

MARYSVILLE CITY COUNCIL WORK SESSION MINUTES**June 16, 2003****7:00 p.m.****Public Safety Center****Call to Order / Pledge of Allegiance / Invocation**CORRECTED: SEE 6/23/03
MINUTES

Mayor David Weiser called the work session to order at 7:00 p.m. He then led those present in the Pledge of Allegiance. Pastor James Berkley of Judah Praise Center gave 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: Jon Nehring, Jeff Seibert, Suzanne Smith, John Soriano, Donna Wright, and Lisa Vares.

Staff: Mary Swenson, Chief Administrative Officer; Sandy Langdon, Finance Director; Grant Weed, City Attorney; Gloria Hirashima, Community Development Director; Jim Owens, Public Works Director; Jim Ballew, Parks and Recreation Director; Jeff Massie, City Engineer.

COMMITTEE REPORTS

Councilmember Suzanne Smith reported on the Parks Board meeting.

- ◆ They reviewed and approved memorial wall plaque criteria recommendations.
- ◆ On June 20 from 9-4 the memorial wall and garden will be built.
- ◆ Refund policy discussed and approved.
- ◆ \$2 fee increase approved for golf fees.
- ◆ Discussion of two pending large (250+) home plats. Discussed need for possible trail system or park in that area.
- ◆ Arson at Jennings Park last Saturday.
- ◆ Petting Zoo is now open. They surpassed donations from last year the first weekend.
- ◆ Discussed Marysville Noon Rotary donation for amphitheater.

Councilmember Jeff Seibert reviewed the Public Works meeting on June 12.

- ◆ Biosolids project just about completed.
- ◆ Grease pretreatment program – most restaurants have agreed to help solve their problems.
- ◆ Update on PUD.
- ◆ Update on Transportation Comprehensive Plan.

- ◆ Discussion about Navy water and sewer facilities possibly reverting back to the City.

DISCUSSION ITEMS

A. Loan Acceptance for Golf Course Restaurant & Pro Shop.

Councilmember Mike Leighan asked for an analysis of the money the golf course presently owes the City. Finance Director Sandy Langdon responded there are currently \$600,000 in internal loans and operations and \$200,000 from previous years. She noted that about \$300,000 of that total amount exceeds the 3-year period. There was some discussion about consolidating the loans.

Jim Ballew, Parks and Recreation Director discussed the discounting of golf fees. He said that \$2 increase would allow them to meet the debt service. Mike Leighan asked if they were utilizing PGA programs. Mr. Ballew explained that this would require computerization and about \$11,000 in expenses to develop the membership structure with automatic tee times.

Chief Administrative Officer Mary Swenson asked about the interest rates. Ms. Langdon replied that they are possibly 4.7%, but they are coming down.

Councilmember Jeff Seibert asked for clarification about the amount the golf course owes. Sandy Langdon explained that the \$800,000 is being paid back in interest only. It is not included in the million dollars being discussed. She explained that after three years the loan is assumed to be a gift if payments have not been made. There was discussion about the status of the funds loaned to golf course and about possibly including some of the inter-fund loans into the loan. Ms. Langdon noted that the golf course has been paying interest only since 2000. She added that if Council wanted to fold more money into the loan they could. Councilmember Lisa Vares asked for the amount of the interest-only payment. Ms. Langdon said it was approximately \$3,000-5,000 per month. Ms. Vares then asked about the amount of the loan payments. Ms. Langdon replied that it was about \$50,000 the first year and increasing thereafter. Councilmember Seibert commented that although it would be nice to roll the existing debt into the loan it did not make sense to him to pay more interest to someone else.

Lisa Vares asked for a report of the last 45 days of golf course activity.

Councilmember Seibert asked about seeing if the golf course could begin to pay back more of the principal as well as interest in order to get more paid within the three-year period before it rolls off and the general fund loses it. Sandy Langdon clarified that if payments have been made it is not automatically assumed to be a gift.

B. 6-Year Transportation Improvement Plan (2004-2009).

Public Works Director Jim Owens commented that of the 27 projects listed on the update most are on the books and well on the way.

City Engineer Jeff Massie added that the state law requires 6-year plans to be adopted by June 30. He reviewed the changes from last year's TIP which included concurrency projects and the north Marysville interchange. He noted that they would be applying for some grants. Also, there will be a public hearing next week to give an overview of what the 6-year TIP and to discuss funding. He stated that the first three years of the plan are financially constrained, but there are still lots of questions about the last three years (2007-2009).

