

MINUTES RECAP

00039

MARYSVILLE CITY COUNCIL MEETING	AUGUST 3, 1992
<u>CALL TO ORDER:</u>	7:00 p.m.
<u>ROLL CALL:</u>	Councilor Wright excused
<u>MINUTES OF PREVIOUS MEETING:</u>	7/27/92 Approved
<u>STAFF'S BUSINESS:</u>	
<u>MAYOR'S BUSINESS:</u>	Reappt. of Rod Reed to Planning Commission-6 yrs.
<u>CALL ON COUNCILMEMBERS:</u>	
<u>AUDIENCE PARTICIPATION:</u>	None
<u>PRESENTATION:</u>	None
<u>PETITIONS & COMMUNICATIONS:</u>	None
<u>PUBLIC HEARINGS:</u>	None
<u>CONSENT AGENDA:</u>	None
<u>REVIEW BIDS:</u>	None
<u>CURRENT BUSINESS:</u>	
1. Northpointe-Open Space Dedic- ation of Tract 1-A-1	Approved
2. Capital Improvement Fees - Northwest Composites	Capital Improvement fees deferred until occupancy
<u>NEW BUSINESS:</u>	
1. Regional Transit Authority; Ray Lloyd	Information Only
2. Eastwood Hills Annexation - 10% Petition/Boundaries set	Approved
3. Solid Waste Committee Findings	To be continued
<u>ORDINANCES & RESOLUTIONS:</u>	
1. Res. Granting Conditional Use Permit & Variance - Boersema	Res. 1567 Approved
2. Res. Granting Conditional Use Permit & Variance - Currier	Res. 1568 Approved
3. Res. Granting Conditional Use Permit & Variance - Jubie	Res. 1569 Approved
<u>LEGAL MATTERS:</u>	None
<u>MAYOR'S BUSINESS:</u>	Discussion/Information re Urban Growth Boundaries, Meetings w/County, etc.
<u>ADJOURNMENT INTO EXECUTIVE SESSION:</u>	10:22 PM
1. Pending Litigation	
2. Real Estate	
<u>RECONVENED & ADJOURNED:</u>	10:50 PM

CORRECTED: SEE
MINUTES

8/10/92

MARYSVILLE CITY COUNCIL MINUTES

AUGUST 3, 1992

7:00 p.m.

Council Chambers

Present: Dave Weiser, Mayor
Councilmembers:
 Donna Pedersen, Mayor Pro Tem
 Dave McGee
 John Myers
 Ken Baxter
 Donna Wright (excused)
 Mike Leighan
 Otto Herman
Administrative Staff:
 John Garner, City Administrator
 Grant Weed, City Attorney
 Steve Wilson, Finance Director
 Gloria Hirashima, Planning Director
 Jim Ballew, Parks & Recreation Director
 Dave Zabell, Public Works Director
 Wanda Iverson, Recording Secretary

CALL TO ORDER:

Mayor Weiser called the meeting to order at 7:00 p.m. and led the flag salute.

ROLL CALL:

Finance Director Wilson called the roll with all members present/absent as indicated above.

MINUTES OF PREVIOUS MEETING:

Councilor Herman asked that a change be made on page 11 of the 7/27/92 minutes, in the second to last paragraph: "Councilor Herman said as far as annexations go, he sees a need to revisit the City's annexation policy, (delete "but") we are conforming to the state law, but in the best interests of Marysville....."

Councilor Pedersen asked that on page 8 under Parking on Third St., second paragraph, the word "loading" be inserted before "access".

There being no further corrections, Councilor Pedersen moved and Councilor McGee seconded to approve the minutes of the 7/27/92 meeting as corrected. Passed unanimously.

STAFF BUSINESS:

City Administrator Garner announced the new Assistant Finance Director, Janet Tagart, will be starting 8/24/92. He reminded Council of the 8/20 AWC workshop to be held at the SeaTac Holiday Inn, for those interested in attending to let him know as soon as possible. (This workshop will be about budgeting.) He reminded Council also that the first meeting in September will be Tuesday, Sept. 8th because of Labor Day.

City Attorney Weed reported the revised parking code is nearly completed and he suggested it be put on the 8/24/92 Council agenda. There were no objections to this.

