



Regular Meeting
November 4, 2013

Call to Order / Pledge of Allegiance

Mayor Nehring called the meeting to order at 7:00 p.m. and led those present in the Pledge of Allegiance.

Roll Call

Chief Administrative Officer Hirashima gave the roll call. The following staff and councilmembers were in attendance.

Mayor: Jon Nehring

Council: Steve Muller, Kamille Norton, Jeff Seibert, Michael Stevens, Rob Toyer, Jeff Vaughan, and Donna Wright

Absent: None

Also Present: Chief Administrative Officer Gloria Hirashima, Finance Director Sandy Langdon, Police Chief Rick Smith, City Attorney Grant Weed, IT Manager Worth Norton, Public Works Director Kevin Nielsen, Planning Manager Chris Holland, Associate Planner Amy Hess, Parks and Recreation Director Jim Ballew, Court Administrator Suzanne Elsner, and Recording Secretary Laurie Hugdahl.

Motion made by Councilmember Muller, seconded by Councilmember Norton, to approve the agenda as presented. **Motion** passed unanimously (7-0).

Committee Reports

Discussion Items

Approval of Minutes (Written Comment Only Accepted from Audience.)

12. Approval of the October 14, 2013 City Council Meeting Minutes.

Consent

1. Approval of the October 23, 2013 Claims in the Amount of \$363,600.02; Paid by Check Number's 87821 through 87985 with No Check Numbers Voided.

Review Bids

2. Consider Awarding the Police Evidence Building Expansion Project.

Director Nielsen explained that this was regarding an extension of the existing evidence building because more room is needed. They will be expanding to the north and will match what is there right now. The back of the new evidence facility will be built right up to the fence which will eliminate some of the problems they currently have.

Public Hearings

3. Consider an Ordinance Amending the Marysville City Code to Enact a New Chapter 12.06 Marysville Transportation Benefit District, Establishing a Transportation Benefit District, Specifying the Boundaries for the Transportation Benefit District, Specifying the Maintenance and Preservation of Existing Transportation Improvements, and Fixing a Time when the Same Shall Become Effective (Public Hearing will be held November 12, 2013).

Director Nielsen stated that a staff report would be coming to the Council at the meeting next week regarding establishment of a Transportation Benefit District.

4. Consider the Amended Year 2013 Annual Action Plan and Direct Staff to Provide a Summary of, and Response to Any Comments Received During the Public Hearing into the Amended Annual Action Plan, and Forward to the U.S. Department of Housing and Urban Development (Public Hearing will be held November 12, 2013).

Planning Manager Chris Holland reviewed Council's allocation of CDBG funds back in April for program Year 2013. He explained that the City was subsequently informed by HUD that they actually received \$323,000 for program year 2013. As a result, staff advertised for additional grant applications. They received two grant applications and three supplemental applications for public facility and infrastructure and one supplemental application for public service projects. The Citizen Advisory Committee recommended allocating those funds as shown on Attachment A. Based on that staff prepared an annual action plan and advertised for 30-day public review. They have not received any public comments to date. The City is required by HUD to hold a public hearing which they plan to do on November 12. Staff will be recommending that Council approve the annual action plan and submit that to HUD along with any comments received during the public hearing.

5. Consider Program Year 2012 Consolidated Annual Performance Evaluation Report and Direct Staff to Provide a Summary of, and Response to any Comments Received During the Public Hearing into the Report, and Forward to the U.S. Department of Housing and Urban Development (Public Hearing will be held November 12, 2013).

Amy Hess explained that as an entitlement community HUD requires the City to create a Consolidated Annual Performance and Evaluation Report (CAPER) for each program year. This gives the city, HUD, and residents an opportunity to evaluate the overall progress of the CDBG program and highlight the accomplishments during the 2012 program year. The City is on target for reaching its goals and objectives for the 2012 annual action plan as well as the first year of the 2012-2016 Consolidated Plan. Staff provided notice on October 15 that the City would be accepting comments prior to the public hearing which is scheduled for November 12. To date, no comments have been received. Staff will be recommending approval by the Council and incorporating any comments received between now and the hearing.

New Business

6. Consider the Professional Services Agreement with Gray and Osborne, Inc. for the 3rd Street Retrofit Project as Funded Under the 2013-15 Municipal Stormwater Capacity Grant Program with the Department of Ecology.

Director Nielsen explained that item 6 and item 7 both relate to the 2013-15 Municipal Stormwater Capacity Grant.

7. Consider Grant Agreement with the Washington State Department of Ecology for the 2013-15 Municipal Stormwater Capacity Grant Program.

See above.

