

Call to Order/Pledge of Allegiance/Roll Call	7:00 p.m.
Approval of the Agenda	Approved
Committee Reports	
Presentations	
Corporals Swearing In	Held
Audience Participation	
Approval of Minutes	
Consider Approval of the October 3, 2016 City Council Work Session Minutes	Approved
Consider Approval of the October 10, 2016 City Council Meeting Minutes	Approved
Consent Agenda	
Consider Approval of the October 19, 2016 Claims in the Amount of \$609,606.86; Paid by EFT Transactions and Check Numbers 111821 through 111988 with No Checks Voided	Approved
Consider Approval of the October 26, 2016 Claims in the Amount of \$952,186.15; Paid by EFT Transactions and Check Numbers 111989 through 112145 with Check Numbers 85767, 85977, 87688, 88024, 88048, 88086, 88104, 88132, 91238, 91272, 91467, 91945, 91964 and 93109 Voided	Approved
Consider Approval of the Hotel/Motel Recommendations to Award Funding	Approved
Consider Approval of the Proposed First Amendment to Agreement for Joint Operation of Fire and Emergency Medical Protection Facilities Dated April 18, 2016	Approved
Consider Approval of the November 2, 2016 Claims in the Amount of \$750,809.71; Paid by EFT Transactions and Check Numbers 112146 through 112332 with No Checks Voided	Approved
Consider Approval of the November 4, 2016 Payroll in the Amount of \$1,711,322.15; Paid by EFT Transactions and Check Numbers 30329 through 30362	Approved
Review Bids	
Public Hearings	
Consider an Ordinance of the City of Marysville Adopting a Biennial Budget for the City of Marysville, Washington, for the Biennial Period of January 1, 2017 to December 31, 2018, Setting Forth in Summary Form the Totals of Estimated Revenues and Appropriations for Each Separate Fund and the Aggregate Totals of all such Funds Combined, and Establishing Compensation Levels as Proscribed by MMC 3.50.030	Hearing Held Ordinance Continued
Consider an Ordinance of the City of Marysville Levying Regular Taxes Upon all Property Real, Personal and Utility Subject to Taxation within the Corporate Limits of the City of Marysville, Washington for the Year 2017	Failed
Consider an Ordinance of the City of Marysville Levying EMS Taxes Upon all Property Real, Personal and Utility Subject to Taxation within	Approved Ord. No. 3039

the Corporate Limits of the City of Marysville, Washington for the year 2017	
New Business	
Consider a Resolution Authorizing the Mayor to Sign the Mutual Aid and Assistance Agreement for Washington State for Intrastate Water/Wastewater Agency Response Network (WARN)	Approved Res. No. 2407
Consider an Ordinance Establishing Parks and Recreation Department Fee Schedules and Repealing Ordinance No. 2502	Approved Ord. No. 3040
Legal	
Mayor's Business	
Staff Business	
Call on Councilmembers	
Adjournment	8:56 p.m.



Regular Meeting
November 14, 2016

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 Jon Walker, Public Works Director Kevin Nielsen, Parks and Recreation Director Jim Ballew, Community Development Director Dave Koenig, Fire Chief Martin McFalls, and Recording Secretary Laurie Hugdahl.

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

Committee Reports

Councilmember Seibert reported on the Public Works Committee from last week where they discussed the contract with Waste Management and went on a tour of Water Treatment Plant at the Sunnyside Well. It's nice to see that coming along.

Presentations

A. Corporals Swearing-In

Michael Burtis, Brandon Palmer, and Michael Saint-Denis were introduced by Chief Smith and Lt. Buell and sworn in as Corporals by Mayor Nehring.

Audience Participation

None

Approval of Minutes

1. Consider Approval of the October 3, 2016 City Council Work Session Minutes

Motion made by Councilmember Stevens, seconded by Councilmember Muller, to approve the October 3, 2016 City Council Work Session Minutes. **Motion** passed unanimously (7-0).

2. Consider Approval of the October 10, 2016 City Council Meeting Minutes

Motion made by Councilmember Vaughan, seconded by Councilmember Stevens, to approve the October 10, 2016 City Council Meeting Minutes. **Motion** passed unanimously (7-0).