Councilmember Seibert referred to several projects that are located in the County. He asked if there was an expectation that they would annex those areas. He wondered why they weren't spending the money on areas within the City. Jeff Massie indicated that those projects should fall under the category of "Other Agency Projects". There was some discussion about County projects, mitigation fees and concurrency. Mr. Massie encouraged staff and elected officials to put more pressure on the County to complete projects in the UGA.

Councilmember John Soriano asked about 116th from I-5 to State Avenue. Mr. Massie replied that it was going well. He noted that the Tulalips have conceded to include Marysville's 116th portion for the environmental impacts study. There has been discussion with the officials at the Tulalips regarding putting together a joint funding application.

Councilmember Jeff Seibert then asked about Sunnyside. Mr. Massie explained that there is not a concurrency issue there although it is on the Comprehensive Plan as a desirable project. He added that they could not afford it at this time.

C. Lakewood Annexation.

Community Development Director Gloria Hirashima explained that they had received a letter from some of the residents requesting revision of the boundaries. They have prepared a revised resolution and a revised legal description for Council.

Public Comment

Ralph Krutsinger, 409 - 148th Street NE, Arlington, WA 98223.

Mr. Krutsinger had some comments regarding the labeling of Exhibits A and B in the resolution. He then stated that he was in favor of the annexation and the revision of the boundaries.

Councilmember Suzanne Smith asked Mr. Krutsinger about his commitment to pursue a grassroots effort. Mr. Krutsinger described the reasons why they did not have time to pursue the larger boundary areas. He also expressed his commitment to pursuing this as a grassroots effort. Councilmember Smith then asked if the City could assist them in any way. Mr. Krutsinger replied that ultimately they could, but that they want to make the initial contact with the residents. He noted that it is more achievable to do the south side now and there would still be time to get the north side ready for February.

Councilmember Seibert commented that the residents seemed happy to be included in the annexation.

Motion by Councilmember Seibert, seconded by Councilmember Mike Leighan to approve Resolution No. 2098 with the smaller boundary. **Motion** passed unanimously (7-0).

D. Economic Development Stimulus Package.

Mayor Weiser referred to the Land Use subcommittee meeting minutes that were in the packet and opened the discussion.

Councilmember Jeff Seibert commented that developer Gary Petershagen indicated that there was interest by some developers and not by others in some of the incentives that had been discussed as ways to encourage economic development. Mr. Seibert stated that they need to have more discussion with developers to determine what they see as a value.

Councilmember Mike Leighan commented that City Engineer Kevin Neilsen had discussed giving priority to commercial development over private development. There was discussion about the prioritization process. Mr. Leighan noted that Renton began a similar process of economic development in 1990. They did a community marketing campaign which might be a possibility for Marysville. He wondered if anybody is actively marketing Marysville.

Councilmember Seibert suggested possibly raising permit fees in order to pay for a dedicated person to get that process completed quickly. Councilmember Smith asked if they could devote someone half-time or full-time to process commercial plans. Gloria Hirashima replied that their department did not have enough employees and there is too much variation to devote one person to that. She explained that they are cross-training staff so they don't have bottlenecks with commercial applications. There was discussion about managing the prioritization of plans as opposed to having a separate employee for commercial applications. Also, she noted that it has been helpful to establish baselines for permit turnaround times.

Ms. Hirashima then discussed how Tacoma had a big marketing campaign saying they would refund fees paid for permits if not completed on time. She explained that this was

mostly a marketing plan as the benefit to the customer was slight and there was little risk to the City. She said they have done an excellent job with that and with improving customer service.

Councilmember Smith asked when the Business Retention and Attraction Subcommittee would be meeting. Lisa Vares informed her that the meeting was at 8:00 a.m. on Tuesday, June 17 at the North Marysville Branch of the North County Bank.

Councilmember Smith commented that Diana Dollar had mentioned that the different committees need to come together as a whole. Ms. Smith said she was concerned about the pace of the committees. Ms. Smith then asked about the Workforce subcommittee meeting. Councilmember Donna Wright informed her that they have had three meetings so far. Ms. Smith was concerned that she had not been contacted. Jim Owens stated that the next meeting was Thursday, June 26 at 3:00 p.m. at Public Works.

Councilmember Jon Nehring stated that he also was concerned about the slow pace. He said that Marysville has a big competitor and not a lot of economic development happening. He discussed parallels between this situation and his business. He explained that a year ago their business had been in trouble and they had to make changes. They have been aggressive and business has been much healthier. He felt Marysville needed to be aggressive to improve the economic situation. He noted that he was please to hear that many of his ideas have been discussed at the Land Use committee meetings however he was concerned about the pace, lack of vision and lack of focus of the other committees. He suggested declaring a state of emergency and directing the five committee chairs to come up with an action plan item within 60-90 days to get this moving. He reviewed his ideas again to stimulate economic development.