MAYOR'S BUSINESS:

Mayor Weiser commented on the great job the Street Dept. is doing striping the streets and noted they are now going to do the curbs. He apologized for his error last week reappointing George Wilcox for a 6 year term to the Planning Commission: George Wilcox has another year to go; it was Rod Reed instead who should have been reappointed.

AUGUST 3, 1992

Page 1

MARYSVILLE CITY COUNCIL MINUTES
AUGUST 3, 1992
Page 2

Councilor Baxter moved and Councilor Myers seconded to reappoint Rod Reed for 6 years to the Planning Commission. Passed unanimously.

CALL ON COUNCILMEMBERS:

Councilor Leighan reported on the AWC planning workshop and he explained he has available as a result, a copy of the King County Annexation Policies which eliminate the Boundary Review Board in their process.

Councilor Pedersen asked about a possible parking problem at City Hall. She said it looks like a mini park and ride there in the early mornings but City Administrator Garner stated there had been no complaints.

Councilor Baxter reported from 9 a.m. to 1 p.m. tomorrow the Water Utility Coordination Committee will meet in the Fire Training Room.

Councilor Myers asked about the aid unit and fire truck always responding to calls together and Councilor Baxter confirmed the fire truck must accompany the aid unit on every aid call, to transport manpower.

Councilor McGee asked about the progress on 80th and Public Works Director Zabell stated he would have to let him know tomorrow, as he has just come back from vacation (2 hrs. ago).

Councilor Herman stated his assessment of 80th is that all it needs now is striping, the asphaltting all appears to be done.

AUDIENCE PARTICIPATION FOR NON-AGENDA ITEMS: None.

CURRENT BUSINESS:

1. Northpointe; Open Space Dedication of Tract 1-A-1; PA 9001004.

Planning Director Hirashima explained the binding site plan of Northpointe was approved by Council 6/22/92 however the open space tract was at issue. She noted that some of the concerns were liability associated with tree falls and whether the City wants to accept these smaller dedications. There were a significant amount of trees, however it was not felt that there would be the problem of fall downs due to tree size and age, she said and the open space now connects with an adjacent open space, also. She presented a mylar to show Council and stated the applicant is also willing to develop the lots if Council does not wish to accept the dedication.

Councilor Baxter noted there is a difference in boundaries. He said he understands from Jim Ballew there would be no liability problem and Jim Ballew recommends the City accept the dedication. He said he would like to see the owner clean up the underbrush, is his only concern at this point.

Mayor Weiser asked how many trees there are on the tract and Parks & Recreation Supt. Ballew did not know.

Bill Binford, 6221 102nd Pl. NE, Kirkland, representing Northpointe, addressed Council and said they are prepared to go either way--if the City doesn't take it, they would develop the 6 lots but if the City feels it would make a good park, that would be fine, too. He said they could clean up the underbrush, also.

Councilor Herman said other than the nettles, he doesn't think the underbrush is that significant and it may be good to leave some of it for small animal habitat. He expressed his appreciation for the very nice tour of the open space and said he didn't observe anything that would present a fire hazard. He noted there are some areas very thick with trees, very dense, dark and damp, in fact, and said he wouldn't want to see the City feel obligated to clean it up each year.

Parks & Recreation Supt. Ballew stated the intended use is passive but they would like it cleared a bit, for example, there is a lot of night shade, nettles and berries that should be removed. He noted that "low visibility is high liability" and once it's connected with the adjacent wooded area, it will provide a nice, accessible area and as stewards, the City needs to get the night shade out, he said. He added that some of the areas will be left in natural vegetation; an east-west pedestrian corridor to 271st has been approved by the Dept. of Fisheries but it is not the intent to do that as yet, it will be left in natural vegetation for now.

CORRECTED: SEE
 MINUTES
 8/10/92
 Pedestrian

Councilor Baxter moved that the City accept the dedication of the open space tract, using discretion in clearing underbrush. Councilor Herman seconded the motion and discussion followed.

Mr. Binford stated the homes on the north could be left protected by dense woods in that area, with the underbrush, etc. being cleaned up somewhat in other area. He stated the applicant will be happy to work with the Parks Dept., cleaning out underbrush as necessary.

Councilor Baxter said it's nice to have some visibility and yet it's nice to keep a buffer for the homeowners, also.

Mayor Weiser asked that the motion be restated.

