Ms. Hirashima listed some of those factors as space, grading, other buildings and septic systems.

There were no further comments or questions.

ORDINANCES AND RESOLUTIONS

1. A Resolution of the City of Marysville Declaring Certain Items of Personal Property to be Surplus and Authorizing the Sale or Disposal thereof.

There were no comments or questions regarding this item.

INFORMATION ITEMS

Mayor's Business.

Mayor Weiser explained that WSDOT, Department of Corrections, Washington State Patrol, Tribal Police and Marysville Police met to discuss the issue of 528 and I-5. WSDOT crews did a minor cleanup. The Department of Corrections and WSDOT also did a major cleanup today with the State Patrol, Tribal Police and Marysville Police. He commented that it looked good and hopefully it will stay that way. He noted that they had come up with a plan to keep the area picked up.

Staff Business.

Sandy Langdon asked for input on the meeting time of the Finance Committee meeting. It was determined they would meet from 4:00 p.m.-5:00 p.m.

Bill Spies commented that 6 of 10 vehicles being surplus are not replacement. They are being decreased due to lack of use in an effort to save money. The Council was pleased to hear this.

Mayor Weiser clarified that Councilmember Wright will be the sole Councilmember going to the AWC Legislative Conference on February 19th and 20th.

Call on Councilmembers.

Jeff Seibert noted that there will be bridge testing beginning in the next few weeks and that it will likely be conducted during the daytime.

Suzanne Smith commented that she met with Diana Dollar of the EDC and that she was impressed with her ideas and wisdom. Councilmember Smith said she had invited her to be part of the new Economic Development Committee. Mary Swenson added that they had also asked Ms. Dollar to be part of that committee and that she was more than willing to assist in that way.

Regarding the Economic Development Committee, Ms. Smith offered to step down if there was another councilmember interested in taking her place. There was some discussion about this. Councilmember John Soriano expressed an interest in being on the committee. Ms. Smith clarified that she would like at least one member of the MERC Committee to be on it. Councilmember Nehring then proposed that a Councilmember be on the Economic Development Committee along with Councilmembers Smith and Leighan.

Ms. Smith then discussed limiting political signs. She wondered what could be done about it. Mayor Weiser explained that they couldn't limit freedom of speech on a public right of way. It was also explained that the sign ordinance does not refer to political signs. Ms. Swenson said they could put together a packet to bring back. Ms. Smith said not to bother if there was nothing to be done about it.

Ms. Smith asked the representatives of the Governmental Affairs Committee about Arlington adopting parts of the manual for the watershed area. Councilmember Leighan explained that they were possibly creating a drainage or diking district for the area within the watershed. Mr. Owens commented that they were making progress.

Ms. Smith referred to Councilmember Leighan's idea about moving the retaining wall at the 528 and I-5 overpass. She wondered if another lane could be added there. Mayor Weiser said that DOT was not in favor of that idea.

Jeff Seibert said he had visited the Chamber's Visitor Center last week and talked with Caldie Rogers. He was very impressed with what they had done there, especially the card wall. Ms. Swenson added that businesses have also been very impressed with the Visitor Center.

ADJOURNMENT

The meeting was adjourned at 9:05 p.m.

Approved this 10th day of February, 2003.

David Weiser
Mayor

Derry Becker
City Clerk

Jamie Hugdahl
Recording Secretary