

MINUTES RECAP

MARYSVILLE CITY COUNCIL MEETING

DECEMBER 16, 1996

00312

CALL TO ORDER/FLAG SALUTE:

7:00 p.m.

ROLL CALL:

All Present

CORRECTED: SEE 1/6/97
MINUTESMINUTES OF PREVIOUS MEETINGS:City Council 12/9/96
ApprovedAUDIENCE PARTICIPATION:

None

CONSENT AGENDA:

Approved:

1. Affirm Hearing Examiner's Recommendation to Approve Rezone & Conditional Use Permit for OSO Partnership; PA 9512059.
2. Affirm Hearing Examiner's Recommendation to Approve Conditional Use Permit for Todd Borseth; PA 9607034.

STAFF'S BUSINESS:MAYOR'S BUSINESS:CALL ON COUNCILMEMBERS:PUBLIC HEARINGS:

1. Water & Sewer Utility Rates; (cont. from Dec. 2, 1996) Approved as presented - Option 2 on Water Rates

REVIEW BIDS:

1. Hand-Held Meter Reading Devices Approved Western Utilities Supply Co. Bid

ORDINANCES & RESOLUTIONS:

1. Ordinance 2109 Approved Increasing Water (Option 2) & Sewer Rates, Amending Sections 14.07.060 and 14.07.070 of the MMC.
2. Ordinance 2110 Approved Annexing Certain Unincorporated Area Known as the Barr (et al) Property into the City of Marysville.

LEGAL MATTERS:

1. City Attorney Retainer Agreement. Approved
2. City Administrator Agreement. Approved

ADJOURNMENT:

9:07 p.m.

MARYSVILLE CITY COUNCIL MINUTES

DECEMBER 16, 1996

7:00 p.m.

Council Chambers

Present: Dave Weiser, Mayor

Councilmembers:

Donna Wright, Mayor Pro Tem

John Myers

Ken Baxter

Donna Pedersen

Mike Leighan

Otto Herman

Shirley Bartholomew

Administrative Staff:

Dave Zabell, City Administrator

Janet Berg, Asst. Finance Director

Ken Winckler, Public Works Director

Gloria Hirashima, City Planner

Grant Weed, City Attorney

Doug Buell, Community Information Officer

Wanda Iverson, Recording Secretary

CALL TO ORDER/FLAG SALUTE:

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

ROLL CALL:

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

MINUTES OF THE PREVIOUS MEETINGS:

On page 4 under Mayor's Business, Councilmember Myers noted the Marysville Historical Society meeting was at 7 a.m. not 7 p.m.

There being no further corrections, Councilmember Leighan moved and Councilmember Bartholomew seconded to approve the 12/9/96 Council minutes as corrected. Passed unanimously.

AUDIENCE PARTICIPATION FOR NON-AGENDA ITEMS: None.

CONSENT AGENDA:

1. **Affirm Hearing Examiner's Recommendation to Approve Rezone & Conditional Use Permit for OSO Partnership; PA 9512059.**
2. **Affirm Hearing Examiner's Recommendation to Approve Conditional Use Permit for Todd Borseth; PA 9607034.**

There was brief discussion about the parking space ratio for machine shops and City Planner Hirashima said she would check into this further.

Councilmember Leighan moved and Councilmember Herman seconded to approve Consent Agenda Items 1 & 2. Passed unanimously.

STAFF'S BUSINESS:

Public Works Director Winckler reported the Groundwater Advisory Committee will meet from 9-12 Friday at PUD's Ginni Stevens Rm. He also noted the Traffic Safety Committee will meet Thursday at the Public Works Bldg. at the usual time. He reviewed electrical work bids that were received for the equipment building at the golf course, with the low bid coming in at \$14,029 plus tax from Rodgers Electric. As this is below \$15,000, this is an information only item for the Council.

CALL ON COUNCILMEMBERS:

Councilmember Wright noted people appreciate the parking/striping at the Library but the cars are moving west and it's becoming more dangerous. She also noted she has heard several complaints about a strobe light at 6th & State that makes people think it's an emergency vehicle.