Councilor Baxter moved that the Council approve the binding site plan and accept the 1.4 acre open space tract with the owners to clear underbrush as directed by the Parks Dept., with the acceptance of the open space based on Jim Ballew's personal guarantee. Councilor Herman seconded the motion and it passed unanimously.

2. Capital Improvement Fees; Northwest Composites.

Public Works Director Zabell referred to a memo he wrote 7/22/92 in the packets and he said he tried to use the same examples as Northwest Composites did. He stated some cities have a higher connection fee, like Marysville, with lower monthly rates; other agencies may have higher monthly rates with lower hookup fees. He said Marysville has a lower service fee than other agencies and he itemized Capital Improvement needs in Marysville such as annual projects, the Wastewater Treatment Facility upgrade, increasing fire flows. He stated Marysville's connection fees are higher than Mukilteo water or Olympus Terrace sewer however our monthly rates are lower than Mukilteo or Olympus Terrace. He said using the example of a warehouse, within 20 months the Capital Improvement fees would be recovered/saved due to Marysville's lower monthly rates, based on Northwest Composite's current consumption. He added that Marysville's policy is to make the newcomer pay the capital improvements, enhancing our system as we go. He said the City received 2 letters, both to do with the Smokey Point Center, from Art Day and Rodger Fagerholm, also concerning Marysville's high connection fees to sewer and water.

Councilor Herman pointed out that the monthly water and sewer fees

MARYSVILLE CITY COUNCIL MINUTES
AUGUST 3, 1992
Page 4

would be less if Northwest Composites were within city limits and asked if it would be about the same 20 month break even point but Public Works Director Zabell stated he hadn't done those calculations.

Councilor Leighan asked about Northwest Composites' monthly usage now and what it would be with their expanded facility and Public Works Director Zabell said he based his calculations on their current usage of about 500,000 gallons of water a month, noting that the City doesn't want to have a huge disparity between the rates for a warehouse and processing plant or the owner could end up building a small processing plant (where the rates are higher, say) and a larger warehouse building (where the rates are lower).

Councilor Herman said he would like to see lower connection fees in order to give the businesses some incentive to locate in the Marysville area.

Councilor Pedersen asked about the credit for warehouse buildings and Public Works Director Zabell stated the rate can be credited/reduced up to a maximum of 50% for warehouse use.

Councilor Baxter asked about requiring reprocessing of water, where the break even point is and Public Works Director Zabell stated the City is required to do that but the businesses are not required to, as yet.

Councilor Baxter said he was interested in what kind of operation it would take for reprocessing/recycling and noted that is what we should be seriously considering in light of all the conservation measures being taken in other areas now. It was pointed out that the Capital Improvement fee wouldn't change, however, as it's based on area of the building, not usage.

Councilor Pedersen said she has a problem with that method of calculating the fee, that it should more closely be related to usage rather than square footage of the building.

Public Works Director Zabell said it's basically required to be based on area of the building for fire flow reasons.

Councilor Pedersen said she thinks Councilor Herman has a good point about incentive for businesses to locate in our area.

Councilor Baxter pointed out the City has to bring fire flow up to standard and he said he doesn't believe that part of the system was on an LID. The rule is to have the fire flow available and that's where the cost is, he stated.

Public Works Director Zabell said the alternative is to lower the capital improvement fees and raise the monthly fees but you have a lot of people who have already paid the higher capital improvement fees.

Mayor Weiser said possibly a two tier rate structure where they have a choice, could be developed.

Councilor Leighan said he checked into the Milgard when they were talking about locating in Marysville and they ended up going to Tacoma but Councilor Baxter explained that utilities was not the issue in their case.

Curt Gustafson, 7021 Lakeridge Dr. S., Seattle, addressed Council as president of Northwest Composites. He stated he came before Council two years ago and had no idea at that time what was ahead