Consent

3. Consider Approval of the October 19, 2016 Claims in the Amount of \$609,606.86; Paid by EFT Transactions and Check Numbers 111821 through 111988 with No Checks Voided
4. Consider Approval of the October 26, 2016 Claims in the Amount of \$952,186.15; Paid by EFT Transactions and Check Numbers 111989 through 112145 with Check Numbers 85767, 85977, 87688, 88024, 88048, 88086, 88104, 88132, 91238, 91272, 91467, 91945, 91964 and 93109 Voided
9. Consider Approval of the Hotel/Motel Recommendations to Award Funding
10. Consider Approval of the Proposed First Amendment to Agreement for Joint Operation of Fire and Emergency Medical Protection Facilities Dated April 18, 2016
12. Consider Approval of the November 2, 2016 Claims in the Amount of \$750,809.71; Paid by EFT Transactions and Check Numbers 112146 through 112332 with No Checks Voided

13. Consider Approval of the November 4, 2016 Payroll in the Amount of \$1,711,322.15; Paid by EFT Transactions and Check Numbers 30329 through 30362

Motion made by Councilmember Wright, seconded by Councilmember Vaughan, to approve Consent Agenda items 3, 4, 9, 10, 12, and 13. **Motion** passed unanimously (7-0).

Review Bids

Public Hearings

5. Consider an Ordinance of the City of Marysville Adopting a Biennial Budget for the City of Marysville, Washington, for the Biennial Period of January 1, 2017 to December 31, 2018, Setting Forth in Summary Form the Totals of Estimated Revenues and Appropriations for Each Separate Fund and the Aggregate Totals of all such Funds Combined, and Establishing Compensation Levels as Proscribed by MMC 3.50.030

Finance Director Langdon made a PowerPoint presentation on the 2017-2018 Biennial Budget. Expenditures are \$270 million; ending fund balance is \$23 million and total appropriation is \$294 million. The assumptions they made for this budget were the 2% annual rate adjustment for water/sewer/storm, to continue the additional 1% telephone tax, a 1% regular property tax for 2017, and a 1% EMS property tax for 2017. Full Time Equivalent employees are increasing from 274.5 in 2016 to 281.8 in 2017-18.

The General Fund Preliminary Revenue Summary shows a 3.7% increase in property tax from 2016 to 2017 and 1.8% in 2018. Sales tax is showing an 8% increase from the Amended Budget, a 5% increase from the Estimated Budget, and 3.5% in the 2018 Budget. Business Taxes are showing a 3.4% increase from 2016 to 2017 and 3.9% from 2017-2018. Overall General Fund Revenues have increased 4.1% from 2016 to 2017 and 2.4% from 2017-2018.

General Fund Expenditures as shown by departments were reviewed. Overall there was a decrease from 2016 to 2017 of 1.9% and an increase from 2017 to 2018 of 2.6%. The General Fund expenditures by Department pie chart shows that Law, Safety, and Justice comprises about 66% of the total budget. Parks and Recreation is 6%, Community Development is at 6%, and Non-Departmental is at 11%. General Fund Expenditures by category reveals that Labor is the largest cost at 51%. Intergovernmental is second at 27%, and Operating Transfers is at 8%.

Finance Director Langdon then gave an overview of Special Revenue budgets including: Streets (\$8,915,617), Arterial Streets (3,200,000), Drug Enforcement Fund (\$240,000), Tribal Gaming Fund (\$21,853), Hotel/Motel Fund (\$193,692), KBCC Appreciation Fund (\$5,344), I/Net Fund (\$246,607), and CDBG Fund (\$700,000). Enterprise Funds were also reviewed: Utilities (\$76.5 million), Garbage and Refuse

(\$14.5 million), and Golf (\$2,692,948). Inter-Fund Services were reviewed: Fleet Services (\$5.6 million), Facilities (\$1,292,756), and Information Services (\$2.5 million).

CAO Hirashima added that there was a request from the Council for additional information about the Waterfront Park and Trail cost breakdown, which was provided to them in the form of a memo.

The public hearing was opened at 7:25 p.m. Mayor Nehring solicited public comment. Seeing none, the public testimony portion of the public hearing was closed at 7:25 p.m.

Finance Director Langdon stated that the Ordinance in the packet was missing the Fire Department information for 2018 which Council had talked about during the work session. This is amended for \$352,671.

Councilmember Vaughan expressed appreciation for the memo on the parks. He asked about the grant money for Olympic View Park. Director Ballew explained that they won't know until the legislature recommends its final appropriations. It would be for \$500,000. Councilmember Vaughan asked if there are other portions of the park that would be eligible for grant funding. Director Ballew explained there are a variety of grants the City may be eligible for. CAO Hirashima commented that they have set an administrative target of \$2-\$3 million for outside resources in funding. The City has done very well in getting grant awards by applying for every grant that there is a potential fit for. She believes it is an attainable level of funding. The total cost breakdown is \$4 million for the trail and \$11 million for the park for a total of \$15 million. Councilmember Vaughan asked if the \$11 million for the park would cover any environmental fees. CAO Hirashima replied that it would.