8. Consider the Mitigation Agreement with Department of Ecology for Wetland Credits.

Director Nielsen explained that the City signed a Mitigation Credit Agreement with DOE before they received the approval from the Corps. These are additional credits that the City is receiving from the State for the Qwuloolt project. These can be used on small-level wetlands that don't trigger a federal nexus. He applauded DOE for honoring their agreement.

9. Consider Accepting the Lakewood Triangle Access/156th Street Overcrossing Project, Starting the 45-Day Lien Filing Period for Project Closeout.

Director Nielsen stated that this project is complete. All of the punch list items have been accomplished. Holiday traffic has begun and the road is getting quite a bit of use.

10. Consider Accepting the Sunnyside Blvd Water Main Project, Starting the 45-Day Lien Filing Period for Project Closeout.

Director Nielsen explained that this is part of the PUD project. Staff completed the water main and are bringing it forward for acceptance.

11. Consider an Ordinance Related to Title 22 (the Uniform Development Code) of Marysville Municipal Code (MMC) and to the Adoption Maximum State Environmental Policy Act (SEPA) Flexible Categorical Exemption Thresholds as Provided in WAC 197-11-800; Amending MMC 22E.030.090 Categorical Exemptions, Threshold Determinations, and Enforcement of Mitigating Measures.

CAO Hirashima stated that this is a change to the City's SEPA exemptions. The state approved a legislative change which allowed cities to adopt higher maximum thresholds. Since GMA, cities have developed pretty extensive development codes and over time have relied a lot less on the authority of SEPA for development approvals. Staff went back through prior development approvals to see if we have the authority under regular codes to require the same kinds of conditions that were required for the projects. Staff found that existing city codes cover almost all the conditions that are required for those projects. Having additional SEPA coverage was not deemed necessary by staff. Staff is recommending going to the maximum allowed under the various categories.

Councilmember Seibert asked CAO Hirashima to review the process. CAO Hirashima reviewed the steps that would taken by a developer.

Recess

Council recessed at 7:15 p.m. then reconvened into Executive Session at 7:20 for five minutes to receive an update one potential litigation item. No action was taken.

Executive Session

- A. Litigation – one potential litigation item, RCW 42.30.110 (1)(i)
- B. Personnel
- C. Real Estate

Recess

Motion made by Councilmember Muller, seconded by Councilmember Norton to reconvene into the Budget Work Shop.

13. 2014 Budget Work Shop (no public comment will be taken).

Mayor Nehring thanked Sandy Langdon and Denise Gritton and the entire finance department staff for their work on this budget and the last several budget cycles. The City has had to steer through some difficult times over the last several years, but is healthy and stable thanks to difficult decisions and past actions made by the Council. He also thanked the directors for establishing a culture which puts an emphasis on efficiency, financial stewardship, and maximizing value for all the dollars the city collects from the taxpayers. Finally, he thanked all the city employees who carried this out on the front lines. He reviewed some of the strides the City has made in having a disciplined operating philosophy, reducing expenditures, building up emergency reserves, paying down city debt, improving government efficiency, and planning for long-term financial stability by investing sensibly in Marysville. He explained that the \$115.5 million 2014 Preliminary Budget is a balanced spending plan that keeps Marysville on a healthy financial course and protects core services and investments that have helped the City withstand the recession better than many other places. He reviewed some of the highlights of the budget and turned it over to Sandy Langdon.

Finance Director Langdon reviewed the 2014 Budget as contained in the Budget Notebook.

- Revenue by Fund
- Expenditures by Fund
- Impact of Fund Balance
- Administrative Summary

Councilmember Muller asked if staff tracks construction permits by available lots. CAO Hirashima commented that they do track available lots, but they also took a look at various projects and determined that there are quite a number of small commercial, small industrial, and more apartments coming. The estimate was done based on what they expect to be permitted in 2014. Councilmember Muller asked if staff anticipates a problem in 2015 and continuing on. CAO Hirashima acknowledged that there is not a lot of single-family capacity, but the high activity right now is coming in the multi-family development. Right now the City is seeing a good diversity in commercial, industrial, multi-family, and single-family.

Councilmember Muller asked why \$130,000 was subtracted for Downtown Revitalization for year-end projection, but \$150,000 was credited for carry over. Finance Director Langdon indicated they would look into it.