Public Works Director Winckler said with regard to the parking situation at the Library, the Traffic Safety Committee would like to review these items, eg. items discussed/recommended by the CT/Community Parking Committee prior to their coming before Council. Consensus was that Public Works Director Winckler should bring this back as an agenda item.

There was discussion about the strobe light being against code and that Code Enforcement Officer Rochon should investigate further.

Councilmember Pedersen noted because of the needle exchange program being on tomorrow's Health District agenda, they have moved the meeting to the Everett City Council Chambers.

Councilmember Baxter asked about an update on the 88th St. interchange.

Public Works Director Winckler said because of a lack of signal heads and BN not having equipment available to complete the railroad crossing, the interchange will not be completed now until mid or the end of February.

Councilmember Baxter said he was concerned about Quil Ceda Tanning's employees and customers not having proper access off State and there was discussion about notification to the 7 residences as well as 3 businesses that have had very poor access these past two months.

Public Works Director Winckler explained the railroad problem as well as the signal head problem more completely and said he would follow up on these two items to see if there isn't something that can be done to expedite the completion of this project in a more timely manner, since it was originally expected to be completed by the end of this year.

PUBLIC HEARINGS:

1. Water & Sewer Utility Rates (continued from Dec. 2, 1996).

Mayor Weiser thanked all who were involved in the Focus Group on this topic for their time and effort.

Larry Wade, Hammond, Collier, Wade-Livingstone, made his presentation, outlining what had transpired at the Focus Group meeting 12/11. He said everyone came to a consensus on the sewer rates but there was no agreement reached as yet on the water rates and he presented Option 1 and Option 2. He explained that under Option 1, it does not reduce the charge to single family customers but does reduce the allowance of 6000 gallons, i.e. there would be a base rate of \$18.80 bimonthly and the overage rate would be lower. He showed pie charts comparing usage to revenue.

On Option 2, there would be a \$16.50 base rate as compared \$18.80 and \$1.75 per 1000 gallons vs \$1.62 overage rate. There would be a reduction to all user groups except those using less than 6,000 gallons, he said. He showed comparisons of rates for users inside and outside the UGA and noted that with higher users, eg. after 30,000 gallons, Option 1 has a lower rate structure than Option 2. He also noted that Capt. Dizzy's Car Wash has been added to the list of example businesses. He also noted that both options are below the 71 city average and he summarized other proposed changes as a result of the last hearing:

1. Summer surcharge for residences will be 150% if they use in excess of 15,000 gallons bimonthly.
2. Restaurants are all Class 3 unless they have no grease trap or have received a variance for having a grease trap and there would be a surcharge of \$1.50/1000 gallons. It was noted grease traps are being tested currently to determine if Class 3 is in line with strength standards.

3. New rates for schools will not go into effect until 7/1/97 and they are proposing rates stay the same whether the school is within or outside city limits/UGA.
4. There is to be grandfathering for existing customers outside of the CWSP/UGA where they would be considered inside the CWSP/UGA, eg. Nina Lakes, Edwards Springs area, Tulalip, 45 Road.
5. Fire protection rates to be increased by 30%.

He noted comparisons were made to 4 surrounding cities' 1996 rates. He also noted that in his opinion, Option 2, with the higher end rate, would encourage conservation of water use.

Councilmember Herman asked for a comparison of residential rates and Mr. Wade gave an example of a 10,000 gallon bimonthly usage household where the old rate would be \$18.80 bimonthly, under Option 1 - \$25.28, under Option 2 - \$23.50 and the original City proposal was \$24.30.

As far as meeting debt service ratio requirements, he said both Option 1 and 2 do that. It was noted that \$200,000 had to be transferred into the utility fund last meeting to meet operation expenses.

The public hearing was opened for public input.

Ralph Wilson, 6123 98th St. NE, addressed Council as President of the Rolling Greens Homeowners Association. He said his concern is where he sees a 300% increase; they have people in Rolling Greens on fixed incomes and they feel Option 2 would give people a better chance to absorb the additional costs.

Mike Papa, 8127 54th Dr. NE, addressed Council. He presented a proposal as a result of the Focus Group, of which he was a part. He said he did not feel comfortable talking about sewer rates because he is on septic himself. He explained his overhead took the average from the spread sheets presented previously by Mr. Wade and Mr. Crawford, and the average comes out to \$2.90 per 1000 gallons bimonthly. Also, he said putting the minimums up, he feels takes the incentive away to conserve water and increasing the overage rate also increases incentive to conserve. He left the overhead up for people to review, as he did not have copies for everyone.

