

MARYSVILLE CITY COUNCIL WORK SESSION

July 7, 2003

7:00 p.m.

City Hall

CALL TO ORDER / PLEDGE OF ALLEGIANCE / INVOCATION

Mayor David Weiser called the July 7, 2003 Work Session of the Marysville City Council to order at 7:00 p.m. He then led those present in the Pledge of Allegiance. Pastor Jack Richards of Bethlehem Lutheran Church delivered the invocation.

ROLL CALL

Finance Director Sandy Langdon called the roll. The following councilmembers and staff members were in attendance:

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

Staff: Sandy Langdon, Finance Director; Grant Weed, City Attorney; Jim Owens, Public Works Director; Kevin Nielsen, City Engineer; Jim Ballew, Parks and Recreation Director; and Robb Lamoureux, Police Commander.

COMMITTEE REPORTS

Councilmember Jeff Seibert reported on the **Land Use Economic Development Committee** meeting where they had a presentation by Snohomish County Economic Development Council on the Model Permit Process. He noted that it was informative and that they should begin accepting applications for the streamlined process beginning in August. He also said the Land Use Committee would be bringing a recommendation to Council shortly.

Councilmember Mike Leighan reported that he and Councilmember Lisa Vares attended the **Transportation Challenges** meeting that discussed maritime solutions such as a passenger-only ferry. Senator Patty Murray and several other congressional representatives were also in attendance at the meeting.

DISCUSSION ITEMS**A. Golf Financing Options.**

Finance Director Sandy Langdon gave a presentation on golf course financing options. She discussed four different options - 10 Year Deferred Principal; 15 Year Deferred Principal; 10 Year Level; and 15 Year Level.

She reviewed each option and noted that she and the Parks Director Ballew were recommending that Council approve the 15 Year Level option. She commented that the payment would be similar to the forecasted budget and that the \$600,000 would be included. She then reviewed the Forecasted Cash Flow Summary that showed the 6-Year Summary of Revenues, Expenses and Fund Balance. She noted that these numbers were based on the business plan, which was submitted to Council in June. Next Ms. Langdon reviewed the debt service schedule and the different options available.

Councilmember Jon Nehring asked about pre-payment penalties. Ms. Langdon explained that there were penalties and that the amount would depend on interest rates at the time of pre-payment. Councilmember Leigha asked about the declining annual growth on revenue. Ms. Langdon explained that the difference would be made up from the reserves. Councilmember Nehring asked if the revenues factored in future price increases. Ms. Langdon responded that they did until 2007.

Mayor Weiser referred to one of the workshops on the budget where Ms. Langdon had indicated that the further out in time one went with the budget, the greater the chances that it would be off. He asked if she felt this was an accurate forecast. Ms. Langdon responded that she believed this is pretty accurate based on what is currently known.

Councilmember Seibert then asked how many rounds of play this was based on. Parks Director Ballew responded that it was based on 46,000 rounds in 2004 and estimating a conservative 1% increase in rounds thereafter.

B. Discussion of Annexation Requirements for Utility Service.

City Attorney Grant Weed discussed the recent adoption by legislature of a bill, which provides for a new way to annex via the petition method. This would be a two-tiered petition method whereby the process would be initiated by a 10% petition. The requirement is that a majority (51%) of property owners *and* a majority of registered voters then sign a petition in order to bring the matter before Council. There would then be a public hearing and a decision by Council whether or not to annex. It then would go on to the Boundary Review Board where they would have 45 days to review. If there were no action by them it would go back to Council for action in the form of an ordinance.

Councilmember Seibert asked about annexation covenants. City Attorney Weed responded that they would probably be valid. There was discussion about no-protest covenants and scenarios that might take place with property owners and registered voters.

Mayor Weiser asked how the legislature got around the constitutional provision to have a 60% super-majority for taxation purposes. Mr. Weed explained that annexation has different provisions than taxation. The new statute does not require 60% in order to acquire bonded indebtedness. Mayor Weiser then asked if a person who lived on the property and who also owned the property could sign both petitions. Mr. Weed responded

that he could. He went on to say that if there are not registered voters living in an area there would not be a requirement to have registered voters sign a petition.

Councilmember Suzanne Smith commented that this would be a lot less expensive than putting it on the ballot.

