

**SULTAN CITY COUNCIL**  
**AGENDA ITEM COVER SHEET**

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ITEM NO: Consent C 1

DATE: April 26, 2007

SUBJECT: Council Minutes

CONTACT PERSON: Laura Koenig, City Clerk

SUMMARY: Attached are the minutes of the April 12, 2007 regular Council meeting as on file in the office of the City Clerk.

RECOMMENDED ACTION: Approve as submitted.

MOTION: Move to accept the consent agenda as presented.

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COUNCIL ACTION:

DATE:

**CITY OF SULTAN COUNCIL MEETING – April 12, 2007**

In the absence of the Mayor and the Mayor Pro-tem, the regular meeting of the Sultan City Council was called to order in the Sultan Community Center by Laura Koenig, City Clerk. On a motion by Councilmember Flower, seconded by Councilmember Champeaux, Councilmember Blair was selected to chair the meeting. All ayes.

Councilmembers present: Champeaux, Wiediger, Slawson, Flower, and Blair.

Councilmember Boyd arrived late.

**CHANGES/ADDITIONS TO THE AGENDA:**

Add to Consent: Excused absence of Councilmember Seehuus and Mayor Tolson

**PRESENTATION:**

**Stormwater Utility Formation:** Connie Dunn introduced Lee Ann Acker from Shockey Brent who provided an overview of the survey done with other jurisdictions that have Stormwater Utilities. Methods of determining ERU's (equivalent residential units), billing practices, commercial rates and the criteria used to determine the stormwater fee were discussed. The fee needs to be cost based, easy to administer, stable, fair and equitable and legally defensible. The next step in the process will be to determine organization needs, staffing, activities to fund and legal issues. A public participation and education process will be completed after all the information on the formation and fee structure has been determined.

**COMMENTS FROM THE PUBLIC**

Jerry Gibson: In regards to the Police issue, appealed to the Council to withdraw the matter and make it go away as that would be best for the city. The road impact fees were discussed eight months ago and the city needs to increase the street impact fees but they were told a study was needed first. Does not want to see the developments done and then have the city raise fees to cover the cost of roads. Was disappointed about that content in a newspaper article written by Councilmember Boyd.

Kerry Ourada: Apologized to the Police Chief and the Officers for the way they have been treated in the city. A local newspaper ran a story about a fake crime wave and used people to bring in the county police and a representative of the paper was present at the meeting where the complaints were received. There is a small group trying to get rid of the local police and the council is reacting to them. The small group of people think they own the town and they have a need to exert power. He will help work to keep the best police department in Sultan.

Loretta Storm: Staff is doing a good job of presenting the council with information they need to do their job, however, the communication on the town meeting on April 26<sup>th</sup> is not adequate. She would like to see a mailer sent out to everyone. The utility bill is not a good enough notice an the citizens need information.

**COUNCILMEMBERS COMMENTS:**

Flower: Agrees with the lack of communication regarding the meeting on April 26<sup>th</sup>. Thanked the public for the comments of support for the police department.

**CONSENT AGENDA:**

The following items are incorporated into the consent and approved by a single motion of the Council. On a motion by Councilmember Champeaux, seconded by Councilmember Flower, the consent agenda was approved as amended. Champeaux – aye; Wiediger – aye; Slawson – aye; Flower – aye; Blair – aye, Boyd – aye.

**CITY OF SULTAN COUNCIL MEETING – April 12, 2007****Consent Agenda con't:**

- 1) Minutes of the March 22, 2007 regular Council Meeting as on file in the Office of the City Clerk.
- 2) Approval of vouchers in the amount of \$186,496.13 and payroll through March 23, 2007 in the amount of \$45,451.65 to be paid and drawn on the proper accounts.
- 3) Proclamation declaring the week of April 15-21, 2007 as National Volunteer Week.
- 4) Authorization for the Mayor to sign an Interlocal Agreement with Snohomish County for Animal Transport services.
- 5) Utility Committee Report as on file in the Office of the City Clerk.
- 6) Excused absence of Mayor Tolson and Councilmember Seehuus from the April 12, 2007 Council meeting.

**ACTION ITEMS:**

**IAC Grant Application:** The Interagency for Outdoor Recreation Committee (IAC) has funding in 2008 for park and trail maintenance. Staff recommends that the City submit an application in the amount of \$75,000 to repair the trails and interpretive signs in Osprey Park. The program has a 25% match requirement that would come from REET funds and in-kind service. Discussion was held on the vandalism to the existing signs and the need to replace them with material that will not be destroyed in a short time. On a motion by Councilmember Flower, seconded by Councilmember Champeaux staff was authorized to submit an application for a \$75,000 Trails Maintenance grant to IAC for maintenance and repair of the trails and the interpretative signs in Osprey Park and the Mayor was authorized to sign the necessary resolution. All ayes.