Councilmember Seibert commented on a discrepancy between the electronic version and the packet version. Finance Director Langdon explained it had been updated for the Fire portion.

Motion made by Councilmember Wright, seconded by Councilmember Stevens, to adopt Ordinance No. 3039.

Councilmember Seibert asked if the 1% would be taken as a separate action later. Mayor Nehring confirmed this.

Councilmember Vaughan referred to the Citizens Survey done and responses to questions about public priorities. He commented that about 76% of Marysville citizens showed support for a public safety station. The numbers were similar with the Grove Street Bridge, but then dropped off quite a bit for the waterfront park and civic center. In looking at the budget he doesn't see anything that moves the jail forward which he thinks is important. He asked how the budget proposal squares with what they've talked about before. Mayor Nehring commented that 2/3 of the General Fund is spent on public safety. There are also two new patrol officers in the budget. The jail was a significant part of the discussion at the retreat and will continue to be an important need for the City. The reason the public safety building is not in this budget is because it is

unknown what will happen with the RFA and the potential of having a building housing both fire and police and the cost is still unknown. This will take some time. The directors and staff feel that the waterfront park and trail system and public safety building and the traffic networks in the north end are priorities. Staff is prepared to move forward on two of those and hope to come back with options on the public safety building later. CAO Hirashima pointed out that there are a total of 7 positions recommended in the Biennial Budget. 4.5 of those are in the Police Department. Those priorities were reviewed with the Police Chief and the Police Department to meet current needs.

Councilmember Norton asked about an approximate timeframe for when they might have better numbers for the jail. CAO Hirashima thought it might be within the next three months. She commented that staff looked at the Citizen Survey to guide decisions related to the budget. She commented that the way it was worded in the survey indicated that Council was looking at putting out a bond measure so that is why staff felt it was important to get the information and the numbers right before bringing it to the public.

Councilmember Toyer asked about optimal jail capacity and utilization now. CAO Hirashima stated it is identified as a 57-bed facility, but optimal utilization is around 40 beds. Chief Smith agreed. He said that after the study they reduced the facility to 53 beds because of the layout. He noted that the population fluctuates throughout the day so it is hard to capture. It is typically between 38 and 48 on an average basis. There is a problem with holding females because of separation needs. Mayor Nehring commented that the heroin epidemic also plays a part in this because sometimes people need to have a private cell for detoxing. Councilmember Toyer asked how often the police are not booking people and taking them into jail due to space issues. Chief Smith explained that people are not getting turned away, but there is a great deal of discretion between the jail and the patrol officers depending on the needs.

CAO Hirashima pointed out there are steps the City has taken over the last year in terms of revising its contracts with Arlington and Lake Stevens to ensure that Marysville has space for Marysville PD. Now it allows the Police Department and Custody Division to monitor bed space and assess the needs for the City. Chief Smith added that they are generally talking about misdemeanor crimes. When they get felony crimes they book them into the city jail and then move them to county jail. Those are not counted in the numbers for the city jail. Chief Smith commented that the jail primarily has a dorm-type setting so if there are disciplinary, mental, or medical issues they are typically sent to SCORE. Mayor Nehring commented that it is the policy of the Administration that if somebody needs to go to jail then they will go to jail.

Councilmember Seibert asked when staff anticipates going out for a vote on a public safety building. CAO Hirashima said staff is working on bringing back numbers as soon as possible. Councilmember Seibert asked about a backup plan in case it is not supported by the public. CAO Hirashima commented that there are other departments and needs tied to this issue, such as Fire, which are unknown so that is part of the process. Alternate site locations and variations in combinations are all being looked at. Councilmember Seibert suggested slowing down the park process a little bit until they get through the jail process and know that they have funding for it.

Councilmember Muller commented that in all of the modeling they took parks and a public safety building into consideration with the numbers they looked at. He asked if there is anything in this budget that would impact moving forward on a public safety building. CAO Hirashima commented that there were a variety of assumptions related to Fire that were looked at at the retreat. There needs to be a final resolution on Fire. A voted bond was also included as part of the model scenario. Finance Director Langdon agreed that in the models they looked at for the public safety building indicated it would be a voted bond.

Councilmember Vaughan expressed concern about priorities in the budget and then asking the citizens for funding a public safety building. He supports building a waterfront park, but he doesn't see why it needs to happen in the next few years. He suggested putting spending on the parks projects on hold until they have more information about the jail.

