

SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET

ITEM NO: Consent C 1

DATE: August 23, 2007

SUBJECT: Council Minutes

CONTACT PERSON: Laura Koenig, City Clerk

SUMMARY: Attached are the minutes of the July 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.

COUNCIL ACTION:

DATE:

CITY OF SULTAN COUNCIL MEETING – July 12, 2007

The regular meeting of the Sultan City Council was called to order in the Sultan Community Center by Mayor Tolson. Councilmembers present: Champeaux, Wiediger, Slawson, Seehuus, Flower, Boyd and Blair.

CHANGES/ADDITIONS TO THE AGENDA:

Consent: Move Ordinance 953-07 and Police Vehicle Purchase to action.

COMMENTS FROM THE PUBLIC

Drenna Watson: Has lived in Sultan for 36 years and she has helped raise donations to fund the Sultan library and helped create the Friends of the Library. Asked how many friends and family would move to community without a library. She has lived all over the world and never lived in a place without a library. Is 76 years old today and felt it was necessary to share her concerns about considerations to close the library.

Sue Martinell: Referenced Sheriff's August 17, 2006 proposal she received from City hall. She understands the current budget is \$1 million, and will increase yearly. Asked how Sultan will save money if the costs increase and is also requesting a reasonable response time to the citizens if the City will be contracting with the sheriff's office. Feels the library should be an important consideration in the budget. Students need the library to do school research work and have access to the public computers. Has been a preschool teacher for 13 years and brings her class on field trip to the library yearly. Asking the council to take into consideration how much the library provides to the community.

Kerry Ourada: Feels that the library is an important asset to the community. It is obvious that it will cost more to contract with the Snohomish County Sheriff's and he is asking the Council to put the sheriff contract to rest and focus on the current police department.

Kathy Emil: Attended to ask questions regarding the Shindig. Has only seen one advertisement and feels there should be signs on the highway for travelers to see that are passing through. Who makes the decision on how much of the town is included as they are leaving out several business owners? Asked why the Shindig can't be extended one block to the east as it was last year. Considered opening a business, but feels these actions will prevent her from opening a business in Sultan. (Mayor Tolson advised that the Shindig is run by the Chamber of Commerce).

Burl Champeaux: Has lived in Sultan 27 years and attended to discuss a building issue – what is the status of the George six-plex.

Christopher Schwarzen: Advised he was not here on behalf of his employer the Seattle Times or the Crosswater Community Church but on behalf of his family. Is concerned about the talk of a levy lid lift and the amount of taxes he would be paying next year. Low to middle income families can not afford a tax increase as it is difficult to pay bills now. The City is already in the process of raising other fees and he expressed concern about residents' ability to pay the bill. A potential budget cut is street lights and this raises a potential safety issue. The library is a value resource to teach his home schooled children as it is a location for local history and he urged the council to keep it open. Encouraged the council to include one or two clergy members on the Blue Panel Citizen Advisory board. Likes the local police department and hiring a new chief may be a way to invigorate the community and bring new ideas.

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Merna Walsh: The library is an important cause to her. She enjoys it as an activity and sees many students taking advantage of the library system. Feels it will cost more to close it than to keep it open as it provides a place for students to gather.

Jeffrey Beeler: Asked for an updated on the Sultan Basin Road overlay project completion date. The Sultan Basin Road/Highway 2 signal is in place and it is providing relief for safer turns; however the signal design is only allowing for a protected cycle for left turn onto Sultan Basin from Hwy 2. Requested a change to the protected and permissible cycles of the light. In regards to the City finances, asked what happened and how did it happen. Sounds like the City projected for an amount of growth that didn't happen and there is the appearance of a good old boy meeting before it was brought to the public's attention. Police department appears to be same cost or lower if we maintain a local department. The issue of the Chief and paid administrative leave is confusing; similar scenario in Seattle, but the chief there is working and our chief is not. Referred to Councilmember Boyd's regarding his filing in the upcoming election and stated it saddened him as it seemed sneaky and underhanded as it was filed at the last minute.

Loretta Storm: The Interim Chief, Dennis Richards, was not certified using the current chief job description which requires he be an active police officer and he does not meet that requirement. Pointed out that the "Thank you Walser" signs were taken down, but they are back up again. Expressed that the library is a cornerstone in addition to the school that is badly needed to help a City survive. Also need a viable police department and a good financial structure.