of them or they would never have built this building. He said the county process was such a lengthy one, they downsized the building and when it came to fees, he had in mind \$3,000 to \$5,000 but road mitigation was \$40,000, storm water management \$100,000 and now \$89,000 to hookup to Marysville sewer and water. He pointed out that Northwest Composites made a commitment to lower their usage but didn't realize they would have such an impact on the sewer system. He noted the sewer moratorium did cause further delays and does understand the argument about the fire flow but it was still a huge surprise to have to pay \$89,000. He said regarding the comparison of other cities' rates, he thinks Marysville should be charging more for usage and that would encourage conservation; he said they would rather pay a lower connection fee upfront. He added there are not a lot of industrial buildings being built in Marysville, for example, Tramco is building an industrial structure in Everett for about 1/10th the capital improvement fees so he said he thinks it's important for Marysville to lower its rate structure. He pointed out that they would not have gone ahead with this project if they had known how much the fees were going to be before and do not plan to expand in Marysville because of the permitting process and fee structures; they will be looking elsewhere, he stated. He thanked Dave Zabell and his crew for giving Northwest Composites the leeway on payment of the fees as well as a lot of personal attention, etc. With regard to the recycling of water, he pointed out that it is not contaminated as it is used only for cooling and can be reused, also, they have now started using cooling towers where the small amount of water that is used evaporates into the atmosphere--their usage is less and the water going into the sewer is substantially less, also, he pointed out. He added that they were up to a million gallons and now are sometimes as low as 250,000 gallons. He asked about the Northwest Annexation process.

Mayor Weiser explained it was scheduled to come before the Boundary Review Board 8/20/92 but there is no guarantee it will be approved, either.

Mr. Gustafson indicated that is too long of a wait and asked if they could get a variance granting them City rates now. Discussion ensued about the size of the structure and what effect City rates would have. Mr. Gustafson pointed out that the Merry Tiller building has been there since 1974 and Northwest Composites took it over--those capital improvement fees were already paid before Northwest Composites came to Marysville.

Mayor Weiser asked about the sprinklering requirements in the warehouse building and Mr. Gustafson stated it was their choice; it was for insurance rates and really, one can't afford the risk of not having it sprinklered for many reasons.

Mayor Weiser asked if he knew if this is any more or any less sprinklered, based on use and Mr. Gustafson said they sprinklered to a 24' high building requirements, plus added the potential of a mezzanine, which did not require any extra size in the 12" existing main, he said.

Jim Toomey, 14624 Connelly Rd., Snohomish, director at Northwest Composites, addressed Council. He asked about the City rate structure and said they don't believe the City took into account this size of a building being built in Marysville. He asked that the Council grant City rates because it is the feeling that the City never considered buildings over 50,000 sq. ft. when the rate structure was put together. He pointed out that would save Northwest Composites \$27,000, bringing the connection fee down to \$62,000.

MARYSVILLE CITY COUNCIL MINUTES
AUGUST 3, 1992
Page 6

Mayor Weiser explained what was considered is usage in the entire system and the reason the rates outside the City are double is because there is a significant impact with the monthly rates being so much lower than surrounding jurisdictions. He added that capital improvement fees can't be used for payment of bonds but they are used as a reserve account for capital improvements.

Mr. Toomey said he would like to see a fair evaluation of the situation; they are getting charged \$27,000 more for being a few blocks outside of the City and this was not considered before. He said they are just asking for equity and he noted Tramco is putting in a bigger building and is going to use a lot more water with a lower amount being paid in hookup fees. He said they are just asking for a break on buildings over 50,000 square feet.

Public Works Director Zabell pointed out that the Gateway Plaza was rated the same as Northwest Composites but Mr. Toomey pointed out that Northwest Composites is not retail and there's a big difference between them and Safeway. He added that the City has a long time to collect money and he said he doesn't think the City actually projected these capital improvement fees, so this is money "on the come" for future projects and the City could conceivably give Northwest Composites and future industrial users a break.

Councilor Herman pointed out that capital improvements are financed through newcomers and said he thinks that's a good philosophy. As far as encouraging conservation, he said Mr. Gustafson makes a good point. Mr. Toomey requests City rates but Councilor Herman asked what we do about a large building that comes into City limits shortly after paying the higher capital improvement fees and whether that would impact bonding capabilities/rate structure.

Councilor Pedersen pointed out that one of the issues here is economic development which is a long term issue. When Mr. Toomey first made his suggestion, she said she didn't think it was equitable until Mr. Toomey added the caveat of the "over 50,000 sq. ft." so that's a way to explain the decreased capital improvement fees to others, she said.

Councilor Baxter pointed out that with the annexation, there's going to be a lot of impact on the City's monthly income and he is also concerned about them "looking elsewhere" for a new location, he said. The other issue, he said, is the issue of a concession because they have a larger operation and he said he doesn't like giving them a special rate just because of their size.