- General Fund Revenue Summary
- General Fund Expenditures by Department Budget Requests as follows:
 - Council – no new requests; 1% increase in budget
 - Municipal Courts – Suzy Elsner explained they are asking for a title change from Business Office Supervisor to Assistant Administrator. They are also asking for a small increase in Travel and Supplies. The increase

- in supplies will eventually decrease because they are working toward moving all of their forms online.
- Executive Department – There is a request for Cable Franchise Renewal Consultant Fees
 - Finance Department – This department is requesting a Seasonal Labor – Accountant position
 - Utility Billing – E-Statements and Newsletter; Utility Billing Munis Upgrade (UBCIS)
 - Finance/Accounting – Munis Users Conference; Line Item Increases – Supplies Professional Services & Training
 - Legal – no new requests
 - HR Department – Increased Labor Relations Consulting Fees (Teamster Negotiations); Seasonal Labor (related to hiring of new officers)
 - Community Development – The budget was reviewed by Gloria Hirashima. Budget Requests include: Building/Electrical Inspector – New Hire; Comprehensive Plan Update Expenses
 - Police Department – This was reviewed by Chief Smith. Budget Requests include: Police Patrol (one officer); Line Item Increase – Fuel & Training
 - Parks Department – This was reviewed by Jim Ballew. Budget Requests include: Parks Improvements/Replacement; Reclassification – KBCC Recreation Coordinator to Manager; Operation Increase plus Additional Seasonal – Parks Maintenance; 4x4 Kawasaki Mule Side-by-side (transfer to Fleet)
 - Engineering – no new requests
 - Library – no new requests
 - Public Safety Building – no new requests
 - Non-Departmental – This budget was reviewed by CAO Hirashima. Budget Requests include: Qwuloolt Project; Facilities Replacement; Clean-Sweep; Downtown Revitalization; Carryover from 2013 – Downtown Spray Park; Pavement Preservation; Domestic Violence; Carryover from 2013 – Transportation Benefit District Election Costs; Carryover from 2013 – Bayview Trail; Gateway Sign; Increased Subsidy to Streets; Increased Subsidy to Golf

Fund 101 Streets Budget was reviewed by Director Nielsen. There is a request for a line item increase for 2014 for \$70,000. The majority of this is to contract out thermoplastic and crosswalks to Snohomish County. The rest is related to increased costs for power and materials to enable crews to focus on preservation. Budget requests include: Line Item Increases; Pavement Preservation; Seasonal Workers (4); Anti-Ice Setup with Mixing and Application Tanks; Utility Trailer; Trailer Mounted Arrow Board; 332D Signal Cabinet (spare); Pedestrian Safety System

Fund 103 – Drug Seizure Budget Requests: Drug Enforcement Equipment and Training

Fund 104 – Tribal Gaming Budget Request: Equipment associated with police operations

Fund 105 – Hotel/Motel – no new requests

Fund 106 – KBCC – Appreciation Fund – no new requests

Fund 108 – INET Budget Request: Expansion of City's I-Net – Station #66; Disaster Recovery Phase 5B (of 7) Virtualization

Fund 109 – Community Development Block Grant (CDGB) – no new requests

Fund 110 – REET I – no new requests

Fund 111 – REET II – no new requests

Fund ~~2016206~~ LTGO Bonds & PWTF – no new requests

Fund 305 – Street Construction – Director Nielsen reviewed the 2014 projects which include: 53rd/SR528; 88th Street; State Ave 1st-88th; 88th & 55th Intersection Improvements; 156th St NE Expansion; and Transportation Comp Plan for a total of \$2,000,000. The 2014 Budget Request included the Interchange Justification Report – SR529/I-5 & 4th/I-5.

Fund 310 – Park Construction Budget Requests: Bayview Trail Carryover from 2013; Qwuloolt Trail System; and Spray Park Construction

Fund 371 – LID 71 – 156th Street Overcrossing – no new requests

Fund 401 Waterworks Utility- Director Nielsen reviewed this item pointing out that the \$4,685,000 under Capital Outlay was for the purchase of the water line from the PUD. Budget Requests – Multiple Line Item Requests; Reclassification – Surface Water Supervisor to Water Quality Manager; New Hire –Operations Engineering Tech Position; AMR System Upgrade; New Hire – MW II – add position back in; Repair Cedarcrest Reservoir Roof; Reservoir Safety Improvements; Reservoir Inspection, Evaluation, and Cleaning; Small Trench Box; Commercial Mower w/72” Deck – Transfer to Fleet; Tapping Machine; Rebuild Cedarcrest Pump #1; Plotter; Edward Springs Well 1R Well House; Water Comp Plan Support Services; New Hire- Maintenance Worker II; Light Towers (2); GPS Base and Rover; Alum Pumps.

Director Seibert asked what the pay-back time would be with the purchase of the PUD water line. Director Nielsen replied that it was hard to estimate. He explained that the revenue coming in is projected extremely low in order to be conservative the first year. It will be easier to answer this next year. They are projecting the revenue at about \$600,000, but he is guessing it will actually be closer to \$1 million. The purchase price is \$4.6 million with some improvements. He anticipated that they would have a five to six-year buy-back.