Councilmember Lisa Vares agreed with Councilmember Nehring. She suggested a Council resolution asking for chairs to come up with short-term action plan. She felt that passing a resolution would give them motivation and show them that Council is serious.

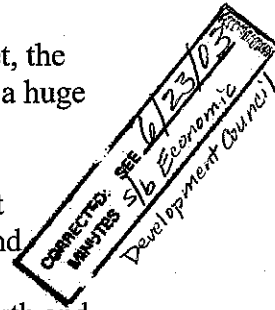
Councilmember Mike Leighan had several comments.

- ◆ He remarked that Council's attitude is critical. He referred to discussions about not providing utilities outside city limits as an example of an issue that could be a deterrent to anyone considering development.
- ◆ He then stated that the north end drainage issues needed to be resolved.
- ◆ He suggested that the area south of 88th could possibly be a commercial area.
- ◆ He noted the importance of solving traffic and concurrency issues.
- ◆ He suggested a campaign to attract business – possibly forming a local economic development council to focus on developing and promoting Marysville.

Councilmember Suzanne Smith asked about the next meeting of the whole group. She suggested requesting an outcome by the subcommittees by that meeting. Mary Swenson noted that they hoped to have the next meeting of the whole group by the end of June or

early July. She emphasized that although some of the committees have not yet met, the chairpersons have been planning and working on the issues. Also, staff has put in a huge amount of work in getting these committees going.

Councilmember Donna Wright commented regarding the Economic Development Council. She said that Marysville is invested in the Snohomish County Council and should be more involved with them. Mary Swenson explained that there is communication with them. They are also working with Arlington to pair up on north end issues.



Councilmember John Soriano commented that he didn't want to try to re-invent the wheel. He said there must be a template that outlines the types of attributes that you look for in promoting this type of growth. Mary Swenson explained that they had already done that in putting together information for the Implementation Committee. She reminded Council that the committees have only been meeting for a couple of months.

Councilmember Suzanne Smith suggested setting aside time at each work session to discuss what is happening at the committee meetings.

Gloria Hirashima stated that, on a positive note, they continue to receive commercial applications. There are more than in the previous years. There was some discussion about giving verbal updates of applications to Council. She noted that some developers would not want their names disclosed and that would be respected.

Councilmember Leighan noted that the Gardner Johnson report had a huge list of action items. He said it could be helpful for committees to go through that report to get ideas.

Jon Nehring asked Gloria Hirashima for examples of some barriers that she hears of that stop development from happening. Ms. Hirashima responded that some of the comments that they hear are:

- ◆ Better coordination needed on the permitting process.
- ◆ Concerns about fees – impact fees and capital improvement fees, especially for businesses that are expanding.
- ◆ Expectations – need to communicate clearly the length of time required to get permits.

Councilmember Smith said she was in favor of preparing a resolution with a timeframe for next week.

Councilmember Seibert commented that the City could do a better job of marketing by letting people know that the permit process isn't as bad as they think. He suggested promoting new permits as soon as they are able to talk about it in order to let people know that the City is changing and growing. He also suggested getting new businesses and expansions into the paper to promote them.

Mary Swenson commented that the Economic Development Council had a forum with developers and real estate folks in which Marysville participated.

Councilmember Smith suggested assigning members from the Economic Development Council to commit to the various committees to get them involved.

CONSENT AGENDA ITEMS

C. Approval of Fireworks Stand Permit Applications.

There were no comments or questions regarding this item.

D. Authorize Mayor to Sign Interlocal Agreement for the Snohomish Regional Drug Task Force.

There were no comments or questions regarding this item.

E. PUD Distribution Easement for Pole Relocation at Edward Springs.

There were no comments or questions regarding this item.

REVIEW BIDS

A. Authorize Mayor to Sign Contract for Grace Creek Re-alignment; R& J Landscape and Construction.

Councilmember Suzanne Smith noted that this amount was substantially under bid. Mr. Owens agreed that they had received very good bids. He commended City Attorney Grant Weed on the work he did on the agreement.

NEW BUSINESS

A. 2003 Agreement with City of Marysville and Public Utility District No. 1 of Snohomish County for Water Supply.

Councilmember Mike Leighan asked for the amount of the bonded indebtedness for PUD. Sandy Langdon said she would get that information for the next meeting although Grant Weed noted it would be variable.