Councilor Leighan said it comes down to whether City Council envisions Marysville to be a bedroom community or an industrial base, supplying jobs to the community. He asked if we want these people to go elsewhere--that's what we need to decide, he stated.

Councilor Baxter added it's also an issue of whether the small business person wants to subsidize them. He said he felt all businesses should be treated the same, if there's going to be a reduction, for example, let's make a reduction right down the line, he said.

Councilor Pedersen noted the intent of having the people in the county pay more for water and sewer is to encourage them to annex and if the rates are left higher, perhaps Northwest Composites would have a stake in going to the Boundary Review Board hearing on the 20th, she said.

MARYSVILLE CITY COUNCIL MINUTES
 AUGUST 3, 1992
 Page 7

Public Works Director Zabell also pointed out that that whole area is serviced by a smaller water system/network and the water demand pushes the fire protection need up, whether it's a warehouse or not. He added that sewer usage might be reduced by 50% but water usage would be the same.

Mayor Weiser asked what would happen if the use of the building changed from being a warehouse and Public Works Director Zabell said they would have to go back to the higher sewer rate.

Mr. Gustafson reiterated that Northwest Composites is having to compete worldwide and overhead is critical to them. He stated they are not trying to threaten the City with leaving, it's just a matter of business and they are the second biggest employer in the City, with a monthly payroll of \$300,000, are constantly upgrading their facility and would like some kind of consideration from the City. He invited City Councilors out to the facility and especially to see the space problems they are having because of these delays. He pointed out again that Marysville's fee structure is 8 or 9 times comparable (Everett) areas and he said he thinks the City needs to look at whether or not they want to be a bedroom community or industrial base and certainly the rate structure is going to drive that.

Councilor Pedersen asked about the 8/20/92 hearing date as Mr. Gustafson had indicated earlier he couldn't wait that long.

Mr. Gustafson said he has pushed back the completion of the warehouse building several times and waiting until the outcome of the 8/20/92 hearing would mean one more delay but it might be worth the wait if it's going to result in a reduction of rates, he said.

Councilor Herman said equity is a good point and he said he feels it would be an injustice to have a business pay a higher fee, get annexed and then be eligible for the lower fee. He suggested the City might go with the lower capital improvement fees on the condition that the Northwest Annexation goes through. He said he is still questioning the overall impact of a lower capital improvement fees.

Mayor Weiser explained the City can reduce or do away with capital improvement fees but will have to raise the monthly fees and eventually, will have to collect that money, he said.

Councilor Herman stated he understands but in this instance, he thinks the issue is timing of annexation and the time of development and we need to look at the \$27,000 in terms of whether or not it's going to be that much of a negative impact, he said.

Councilor Pedersen said she thought she heard Mr. Gustafson saying he would prefer lower capital improvement fees and higher monthly fees and she said she thinks this might be a concept the Council might want to look at for industrial users. She added that if you are a developer, a lot of times you can't recover capital improvement fees and perhaps the Council could have a workshop on this, she said. ~~In terms of giving them the lower rate, perhaps this would encourage them to go to the Boundary Review Board hearing, she said.~~

There was discussion about a rebate if NW Composites is annexed within six months.

City Attorney Weed said he doesn't know of anything in the code that would preclude a lower rate or deferment as long as the valve/service is not turned on. He added that if the capital

CORRECTED: SEE
 MINUTES
 8/10/92

CORRECTED: SEE
 MINUTES
 8/10/92

MARYSVILLE CITY COUNCIL MINUTES
AUGUST 3, 1992
Page 8

improvement fee or monthly rate structure is change, there would have to be some kind of study with regard to bonding, which is based on the entire structure, capital improvement and monthly fees, and the City would need an opinion from Bond Council before making any changes, he said. He added he is sure there is some commitment with regard to the rates with the Bond Council.

Councilor Baxter said he doesn't think there's anything prohibiting NW Composites from continuing with their project and in the meantime the Council could review the rates for an equitable solution and he said he would like to propose that, as well as allowing the Boundary Review Board to make their decision also by that time. This would allow NW Composites to continue with their work schedule and defer fee payment until they are ready to occupy, he said and the worst that can happen is we will be at the same point as we are now--this should take Council about 30 days, he guessed.

Councilor Pedersen asked about paying the fees with an amendment in fees at a later time, whether it be by annexation and/or rate structure change and City Attorney Weed said he sees no problem with that.