**Resolution 07-05 Council Meeting Procedures:** The updated Council Meeting Procedures were reviewed by the Council at the March 22, 2007 meeting and have been drafted to be consistent with the current practice of the Council. On a motion by Councilmember Boyd, seconded by Councilmember Flower, Resolution 07-05, Council Meeting Procedures, was adopted.

**Ordinance 948-07 – Budget Amendment:** Laura Koenig, Deputy Finance Director, provided the staff report. The Council held a public hearing on March 22, 2007 for the purpose of amending the 2007 Budget. The discussion included amendments to the Street Fund, Capital Improvement Funds and the General Fund. There was discussion on tracking expenditures on a line item basis and the responsibility of the Department Heads to manage the budget. The positions of Finance Director and Associate Planner were included in the original budget; however, due to budget constraints they are not being filled. The amount budgeted for these positions have been factored into the budget amendment as a decrease in expenditures. The total fiscal impact for all funds is \$1,988,319. The following amendments were recommended:

**001 General Fund:** Additional funding to complete the Comprehensive Plan Update in the amount of \$54,714. Additional professional services expenses for legal services in the Law Enforcement Department and the total expenditure is anticipated to be \$30,000. The City has not filled the positions of Finance Director or Associate Planner and salary and benefits were included in the adopted budget. The Department funds have been adjusted to reduce the amounts budgeted for these positions. The increase to the expenditures is \$77,714 and the decrease to expenditures is \$56,312 which reduces the total budget amendment to \$21,402. The net impact of these adjustments is an increase to the anticipated ending balance of \$24,598.

**CITY OF SULTAN COUNCIL MEETING – April 12, 2007****Budget Amendments:**

**101 Street Fund:** The original budget did not include expenditures for the street lights and the anticipated cost for street lighting is \$32,000. An allocation for salary and wages for the Finance Director and Associate Planner were included in the adopted budget. As these positions are not being filled at this time, an adjustment has been made to reduce the amount of expenditure required for salary and benefits. This covered \$20,518 of the required expenditure for street lights. The fund had an anticipated ending fund balance of \$2776 with the original budget. This amendment will leave the fund with an anticipated negative ending fund balance of \$8,706. Staff will need to bring back additional amendments to the Council to bring this fund into balance.

**105 Park Improvement Fund:** The fund expenditures were increased to include the acquisition of park property, improvements to the Skateboard Park and additional improvements to Reese and Sportsmen Parks as approved by the Council.

**108 Impact Fee Fund:** Impact fees will be used to fund the park projects approved by the Council. The fund has park impact fees in reserve.

**301 Capital Project Fund:** REET funds will be used to fund the park projects approved by the Council. The fund has REET funds in reserve.

**303 Street Improvement Fund:** The fund expenditures have been increased to include the closeout of the Sultan Basin Project Phase II and the design work for the Sultan Basin Road Project Phase II and expenditures have been decreased for the Sultan Basin Road overlay. The grant for the Sultan Basin Road Phase III was received after the adoption of the 2007 Budget. The acquisition of property for Sultan Basin Road Phase II was not completed in 2006 as anticipated. Grant funding is available for Sultan Basin Road Phase II and Phase III.

**405 CR Utility Fund:** Interfund transfer to the 407 Sewer Improvement Fund from the fund reserve will be used to cover the cost of the added projects.

**407 – Sewer System Improvement Fund:** The fund expenditures have been increased to include the I & I Study and the design work for the Sewer Force main. Interfund transfer of funds from the CR Utility fund will be used to cover the costs of the projects.

On a motion by Councilmember Champeaux, seconded by Councilmember Wiediger, Ordinance 948-07 Budget Amendments, was introduced and passed on to a second reading. All ayes.

**Ordinance 949-07 Credit Card Use:** The use of credit cards was addressed as an exit issue during the last City audit. There is currently no ordinance or policy for credit card use. The City has a Travel Policy and it was noted during the audit that credit cards were being used for prohibited purchases (specifically meals) under the adopted travel policy. The purpose of Ordinance 949-07 and the Credit Card Use Policy is to comply with the recommendation of the State Auditor. Staff and the Finance Committee recommended adoption of the ordinance and also noted that the word "additional" should be left in Section 2B.