Councilmember Seibert asked about the list of things that had been listed as concerns by Mr. Weed in the minutes from the April 14, 2003 City Council meeting. Mr. Weed reviewed those items:

- ♦ Amendments to the Comprehensive Plan: Mr. Weed explained that there is language in the Comprehensive Plan, which describes the service area. This would need to be changed to reflect a change in the service area. Councilmember Seibert clarified that they would still be planning to serve all areas in the UGA. Mr. Weed had concerns about areas where annexation might not pass and if this might de facto change the service area to only the city limits.
- ♦ Comprehensive Water Plan Document: Mr. Weed noted that his concern with this was similar to the Comprehensive Plan. The document is a planning document in which the City had agreed on service areas on a regional basis. Changing the policy to require annexation before servicing essentially says that they are not serving the UGA areas unless they annex first. Councilmember Seibert asked about other cities that require annexation prior to servicing. Mr. Weed explained that in those cases the conditions were laid out at the same time as the service areas. In this case, the area was determined first and now the change would be to require annexation. This could upset property owners and developers' expectations of service being provided. Councilmember Seibert commented that these were only planning documents.
- ♦ RUSA Code: Mr. Weed explained that the boundary of the Utility Service Area was set by resolution of the City Council and the Boundary Review Board and that it should be consistent with the Urban Growth Area. He said it needs to be considered if boundaries were impacted especially in non-contiguous areas and places where annexation might fail. He then addressed other code language that would need to be changed.
- ♦ Amendments to the Boundary Review Board: Mr. Weed explained that this would only come into play if Council opted to change the service area to the city limits, which in effect Council would be doing if some areas were not able to be annexed. Councilmember Seibert noted that they are currently planning on serving areas that cannot be serviced and that this would only create a similar situation. There was discussion about different scenarios with regard to this.
- ♦ Utility Rate Review: Council would want to consider the impact of not knowing the number of hookups in advance. Impacts could be minor or significant. Councilmember Seibert commented that the Rate Review is based on people

actually being served. Mr. Seibert said this would not be different than the current situation. Mr. Weed explained that some of the assumptions the City has made in its Comprehensive Plan have been based on the Rate Review, which includes the entire service area, not just city limits. He noted that it could impact some of the financing. Finance Director Langdon agreed that it could be a factor in the bond issue.

Councilmember Leighan wondered if they did not allow hookups until annexation if another purveyor could come in and provide service. Mr. Weed explained that if one district cannot provide water another provider could come in. Councilman Leighan said that the UGA boundary was based in part on the City claiming that they had the potential to serve that area. Mr. Weed concurred that it might be seen that the City was not upholding its commitment to provide service.

Mayor Weiser referred to the issue of serving non-contiguous areas. He also noted that the Sunnyside area is covered with the recovery agreements. Very little of the area in Lakewood is covered by LID agreements and yet there is an annexation proposal there going forward in November. Councilmember Smith clarified that she feels it is more important to be proactive with regard to future changes in the UGA. She commented that she feels it is important to keep growth in the City for the sake of the citizens of Marysville. She referred to the impact of development outside the City in that the City does not receive the mitigation fees and the property taxes for those developments. Mayor Weiser stated that they do pay school mitigation fees, traffic mitigation fees and parks fee. Councilmember Smith agreed that the City does receive some of the money, but the ongoing maintenance is placed on the City of Marysville. She proposed that any area outside of the current UGA would have to be annexed prior to providing service. This would create a level playing field for the future in terms of expectations of property owners and developers because the terms would be laid out ahead of time.

Councilmember Donna Wright commented on the importance of Council showing an attitude, which would encourage people to annex. There was discussion about the importance of development occurring in the City in order to obtain the benefit of that development. Councilmember Leighan suggested working harder with the County to encourage them to spend more money in the local area.

City Attorney Weed discussed the history of the development of the RUSA Code. He noted that the covenants were the vehicles that the City chose in the 70's and 80's to say that they would service certain areas, but those areas in return promised that they would annex in the future. Councilmember Seibert agreed that commitment letters are part of the process, but now it is riskier due to the added requirement of having a majority of both property owners and registered voters sign a petition.

Councilmember Wright asked about legal ramifications based on the expectations developers had because of the RUSA Code. Mr. Weed stated that it was too complex to

predict and would depend on the specific circumstances and the basis for their expectations.

Councilmember John Soriano asked about the Boundary Review Board's 45-day review period plus the time required getting the two sets of signatures on the petitions. He wondered if developers might be accruing costs during this time and if the City could be held responsible for those costs. Mr. Weed agreed that the development community would have to realize that there are more time and steps involved in the process, but he felt it would be hard to conceive of a developer having a claim against the City under those circumstances. There was no further discussion on this matter.

Other Items Scheduled for July 14, 2003 Meeting

CONSENT AGENDA ITEMS

C. Approval of New Liquor License for Fortune 2000, Inc.; dba Subs N More.

There were no comments or questions regarding this item.

D. Approval of Liquor License Renewals for El Rinconcito and Marysville Gas & Food Mart.

There were no comments or questions regarding this item.