Fund 402 – Utility Construction Projects – Water: R&R Renewals/Replacements; Watermain Oversizing; 67th Ave Watermain 100th St-132nd; PRV Rate of Flow; Edward

Springs UV; PUD Relocate; Edward Springs Well #2; Sunnyside Well Treatment Project; Marysville West Water Meter; Utility Relocate 67th Ave; 88th & 55th Watermain Replacement; Sunnyside Arm Installation; Fire Hydrant Replacement; PUD Water System Transition; JOA Line Cathodic Protection; Water System Automation; Scada System Improvement. Sewer: Renewals & Replacement; Sewer Main Oversizing; Whiskey Ridge Sewer Pump Station; West Trunk Pump Station; Reject Line Extension. Surface Water: Renewals & Replacements; Regional Detention Pond 2.

Fund 410 – Solid Waste Budget Requests – multiple line item increases; Waste Reduction and Recycling Program – Grant Funding; Reclassification – MW II to Lead Worker I; Replacement – Rear Load Truck #652 (Solid Waste); and Replacement – Front Load Truck #J001

Fund 420 – Golf Course. Director Ballew reviewed the following golf course budget requests – Golf Cart Lease/Purchase; Irrigation & Drainage Supplies; Fertilizer & Supplies Increase; Soil Supplies; Overtime Increase; Practice Range/Cage Facility; Pesticide Supplies; Reduce Utility Service; Toro 3250-D Greens Mower – (transfer to Fleet); and Additional Subsidy from General Fund for Requests

Mayor Nehring pointed out that the golf course subsidy has gone down tremendously. He commended Director Ballew and the Golf Course staff for that achievement.

Fund 450 – Utility Debt Service – Finance Director Sandy Langdon reviewed the status of this.

Fund 501 – Fleet Maintenance Budget Requests: Multiple Line Item Increases; Commercial Mower w/72” Deck; New Hire – Fleet/Facilities Manager (split between Fleet & Facilities; Tire Changing Machine; Replacement Patrol Cars (P135, P112, P113, P111, P117, P116, P106); Replacement Snow Sanding Box Spreader #M002 (Streets); Replacement Rear Load Truck #652 (Solid Waste); Replacement Front Load Truck #J001; Replacement Truck #J008 (Utilities Operation); Replacement Snow Plow #242 (mounts on truck #218) (Streets); Replacement Truck #234 (Traffic Sign Shop); New Patrol Vehicle (transfer from General Fund); New Toro 3250-D Greens Mower (transfer from Golf); New 4x4 Kawasaki Mule Side-by-side (transfer from Parks)

Fund 502 – Facility Maintenance Budget Requests: New Hire – Fleet/Facilities Manager (split between Fleet & Facilities)

Fund 503 – Information Services – no new requests

Mayor Nehring stated that the public hearing would be held on November 25.

Legal

Mayor's Business

- He and some others were out at Bayview last week with Executive Lovick and Councilmember Koster and received \$50,000 from the County towards Bayview.
- He and several others also participated in the all-city food drive around town where 6,589 pounds of food were collected along with \$1371. He applauded the community for their generosity. Director Ballew thanked Tara Mizell for managing that program.

Staff Business

Jim Ballew concurred that the food drive was a great success. He added that today they extended an invitation to Carol Kapua to be the Grand Marshall for the Marysville for the Holidays Parade, and she accepted.

Kevin Nielsen had no further comments.

Rick Smith had no further comments.

Denise Gritton had no further comments.

Sandy Langdon thanked Denise Gritton and all the directors for their help with the budget. She reminded everyone that Monday is a holiday so Council meeting will be held on Tuesday, November 12.

Doug Buell had no further comments.

Suzy Elsner had no further comments.

Judge Towers had no comments.

Gloria Hirashima thanked Denise Gritton and Sandy Langdon for their excellent work.

Call on Councilmembers

Steve Muller thanked Denise Gritton and Sandy Langdon for their hard work.

Donna Wright thanked Sandy Langdon and Denise Gritton for their excellent work.

Jeff Seibert thanked Sandy Langdon, Denise Gritton, and staff for their great work.

Rob Toyer thanked staff for their work.

Kamille Norton expressed appreciation for the understandable budget. She agreed that the food drive was a great success. Thanks to Tara Mizell for her hard work.

DRAFT

Michael Stevens thanked staff for their excellent work. He reminded everyone that he will not be able to attend the Council meeting on Tuesday.

Jeff Vaughan thanked everyone for their hard work.

Adjournment

Seeing no further business Mayor Nehring adjourned the meeting at 9:20 p.m.

Approved this _____ day of _____, 2013.

Mayor
Jon Nehring

April O'Brien
Deputy City Clerk