Liz Kirkman: Works at the middle school and access to the library for children and community is vital. Not everyone has computers at home and computers are required for homework; the public library provides that access. She herself uses the library a lot as well as other citizens. Let's find other solutions before cutting off the library.

COUNCILMEMBERS COMMENTS:

Champeaux: Stated that there was no meeting with any group besides local citizens in regards to the budget crisis and it was meant to provide comments back to the council. The budget shortfalls were caused by miscalculation of building permits as well as comprehensive plan challenges and legal bills. Building permits are hard to calculate and if revenues don't come in, they need to revise the budget. Does not support closing the library. There are six operating funds within the City budget and the General Fund is having problems but the other funds are healthy however, the City can use those funds to help balance the General Fund budget.

Slawson: Closing the library is not a good idea, but they need to look at everything. There was not a special group meeting on the budget.

Weidiger: Welcomed everybody and wished Drenna Watson a Happy Birthday. Supports the library and will fight to keep it open.

Tolson: Advised that there was a meeting called by Administrator Deborah Knight with community members and business owners to help people understand the budget shortfall and to discuss the B & O tax.

Seehuus: Glad to see a big crowd at the meeting tonight. Is a strong advocate of local police control and is hoping to close the issue tonight. Library is not even on the table for him, and feels they will have to find another way.

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Flower: Thanked public for coming and wished a Happy Birthday to Mrs. Watson. They need to get the information out to the public about the issue with the General fund finances. The Mayor was aware of the problem when he took office and he has tightened down on expenditures. The City needs a long term strategy to boost retail sales. The books were closed at the end of June and by July 3rd, staff was providing information to the public. No one wants to cut services and the Council needs input from the public.

Blair: Thanked the public for coming. Completely agree with Councilman Flower's comments on the funds. In past the City has gotten in financial trouble and has taken a loan from another fund, with no provision of how to pay it back. The Business community meeting had great interaction. The meeting on the Youth outreach went well and they learned that kids are not feeling safe in the community and do not know where a safe place to go is. 75% of kids are sitting at home alone with no supervision and they need to know the community cares.

Boyd: Agrees with the other Councilmembers comments. The financial matter has been long term and he became aware of it when he came on the council board. The Mayor and staff did a good job on delaying the inevitable and they had hoped for retail sales tax, however they have the lowest retail tax income in the state. Must now make the tough decision and no one will be pleased, but they have to be made. The General fund has to be in the black again with a long term solution.

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 Slawson, the consent agenda was approved as amended. Champeaux – aye; Wiediger – aye; Slawson – aye; Seehuus - aye; Flower – aye; Blair – aye; Boyd - aye.

- 1) Minutes of the June 21, 2007 Special Council Meeting as on file in the Office of the City Clerk.
- 2) Minutes of the June 28, 2007 Public Hearing on 2007 Budget Amendments as on file in the Office of the City Clerk.
- 3) Minutes of the June 28, 2007 regular Council Meetins as on file in the Office of the City Clerk.
- 4) Approval of Vouchers in the amount of \$58,475.91 and payroll through June 29, 2007 in amount of \$48,609.01 to be drawn and paid on the proper accounts.
- 5) Adoption of Ordinance 915-07 approving the Shoreline Master Program.
- 6) Reschedule the Closed Record and Public Hearing Appeal Hearing on the George 6-Plex Townhouse Development to August 23, 2007.
- 7) Authorization for the Mayor to sign a contract with Perteet Inc. for on call planning services.
- 8) Authorization for the Mayor to sign a contract with Open Space Resources for property and right of way acquisition.
- 9) Approval for staff to submit a Records Management Grant application to purchase file cabinets for maps.

ACTION ITEMS:

Transportation Improvement Plan: The City is mandated by state law to annually adopt a six year program for transportation improvements and to submit the plan to the State. A hearing was scheduled for July 12, 2007 however staff recommends changing the hearing to July 26, 2007 to

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Transportation Improvement Plan: allow public review of the proposal. The plan includes both funded and unfunded projects in order to qualify the project for funding.

On a motion by Councilmember Flower, seconded by Councilmember Slawson, a public hearing on the Six Year Transportation Improvement Program was set of July 26, 2007. All ayes.