Councilmember Wright agreed that the jail is very important, but there is a momentum going with the parks and trail project. She would like to see that continue as she thinks they are separate issues.

Councilmember Toyer asked for clarification about how much would be coming out of the fund for the park project. Finance Langdon replied that it would be \$7 million cash and \$5 million. CAO Hirashima agreed that there is a lot of momentum on the waterfront trail and park project, and they have been making incredible process. She noted that there will be many points where the Council would have to approve various phases. Many transportation projects are in the same mode. It would be discouraging to lose momentum on the project, but the Council would have opportunities to cut out phases or put them on hold if desired. She stated that staff would continue to bring the Council information about the jail facility as it is available.

Councilmember Stevens commented that Marysville parks are a real identity-maker for the community. This particular park is unique and something that only Marysville has. He has received very positive comments from the community about the progress that has been made. He thinks the City has done an amazing job at slashing the costs from the original estimates. He agrees that it would be unfortunate to hamstring the process while they are preparing the information regarding the public safety building. He appreciates the checkpoints throughout the process where the Council can weigh in.

Councilmember Muller added that this is part of the City's downtown revitalization process, economic development, and community identify. He is also comfortable with the checks and balances available in the process. He would also hate to lose the momentum on this project. He is supportive of addressing public safety in the near future.

Councilmember Norton commented that they all support public safety and recognize it is important. They also recognize the importance of parks and the importance to the community. She personally would like to have a better understanding of what will be

required in the future. She would like to have more information about the jail before making a commitment to the parks.

Motion failed (4-3) upon a roll call vote with Councilmembers Vaughan, Seibert, Toyer, and Norton voting against the motion.

Mayor Nehring asked Council which direction they would like to go.

Councilmember Seibert said he agrees the waterfront project is a very important project, but he would hate to spend a lot of money on that and then not have a way to fund the jail in case voters don't approve a bond. He suggested spending money on design, but not construction, in order to make sure they don't spend money they might need for the public safety building.

Director Nielsen stated that the design amount is generally 10% of the total project amount. He also stressed that if they want to seek grant funding it is critical to have funding in there for matching funds. He reviewed the different criteria for applying for grants. Mayor Nehring suggested leaving the park and trail system in the budget without the ability to move forward except for what is needed for a certain portion of design. Councilmember Seibert thought that sounded good. Until they have a bond for public safety he doesn't think they should spend the money.

CAO Hirashima added that the design, permitting, and contamination cleanup are necessary elements that need to be funded. She suggested leaving those in the budget.

Councilmember Toyer also expressed concern about spending on the park and not having money available for jail.

Councilmember Muller noted that just because it is in the budget doesn't mean that it is going to be spent; it just means that there is the authority to do so if they choose to in the next two years. CAO Hirashima concurred. Director Nielsen pointed out that staff can't even authorize receiving a grant unless the Council authorizes it. There are many checks and balances. Director Ballew added that there are grant calendars that are important to consider in the grant process. You can't apply if you don't have a budget.

Councilmember Norton stated she is fine with it staying in the budget, but would like it to be clear how she feels about the prioritization of spending depending on the information they get on the jail.

Councilmember Stevens suggested making the motion again reiterating that they have the checks and balances in place throughout the duration of this and other projects.

Councilmember Seibert asked how much staff anticipates spending on the park before the City is able to have a vote on the public safety building. CAO Hirashima estimated about \$3 million. Councilmember Seibert suggested placing that as a limit until they have a vote on the bond.

Mayor Nehring summarized it appears that there is a majority on the Council that wants to see if the public safety vote passes before they move forward with the park. He suggested they could do a vote on a public safety building before any money is spent on anything other than necessary design, grant funding, etc. Director Nielsen agreed and emphasized that Council could stop the process at any step along the way. He thought \$3 million seemed reasonable and even on the high end.

Councilmember Vaughan said he'd like something in the document that summarizes what the Council is saying. CAO Hirashima commented that they can draft the language. She noted that there are other places in the Ordinance especially with traffic projects that have similar language identifying funding for matching grants.

Councilmember Seibert asked about inserting language into the Ordinance.

CAO Hirashima suggested that the trail budget itself is about \$4 million and they planned to complete that in 2017. The Waterfront park schedule shows that the only thing they were planning to accomplish in 2017 is associated with the design. She suggested eliminating construction on the Crane property for now which would result in a remainder of trail construction and renovation on the trail parks for \$2.6 million with the remainder of \$400,000 being utilized for permitting and design.