Councilor McGee pointed out that after the work study there is a chance their rate may be lower than in the City, also.

Councilor Pedersen said she thinks Council needs to review the overall philosophy regarding that area being an industrial base and Councilor Myers stated he thinks Council needs to review people who may not be in a position to annex, also.

There was discussion about the Boundary Review Board wanting to defer the Northwest Annexation hearing until after the first of the year, Northwest Composites wanting to occupy their warehouse by 10/1, deferment of payment, deferment of the Boundary Review Board hearing, the City having no leverage once the valve is turned on, just asking for the difference to be deferred (\$27,000), workshop on the entire rate structure would run \$10,000 to \$15,000 to professionally assess the overall impact on the rates which City Administrator Garner suggested may be the only way to resolve the issue. This one particular issue (NW Composites only) could be resolved in a one session workshop, was the consensus.

Mayor Weiser asked if the water rates were going to be revisited soon and Public Works Director Zabell said they were going to look at the overage usage rate/fee structure only.

Councilor Baxter moved to allow Northwest Composites deferment of payment of the capital improvement fees until date of occupancy so they can continue to work on the building as scheduled, not to affect the rest of the permitting and to await outcome of the annexation hearing. Councilor Myers seconded. Passed unanimously.

There was discussion about the workshop and it was decided to specifically address the City's philosophical approach, come up with some comparisons of other capital improvement fees, water rates, etc. say, from Bothell, Monroe and Snohomish. It was pointed out that Marysville has just had to acquire a new water supply and should be comparing apples with apples, in other words, another city that has gone through the same growth changes.

Mr. Toomey extended the invitation again to Council to visit their facility to see the positive impacts they have made on the

MARYSVILLE CITY COUNCIL MINUTES
 AUGUST 3, 1992
 Page 9

community. He noted that for the past 6 years Northwest Composites has put all their profits back into the company and the community and help a lot of people by providing jobs. He thanked the City Council for all their efforts.

NEW BUSINESS:

1. Regional Transit Authority; Ray Lloyd.

Mr. Lloyd distributed the handout "RTA Boundaries - Proposed Process and Guidelines" and reviewed some of the information in it. He spoke about the local Joint Regional Policy Committee and their role in the process as well as the RTA boundary alternatives, with the deadline for a boundary to be decided by 9/11/92. He noted some of the advantages to having a regional transit system are reduction of employee commutes, reduction of air pollution and less traffic congestion/use of highways. He noted that 9/10ths of a cent sales tax increase is projected within the taxing district in order to pay for the regional transit system and he explained some of the factors that will go into determining whether or not Marysville is included within the regional transit boundary. He also noted that representation (eg., the joint regional policy committee is made up of 4 representatives at this point) will be based on the geographical boundaries; one of the proposals is to reduce the present 4 to 2. He talked about some of the guidelines for determining boundaries, such as areas needing to be contiguous, so as not to create islands and a city cannot be cut in half, the whole city must be included within the boundaries or not at all. He outlined the positives and negatives if Marysville were to be served and be included in the RTA boundary. He also noted that CT has a fairly aggressive growth plan out to the year 2020; it's a rather complex system with the final boundary to be adopted in 2/93, and the short range/interim Snohomish County boundaries to be set by 8/21/92.

Mayor Weiser noted that Ross Kane wants to eliminate CT with a proposal for rail service. He also noted that the Tulalip Reservation is included in Alternative 5 and not the other 4 maps.

Councilor Herman explained that the Tulalip Tribes have approached CT with regard to service on the reservation--they have some interesting questions with regard to Sovereign Nations issues, he said and have problems with the methodology of the RTA boundaries being set.

Mr. Lloyd stated the Tulalip Tribes were not meant to be included within any of the 5 alternatives because of the problem Councilor Herman mentioned. He added that there are a lot of projects in flux concerning rapid transit and this has a big impact on boundary setting.

Councilor Herman pointed out that a sales tax increase requires a 100% vote of the electoral within the RTA, services to the outer reaches is being questioned as is funding for needed tunneling, etc. and there is a possible funding source with a statewide gas tax and with a larger RTA boundary as a consequence.

Mr. Lloyd noted the Growth Management Act encourages and the tendency is to go with the larger boundaries to prevent leap frogging, to provide more representation and to get more funding. There was discussion about sending people out of town via rapid transit, increasing sales tax, EPA limitations in Colorado because of automobile pollution.