E. Authorize Mayor to Accept Grant and Sign Interlocal Agreement with Department of Ecology for Marysville Water Quality Project.

Councilmember Nehring asked about the pet waste collection/education stations. Mr. Leighan explained that these are the "pooper scooper" stations.

REVIEW BIDS

152nd Street N.E. Transmission Main.

Councilmember Soriano referred to the first paragraph of the Executive Summary for Action, which lists complexities "*such as stream crossings, dewatering, boring beneath the railroad, roadway restoration, etc.*" He asked to receive more details about the problems that were encountered with this project.

NEW BUSINESS

A. Variance Extension Request from Pacific Coast Feather.

There were no comments or questions on this item.

B. North End 240 Zone Reservoir Condemnation Ordinance.

Councilmember Seibert referred to page 3 of the letter dated September 10, 2002 from Ms. Jacquelyn Johnson which discusses a pending injunction against a portion of this property and referring to a diagram showing the area. Mr. Seibert asked for a copy of the diagram. Mr. Weed said he would get a copy of that diagram to Council and also investigate the matter of the pending injunction.

C. Change Order No. 3 for 57th Place Improvements Project.

Councilmember Seibert asked what the standard reserve amount was. Public Works Director Jim Owens responded that it is 10 %. Mr. Seibert commented that this change order was double the reserve and that it was approved without Council's approval. He commented that it would nice to receive these ahead of time. Mr. Owens explained that there was difficulty with this because the contracts are based on a unit price basis. There is then resolution at the end of the contract to adjust for the amount. City Engineer Kevin Nielsen added that the change orders for some of the shorter jobs happen so quickly that there is not time for Council to approve them ahead of time.

D. Construction Easement/Limited Use Permit State Avenue (116th Street N.E. – 136th Street N.E.) Project; PUD North Marysville Substation.

Councilmember Seibert asked if the issue had been worked out with the PUD. Mr. Weed explained that it had and that this version is acceptable to both the PUD and the City. He recommended Council's approval.

E. Donation Acceptance from Estate of Julietta Gellerson.

Parks and Recreation Director Ballew explained that if Council accepts this donation it would go to the Parks Board for determination of how the money would be allocated.

INFORMATION ITEMS**Staff Business**

Police Commander Lamoureux discussed an agreement to purchase a new DAT recorder to record 911 calls. He explained that the recorder they currently use is obsolete. The maintenance agreement has ended and parts are no longer being produced for it. He referred to the potential for liability associated with not having functioning recording equipment. He then explained that there is an upgrade program available with no ramifications to the 2004 budget and minor expenses to the next four years. He said it would be roughly a \$1,500/year increase for four years in order to get state of the art equipment. The current equipment is projected to have an estimated \$15,000/year maintenance costs for servicing. He said the entire cost of the new system would be about \$22,000.

Jim Ballew explained that they are considering acceptance of a dedicated 1.5-acre site. They are requesting that Council approve this neighborhood park dedication. He explained that one of the features of the park would be a beginners' skate park. He provided an estimate to maintain the park for the first two years and noted that the maintenance costs drop off considerably after that. He explained that this would go before the Hearing Examiner on the 17th of July, but that he wanted to let Council know about it ahead of time. Councilmember Seibert asked about the density bonus that this developer received. Mr. Ballew said they would have that information for him at the next meeting.

Jim Owens updated Council on the Change Order No. 1 for Wastewater Treatment Plant Upgrade and Expansion Phase I. Councilmember Seibert asked why the price of the increase of the cost of the pipe was passed on to the City. Mr. Owens explained the conditions under which the City was responsible for price increases.

Mr. Owens then gave an update on the tire roundup. He noted that Everett had collected 2,619 tires at an estimated expense of \$1.63/tire. Marysville had collected 2,000 tires at an estimated expense of only 25-cents/tire.

Grant Weed then updated Council on three different water bills which passed recently in the special session of the legislature. He explained that one of the bills was a municipal water bill. Another one clarifies the authority of the Department of Ecology.

Sandy Langdon noted that the bond closed last Monday and they have received the money.

Call on Councilmembers

Mike Leighan – nothing.

Suzanne Smith – nothing.

John Soriano – nothing.

Jon Nehring asked if there had been any new information about the West Nile Virus. Councilmember Wright explained that there has been no sign of it although the Health Department continues to watch for it.

Jeff Seibert – nothing.

Donna Wright – nothing.

Lisa Vares – nothing.

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ADJOURNMENT

Mayor Weiser adjourned the Work Session at 8:50 p.m.

Approved this 14th day of July, 2003.

David Weiser
Mayor
David Weiser

Gerry Becker
City Clerk
Gerry Becker

Laurie Hugdahl
Recording Secretary
Laurie Hugdahl