Councilmember Leighan then referred to Page 6, Item B which states the maximum amount of the valve fee. He asked if this was a reasonable fee and if it would be appropriate in 20 years. He wondered if the amount should be in there at all. City Attorney Grant Weed stated that the engineers felt these fees would be sufficient. Mr. Leighan then asked if the

operation and maintenance charges on Page 7 were also appropriate. Mr. Weed indicated that they were.

B. Authorize Mayor to Sign Professional Services Agreement with Montgomery Watson Harza; Sunnyside 3MG Reservoir Design.

Councilmember Seibert discussed the 71st Avenue reservoir. There was discussion about possibly needing to add some capacity to it if the City takes over the PUD. Mr. Seibert asked if they had considered the UGA in this agreement. Mr. Owens responded that they had not, but may look at it in the future.

C. Authorize Mayor to Sign Participating Agreement GCA 3108 with Washington Department of Transportation for Right-of-Way Acquisition.

Jim Owens explained that there was money coming from WSDOT and that this was a win-win situation for all involved.

LEGAL

A. Recovery Contract for Recovery of Utility Construction Costs; David R. O'Connor.

There were no comments or questions regarding this item.

ORDINANCES & RESOLUTIONS

A. An Ordinance of the City of Marysville, Washington, Relating to Contracting Indebtedness; Providing for the Issuance of the \$1,137,350 Par Value Limited Tax General Obligation Bond, 2003 (Taxable), of the City for General City Purposes to Provide the Funds with Which to Pay or Reimburse Earlier City Expenditures for Costs of Golf Course Facilities, Including But Not Limited to, Restaurant, Pro Shop, and Parking Lot Improvements, and Paying the Costs of Issuance and Sale of Such Bond; Fixing the Date, Form, Maturity, Interest Rate, Terms and Covenants of the Bond; Designating a Construction Fund and Establishing a Bond Fund; and Approving the Sale and Providing for the Delivery of the Bond to Bank of America, N.A., of Seattle, Washington.

There were no comments or questions regarding this matter.

B. A Resolution of the City of Marysville Adopting a Six-Year Transportation Improvement Program (2004-2009) in Accordance with RCW 35-77-010.

There were no comments or questions regarding this item.

INFORMATION ITEMS**Staff Business**

Sandy Langdon noted that there would be a Finance Committee meeting on Wednesday at 4:00 p.m.

Jim Owens noted that there were 2 projects to update Council regarding change orders. He explained that the change orders were well within the management reserve.

1. Contract to Change Order No. 1 for 51st Avenue Pump Station Improvements Project.
2. Contract Change Order No. 1 for 57th Place Improvements Project.

Gloria Hirashima – nothing.

Jeff Massie – nothing.

Mary Swenson discussed possibly having the meeting with the economic development committees together on the 5th Monday of June. There were two councilmembers who would not be able to attend so she said they would schedule another time, hopefully before July 4.

Grant Weed explained that WCIA liked to see periodic training on fairness and conflict of interest issues for staff. Councilmember Jeff Seibert suggested doing it after January. Mary Swenson said they could do one now and one after the first of the year.

Jim Ballew notified Council that the Parks Department received a \$114,000 distribution from the Gellerson Estate. The library also received the same amount. They are expecting to receive another \$8,000 by the end of the year.

Councilmember Comments

Donna Wright commented that she enjoyed the Public Works tour on Saturday.

Lisa Vares agreed that it was a lot of fun.

ADJOURN

The work session was adjourned at 8:48 p.m. with the Executive Session scheduled to begin at 8:55 p.m.. There were three real estate issues and one pending litigation matter to be discussed.

EXECUTIVE SESSION

The City Council met in Executive Session at 8:55 p.m. and discussed one pending litigation item and three real estate items.

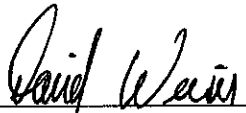
Council reconvened into Regular Session at 9:25 p.m.

Motion by Councilmember Wright, second by Councilmember Smith to approve the right-of-way issues as discussed in Executive Session. Motion carried 7-0.

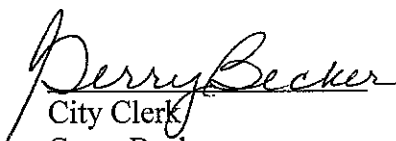
ADJOURN

Mayor Weiser adjourned the June 16, 2003 City Council Work Session at 9:26 p.m.

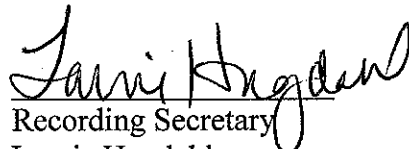
Approved this 23rd day of June, 2003.



Mayor
David Weiser



City Clerk
Gerry Becker



Recording Secretary
Laurie Hugdahl