CORRECTED MINUTES SEE 8/10/92

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CORRECTED MINUTES SEE 8/10/92

MARYSVILLE CITY COUNCIL MINUTES
AUGUST 3, 1992
Page 10

2. Eastwood Hills Annexation - 10% Petition; PA 9207030.

Planning Director Hirashima explained this was a portion of the Southwest Annexation originally, they have reduced the original size of the proposal and now have signatures representing 100% of the assessed valuation. She described the location and noted that no-protest agreements were excluded from the previous annexation with only the Neartown Acre Tracts included previously. This is under 10 acres and it's possible the Boundary Review Board would waive jurisdiction and not require a hearing, she said. She also noted that Belmark is developing Eastwood Hills II and would like to develop the balance of it in Marysville versus the county. She said Gary Petershagen of Belmark Industries is available to answer questions.

Public Works Director Zabell noted this parcel is within the PUD water service area and would require a variance for Marysville sewer if annexed, as water is being provided by PUD and not the City.

Councilor Herman moved for acceptance of the 10% petition, to establish boundaries for a 60% petition circulation, including adoption of County Comp Plan designation and City's bonded indebtedness. Councilor McGee seconded and the motion passed unanimously.

3. Solid Waste Committee Findings.

Finance Director Wilson explained the committee was made up of Dave McGee, Ken Baxter, Dave Weiser, John Garner, Duke Carrier, Dave Zabell and Steve Wilson. He passed around an information sheet showing current operations/personnel (7 collectors, a recycling coordinator and one foreman; 4 garbage trucks), revenues, rates, number of accounts and he noted that the City is running at a loss of \$37,000 at this time. Even with the recent increase in rates, he noted that with the advent of recycling, people have reduced their regular usage significantly and commercial recycling has also had an impact on regular use, to the point where people are using on the average of only one can a week in the residential sector, he said. It was pointed out that the cost of new trucks is \$150,000 each. The advantage of this is it would reduce personnel from two to one per truck, which would result in a savings of \$105,000 a year but to pay for trucks over five years would cost \$138,000 a year, which is a deficit of \$33,000 a year.

Finance Director Wilson said he asked for comparisons of rates from Waste Management Northwest and Rubatino with a view to privatizing garbage collection. It was not clear whether they would employ present City employees who would have to be laid off, however it was noted that they would be willing to purchase the City's old garbage trucks. It was also noted that an increase in rates is necessary at this point to 1) modernize the system and 2) to eliminate running at a loss.

Mayor Weiser noted that the manpower issue was discussed extensively in the committee meetings and some of the people that would be replaced by privatization and/or new trucks could be absorbed within the City. It was also noted that Rubatino's rates are for "garage door" service but "curb side" service could also be provided, which would be lower than the quote in the information sheet.

Councilor McGee asked about the garbage billing--who would do it and what it would cost.

MARYSVILLE CITY COUNCIL MINUTES
AUGUST 3, 1992
Page 11

Finance Director Wilson stated Waste Management included billing in their quote, he wasn't sure about Rubatino. Rubatino was interested in purchasing the City's garbage trucks, however, he said.

There was discussion about salaries and benefits, the half time recycling coordinator position being required under the recycling grant, billing costs including salary and benefits, reserve account for new equipment being eaten up by the loss of revenue at this time with it anticipated that at the end of the year \$160,000 would remain in the reserve account.

Councilor Herman asked what percentage of current residential customers are one can only and Finance Director Wilson stated out of 3652 total residential customers, 2400 (about 2/3) are one can customers.

Councilor Herman expressed a concern about making too quick a decision to privatize because he warned this is a one time decision and very costly to go back into the garbage business.

Mayor Weiser agreed, noting Snohomish went out, went back in and again went back out of the garbage business.

Councilor McGee noted that the \$37,000 loss does not include paying anything into reserves at this time.

Councilor Leighan asked if the City could still collect utility taxes and if it was included in the calculation. Finance Director Wilson answered in the affirmative to both questions.

Councilor Herman questioned whether a private company might just be giving the City a low bid to get the business.

Councilor Pedersen pointed out that there are two quotes--the one on the right side of the sheet includes tax and curb side service would be very comparable with current Marysville rates.

Mayor Weiser stated Waste Management indicated Marysville's rates would be less than Arlington's and Rubatino was just giving us a thumbnail estimate.