Brian Bookey, National Food Corp., 16900 51st Ave. NE, Marysville, addressed Council and thanked them for all the extra effort they have put into this topic and allowing everyone to give input. He said he does have a concern with the 150% surcharge on the water when the source for their water is actually closer (the Stilly or Lake Goodwin) than people within Marysville city limits. So service being further away is not a plausible explanation in his case and he said he feels there should be a better answer as to why the surcharge is charged than "that's just the way we do it."

Joe Crawford, Mukilteo and representative of the Chamber of Commerce, addressed Council. He thanked everybody who participated for their time--staff, Mr. Wade, residents, City Council. He said he was sorry a lot of people have interpreted what's been transpiring as "business against residents." He presented an exhibit called "Impact of Final Rates" comparing old water rates, and rates proposed under Option 1 and Option 2. He pointed out that if you use 40,000 gallons, your rates will increase 67% (residential) under Option 1 if you live in the City. A commercial

user's rates would increase 83% for 100,000 gallons usage bimonthly under Option 1, inside the City and as much as 159% if they are outside city limits under Option 2. He said he sees Option 1 as slightly better than Option 2, being higher for the low end user but lower for the high end user.

John McCoy, Executive Director, Governmental Affairs, Tulalip Tribes, addressed Council. He said the Tribes are in a similar situation as the City, with their own utilities, but they are also a user. He said they see the City trying to gain a rather large capture of upfront money vs being spread out through the years; they need to have enough operations and maintenance funds also and feel it is not property to try to capture so much upfront. He said they do feel that it's not fair to at least double everyone's water rates and he knows some of the businesses are going to be going out of business and that's going to be tough, so the Tribes hope the City can graduate the rates over 6 months, for example, so they can budget for the increases and asked Council to reconsider.

Paula McClurg, 7130 65th Av. NE, addressed Council. She said in talking with her neighbors, they are in agreement with Option 2. Also, they are wondering on the per pupil charge how that is going to affect schools when most of the students come from out of the area. She noted her utility bill will almost double and so they will probably not water their lawn or fill their pool as often, so they see Option 2 as having more conservation incentives.

Denise Baker, 8305 83rd Ave. NE, addressed Council. She noted she lives out of city limits but has a business and rental house in Marysville and would go along with Option 2.

Brian Snyder, 9724 51st NE and owner of Strawberry Lanes Bowling Alley, addressed Council. He said these rate increases are going to kill him. He's had to raise his rates and lay off one employee as the result of the increased rates.

Mr. Wade responded to points brought up by the public by saying with regard to Mr. Bookey's question about the surcharge for being out of city limits, the rural surcharge for water and sewer was developed several years ago and it is still valid, with less population being served in the rural areas, based on past infrastructure cost. Also, he noted the City has to look at future costs.

With regard to the schools, he said the increase was 17% based on the City rate, so they actually get a reduction for schools outside city limits; combined water and sewer rates netted a 23% increase and this would also include Lakewood schools, he said.

Cal Taylor, 2721 Lake Campbell Rd., also representing the Tribes and the Chamber, addressed Council. He noted the Tulalip Tribes and residents for 41 years have been doing business in Marysville and he said he would hate to see the City drive away these customers. There maybe a need for an increase for maintenance and operation costs, but there needs to be a gradual progression, he said--150% increase is too much, that's asking for trouble from businesses and residents alike, he said. He added people are going to follow the businesses that leave town. The one Tulalip business is not going to be affected that much but this is going to impact the residents tremendously, he concluded.

Sandy Adams, Sandy's Cafe, 1060 State, addressed Council. She asked if the grease trap she put in last year is going to still be suitable under the new rate structure for Class 3.

Mayor Weiser explained those restaurants that don't have or can't have a grease trap are to be surcharged; as far as a testing chamber, the City is trying to eliminate this requirement.

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Ms. Adams stated that further, she has a problem with standing water 6 to 12" around her restaurant in the parking lot and she presented two photographs to Public Works Director Winckler.