On a motion by Councilmember Boyd, seconded by Councilmember Flower, Ordinance 949-07, Credit Card Use, was introduced and passed on to a second reading. All ayes.

**DISCUSSION ITEMS:**

**Quasi-Judicial Procedures:** Rick Cisar, Community Development Director provided an overview of the Council's quasi-judicial responsibilities under the Sultan Municipal Code (SMC) Chapter 16 Unified Development Code. The role of the City Council since the adoption of the Development Permit approval process in 1990 has not changed. The Council established the position of Hearing Examiner in 1990 and at that time his function was to hear appeals and the Planning Commission was holding the public hearings on land use matters. In 1995 the City adopted a new Development Standards and left the hearing process with the Planning Commission.

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**Quasi-Judicial Procedures:** In March 2000 the City amended Title 16 to provide for a new development permit approval process and transferred the review and recommendation role to the Hearing Examiner. Cities vary in the application of the regulatory reform legislation and the Hearing Examiner system as well as appeals of final actions or decisions to the Superior Court. Mr. Cisar reviewed the different types of administrative and land use actions and the proposed method of processing. The process to modify the code would take approximately six months. Council discussed the advantage of eliminating the Council as an appeal board, the LUPA process, continuing to approve final plats and the process necessary to change the code. It was a consensus of the Council that variance requests should be processed and heard by the Council and that they should move forward with the necessary code amendments to give the Hearing Examiner decision making authority.

**VEBA – Medical Savings Account:** Deborah Knight, City Administrator, discussed establishing a VEBA, or Voluntary Employees' Beneficiary Association for non-represented employees. A VEBA is a pre-retirement and post-retirement health reimbursement arrangement. The proposed VEBA plan would enable non-represented employees to make tax-free contributions into a VEBA Trust account. The proposal is to fund the VEBA account through a combination of:

1. A \$50 monthly contribution from each non-represented employee's paycheck from existing employee salaries.
2. Voluntary lump-sum leave cash outs annually or at separation (e.g. sick leave and vacation leave).

There is no direct cost to the City other than minimal administrative costs to enroll employees and disburse funds to accounts through payroll deductions. The purpose of the program is to provide a savings account for future health care costs. Brief discussion was held on offering the program to the Union group, Council participation and the savings to the city. Staff was directed to proceed with the necessary resolution to establish the program

**Capital Improvement Plan Evaluation Criteria:** Deborah Knight, City Administrator, discussed the process for the development of the Six Year Capital Improvement Plan. The City of Sultan is in the process of developing a set of evaluation criteria to prioritize capital project investments (roads, trails, parks, water, sewer and stormwater system improvements, and public facilities). Staff proposes the City use a process which results in a numerical ranking of projects using twelve (12) criteria in six categories:

1. Protection of Public Health and Safety
2. Cost Effectiveness
3. Benefit to the City and/or Region
4. Economic Development
5. Sharing or Reuse of Facilities, Timing and Opportunity
6. Sultan Vision

The Planning Board reviewed the proposed evaluation criteria at its March 20, 2007 meeting and they suggested changing the Environmental Quality criterion so the words "key habitat value" have been replaced with "environmental quality" so the criterion reads: "The project protects environmental quality". This change has been incorporated into the draft presented to the City Council. The evaluation would be done by project types (i.e. roads) and then the projects would be ranked. Staff has developed one criteria format for all the types as opposed to other cities that use different criteria for each project type.

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**Capital Improvement Plan Evaluation Criteria:** Brief discussion was held on the need for public support and participation. Public comments will be considered when ranking the project. Staff was directed to move forward with developing the evaluation criteria.

**PUBLIC COMMENTS**

**Loretta Storm:** Congratulated Councilmember Blair on a great job of running the meeting.

**COUNCIL COMMENTS**

**Wiediger and Boyd:** Thanked the staff for the new council packet format.

**Slawson:** Asked what happen to the road turtle markers on Highway 2? Ms. Dunn advised that the state will not replace the raised road turtle markers but will replace the marker when a new project is done.

**Blair:** Mr. Gibson asked about traffic impact fees, what is the status of increasing the fee? Mr. Cisar advised that the engineer working on the transportation element will have a recommendation for impact fee increases.

**Adjournment:** On a motion by Councilmember Boyd, seconded by Councilmember Slawson, the meeting adjourned at 9:35 PM.

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Benjamin Tolson, Mayor

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Laura J. Koenig, City Clerk