Councilor Leighan asked what Rubatino would do with Marysville's old trucks and there were some comments about the possibility of Marysville hanging on to their old trucks for special events, etc.

Councilor Baxter said he would think that privatization of the billing would be to the City's advantage. He said if we are going to get out of the garbage business, we should get out of the garbage billing business too.

There was discussion about the rates having to go up soon, impacts, past recommendations about getting out of the garbage business, getting more specific price quotes from the private sector, making a decision about rates, comparing apples to apples, savings to the City if they are still in the billing business for water and sewer, City having more leverage in collecting, Marysville being able to do the collection for the private company if they have problems, using water and sewer hookups as leverage.

Councilor Baxter said he was not sure if it is legal to cut someone's water or sewer off if they don't pay their garbage, that would be like cutting your power off if you don't pay your water. He said we wouldn't be in the phone bill collection business, so probably should leave the collection process up to the private co.

MARYSVILLE CITY COUNCIL MINUTES
 AUGUST 3, 1992
 Page 12

Councilor Pedersen asked about mandatory pickup and Mayor Weiser noted that Arlington has mandatory pickup and they do their own billing for Waste Management.

Councilor Pedersen asked about the extra personnel needed every time there's a rate increase, for example, to answer all the phone calls at City Hall and Finance Director Wilson said the calls would have to be referred to Waste Management, for example, for pickup questions and billing questions could go to the City, if the City were actually still doing the billing.

Mayor Weiser said that as far as low ball bids, two companies quoted so it's not a monopoly situation.

City Administrator Garner explained they would credit the rates with the old trucks, i.e., that would reduce the rates.

There was discussion about internal billing costs, Saturday pickups, extra pickups, both quoting companies have the same 3 holidays off as the City, more rate information needed. Consensus was for the committee to return with more information regarding rates, billing, staffing.

ORDINANCES & RESOLUTIONS:

1. **A Resolution of the City of Marysville Granting a Conditional Use Permit and Variance for Property Owned by Daryl Boersema Subject to Conditions.**

Councilor McGee moved and Councilor Myers seconded to approve/adopt Resolution #1567. Passed unanimously.

2. **A Resolution of the City of Marysville Granting a Conditional Use Permit and Variance for Property Owned by Allen Currier/Greystone Development Corp. Subject to Conditions.**

Councilor Myers moved and Councilor McGee seconded to approve/adopt Resolution #1568. Passed unanimously.

3. **A Resolution of the City of Marysville Granting a Conditional Use Permit and Variance for Property Owned by Harvey Jubie Subject to Conditions.**

Councilor Leighan moved and Councilor Pedersen seconded to approve/adopt Resolution #1569. Passed unanimously.

LEGAL MATTERS: None.

MAYOR'S BUSINESS:

Mayor Weiser again reviewed discussions and meetings regarding the interlocal agreement to be signed with the County concerning Urban Growth Boundaries, Annexation Policies, etc. He stated there is a meeting tomorrow at 4 p.m. and he referred to a draft that's been presented. He said he would like to focus on the short form tomorrow and would not have any problems with agreeing to the annexation policies.

There was discussion at this point, disagreeing with some of the annexation policies that have been proposed such as notification of neighbors, definition of interim annexation area, joint planning process to be completed by 7/1/93, Snohomish County protesting Marysville annexations, revenue sharing issues, notification of the county of the 10% petition stage by the City, interlocal agreements that may be necessary for an annexation

MARYSVILLE CITY COUNCIL MINUTES
AUGUST 3, 1992
Page 13

addressing 5 areas of concern to the county but no concerns of the City listed, comparison with King County annexation policy (for example, in Bellevue, urban areas to be annexed as soon as possible), county not having time to do joint planning and protesting the annexations at the same time, out of 45 protested-by-the-county annexations presented to the Boundary Review Board, 43 were approved by the Boundary Review Board; delay of the Northwest Annexation hearing, joint planning process.

ADJOURNMENT INTO EXECUTIVE SESSION: 10:22 p.m.

1. Pending Litigation.
2. Personnel.

RECONVENE AND ADJOURN: 10:50 p.m.

Accepted this 10th day of August, 1992.

David Weiser

MAYOR

May D. Sverson

CITY CLERK

Wanda A. Sverson

RECORDING SECRETARY