Alice Wilbur, 5123 123rd Pl. NE, addressed Council. She said she keeps hearing that businesses can absorb this cost but the average homeowner can't absorb the bulk of these utility increases--they are going to eventually have to sell.

Robyn Warren, CPA, 9529 35th Av. NE, addressed Council. She said she is a proponent of Option 1 for the water rates. She said if the goal is to increase rates 50% in a year, it's poor business to give anyone a lower rate, even though she has a lot of relatives on fixed incomes, she is saying this as a professional business person and would advise her business clients this way. Option 1 allows the low end user no increase but also there's no decrease. Also, it will encourage conservation, it's a more fair allocation between businesses and residents, she said. She added she likes the video recently developed by the City promoting Marysville as a great place to live and do business and she said she feels Option 1 would encourage growth in the City.

There being no one further wishing to address this matter from the audience, the Mayor closed this portion of the public hearing at 8:22 p.m.

Discussion followed about reserve fund balances, phasing in rate increases, additional revenue the first year will be eaten up with conservation, difficult to project what the weather is going to be like, whether people will want to or need to water lawns, whether Everett will be increasing their rates, the City having already exceeded its projected usage, reviewing rates every year or so to make sure they are in line with ratio requirements, etc.

There was also discussion about industrial/commercial users still working towards a lower category in order to get a lower rate and how that could be accomplished.

Councilmember Baxter noted that everything goes up in price and businesses have to take these things in stride. There was considerable discussion about how to "ease the pain" for businesses, especially the first year.

Councilmember Herman said he regrets that the City did not increase the rates sooner and that he is in favor of an annual review. He said he tends to support Option 2.

After more discussion, Councilmember Baxter moved to have an annual review of the water and sewer rates, to pass the sewer rates as proposed and Option 2 on the water rates as proposed. Councilmember Bartholomew seconded and the motion passed 6-1 with Councilmember Wright opposed.

Councilmember Bartholomew said she would like to see an ongoing quarterly financial report on the condition of the utilities revenues and costs.

REVIEW BIDS:

1. Hand-Held Meter Reading Devices.

Public Works Director Winckler reviewed the agenda bill, noting staff is recommending a phase-in conversion of meters, to be compatible with the hand held meter reading devices. It was also noted the low bidder did not include a bid bond so the recommendation is that Western Utilities Supply Company be awarded the bid in the amount of \$27,178.00.

There was discussion about leaks and that a hand held meter reading device would not detect, rebid process because of the \$8,000 difference in bids.

Councilmember Myers moved to accept the Western Utility Supply Co. bid for \$27,178 plus tax if necessary and to reject the other bid because of the lack of a performance bond. Councilmember Baxter seconded the motion and it passed unanimously.

ORDINANCES & RESOLUTIONS:

1. Ordinance Increasing Water and Sewer Rates, Amending Sections 14.07.060 and 14.07.070 of the Marysville Municipal Code.

Councilmember Bartholomew moved and Councilmember Herman seconded to approve/adopt Ordinance 2109, including Option 2 under Water Rates. The motion passed 6-1 with Councilmember Wright against.

2. Ordinance Annexing Certain Unincorporated Area Known as the Barr (et al) Property into the City of Marysville.

Councilmember Myers moved and Councilmember Wright seconded to approve/adopt Ordinance 2110. Passed unanimously.

LEGAL MATTERS:

1. City Attorney Retainer Agreement.

City Attorney Weed explained this is identical to the 1996 agreement.

Councilmember Herman moved and Councilmember Baxter seconded to approve the agreement and authorize the Mayor to sign. Passed unanimously.

2. City Administrator Agreement.

Mayor Weiser explained the agreement is basically the same, with a first year wage increase of 8% and a second year wage increase of 7%.

Councilmember Baxter moved and Councilmember Bartholomew seconded to approve the agreement and authorize the Mayor to sign. Passed 6-1 with Councilmember Pedersen against.

ADJOURNMENT: 9:07 p.m.

Accepted this 6th day of January, 1997.

David Weiser

MAYOR

Mary D. Swenson

CITY CLERK

Shanda A. Swenson

RECORDING SECRETARY