Councilmember Muller expressed concern about hampering the City's ability to apply for grants. Director Ballew replied that having this in the Comprehensive Plan is the main thing. Having a line item in the budget gives the opportunity to approve it in the future, but it is not committing the Council to anything.

Councilmember Norton recommended postponing a vote until the next meeting. There was consensus to postpone the vote and have staff bring this back next week.

6. Consider an Ordinance of the City of Marysville Levying Regular Taxes Upon all Property Real, Personal and Utility Subject to Taxation within the Corporate Limits of the City of Marysville, Washington for the Year 2017

Councilmember Vaughan stated that this is an increase on property tax of approximately 1%. He asked about the current banked capacity. Finance Director Langdon said it is 3%. Councilmember Vaughan stated he is opposed to increasing property taxes as he has been for 14 years.

Motion made by Councilmember Stevens, seconded by Councilmember Wright, to adopt Ordinance No. 3039 which would be a levy for a little under 1% with no bank and only for 2017. **Motion** failed 4-3 upon a roll call vote with Councilmembers Vaughan, Seibert, Toyer, Norton voting against the motion.

7. Consider an Ordinance of the City of Marysville Levying EMS Taxes Upon all Property Real, Personal and Utility Subject to Taxation within the Corporate Limits of the City of Marysville, Washington for the year 2017

Motion made by Councilmember Norton, seconded by Councilmember Stevens, to adopt Ordinance No. 3039. **Motion** passed unanimously (7-0).

New Business

8. Consider a Resolution Authorizing the Mayor to Sign the Mutual Aid and Assistance Agreement for Washington State for Intrastate Water/Wastewater Agency Response Network (WARN)

Director Nielsen explained this is so staff can recoup costs and provide assistance to other cities.

Motion made by Councilmember Muller, seconded by Councilmember Toyer, to adopt Resolution No. 2407. **Motion** passed unanimously (7-0).

11. Consider an Ordinance Establishing Parks and Recreation Department Fee Schedules and Repealing Ordinance No. 2502

Director Ballew explained that there was an amendment to the fee structure regarding the discussion they had with the Opera House and the Saturday and Holiday recommendation. There will be a \$200 increase on Saturdays and holidays and a reduction in hours by an hour each rental day.

Motion made by Councilmember Vaughan, seconded by Councilmember Wright, to adopt Ordinance No. 3040. **Motion** passed unanimously (7-0).

Legal

Mayor's Business

Mayor Nehring:

- He congratulated Director Nielsen and his team for receiving again an Outstanding Performance Award from the Washington State Department of Ecology for their work at the Waste Water Treatment Plant.
- There will be a Snohomish County Cities meeting this Thursday where they will be discussing the legislative agenda for the upcoming year.

Staff Business

Chief Smith:

- Sgt. Adam Vermeulen's work on the custody board was an integral piece of testing.
- There is no need for a Public Safety meeting this month.
- Police are gearing up for operational planning for Marysville for the Holidays and the Tour of Lights.

Sandy Langdon stated that there would be a Finance Committee this Wednesday.

Kevin Nielsen:

- BNSF will be doing 172nd after Thanksgiving instead of Christmas.
- The Public Works committee is cancelled for this month.
- Snow is coming to mountains this week.

Jim Ballew:

- He solicited comments about the Diversity Committee's plan.
- Mayor Nehring commented that there are three coffee klatches coming up.

Dave Koenig had no comments.

Chief McFalls:

- The regularly scheduled Fire Board meeting has been moved to November 17. They will be hopefully adopting a preliminary budget.
- He wished everyone a Happy Thanksgiving.

Jon Walker had no comments.

Gloria Hirashima had no comments.

Call on Councilmembers

Jeff Vaughan had no comments.

Donna Wright had no comments.

Jeff Seibert had no comments.

Michael Stevens had no comments.

Rob Toyer said it was great to have the discussion on the budget. It's good to have the checks and balances. He is confident they will come up with something they can all agree on.

Steve Muller wished everyone a Happy Thanksgiving.

Kamille Norton:

- She attended the NJROTC parade with Marysville Pilchuck and Getchell ROTC battalions. This was a neat event where three cadets were awarded for their service to the community.
- She wished a belated Veterans Day to all the veterans and thanked them for their service.

DRAFT

Adjournment

Seeing no further business Mayor Nehring adjourned the meeting at 8:56 p.m.

Approved this _____ day of _____, 2016.

Mayor
Jon Nehring

April O'Brien
Deputy City Clerk