Waive Rules: On a motion by Councilmember Champeaux, seconded by Councilmember Flower to move to waive the rules and move to Action Item 3, General Fund crisis. All ayes.

General Fund Financial Crisis/Budget Amendments: Deborah Knight, City Administrator, presented the report on the proposed amendments to the General Fund budget and the need to set a public hearing and provide staff direction on the revisions.

On a motion by Councilmember Champeaux, seconded by Councilmember Flower, a public hearing was set for July 26, 2007 for 2007 budget amendments. All ayes.

On a motion by Councilmember Slawson, seconded by Councilmember Flower, staff was directed to proceed with the alternatives to balance the General fund without any consideration to disincorporation or bankruptcy. All ayes.

On a motion by Councilmember Slawson, seconded by Councilmember Champeaux, the matter was referred to the Subcommittee on July 19, 2007 at 6:00 PM. All ayes.

On a motion by Councilmember Slawson, seconded by Councilmember Flower, staff was directed to move forward with the formation of a Blue Ribbon citizen's commission to review the City's financial situation and make long term recommendations to the Council. All ayes.

Police Service Contract with Snohomish County:

Councilmember Seehuus moved to maintain the City Police Department, seconded by Councilmember Flower. All ayes except Councilmember Blair who voted nay.

Discussion was held on the need to maintain local control, staff reductions, prior cost overruns in the department and the need to stabilize and maintain the budget, increased costs to contract for service, moral issues in the department, vehicle replacement needs, and the use of provisional officers to fill shifts. Councilmember Blair advised that she polled 25 people and 12 wanted a contract with the County, 6 wanted local police and 6 were undecided.

Officers Berg and Faith advised that they must make decisions on their future based on what is best for them and their families but they would like a decision by the Council.

Brief discussion was held on the need for backfill services to cover shifts in an emergency and the amount of time required to train an officer. Provisional officers could be used to fill shifts

On a motion by Councilmember Slawson, seconded by Councilmember Wiediger, the Mayor was directed to negotiate a contract with Snohomish County and other agencies for back fill services and to bring it back to the Council within sixty days. All ayes except Councilmember Flower who voted nay.

Resolution 07-15 Law Enforcement Union Contract: Staff recommends approval of the two year Collective Bargaining agreement for Law Enforcement personnel.

On a motion by Councilmember Seehuus, seconded by Councilmember Flower, the Mayor was authorized to sign Resolution 07-15 approving a two year collective bargaining agreement with a Teamster Local 763 substantially in the form presented and authorize the Mayor to execute the agreement on behalf of the City and to make any necessary changes to implement the direction of the City Council regarding this matter. All ayes

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Ordinance 953-07 – 2007 Budget Amendment: Ordinance 953-07 amending the 2007 Budget was introduced for a first reading on June 28, 2007. The amendment includes funding for the jail settlement and for police vehicle purchases. Brief discussion was held on the need for three police vehicles if the City is reducing the number of officers, the unsafe condition of the existing vehicles and the funding source for vehicle replacement which is the Police Equipment Fund. On a motion by Councilmember Blair, seconded by Councilmember Slawson, Ordinance 953-07 was adopted. All ayes.

Police Vehicle Purchase: The Police Department has requested authorization to purchase three vehicles and to surplus three vehicles after the purchase is complete. The total cost will be \$44,685 and will be paid out under a lease agreement. Money received from the sale of the vehicles will be placed in the Police Vehicle fund. On a motion by Councilmember Blair, seconded by Councilmember Flower the Mayor was authorized to sign a purchase agreement with FCI for three vehicles and the three vehicles were declared surplus. All ayes.

DISCUSSION ITEMS:

Levy Lid Lift: Deborah Knight, City Administrator, discussed the option of a voter approved levy lid lift to raise property tax revenues either for a specific purpose or for general government purposes. At the current time, the maximum levy amount is \$2.10 per thousand and the City is collecting \$1.57 per thousand. The estimated revenues from the levy lid lift would be \$208,972 based on current assessed value. The City currently contracts with Sno Isle for library services and the other option would be a voter approved annexation to the Library District. The voters would agree to tax themselves \$.50 per thousand for library services. This would eliminate the \$97,000 the City pays for Library services under the contract. Staff recommended that the levy lid issue be placed on the February 2008 ballot.

Brief discussion was held regarding the impact to library services if the voters did not agree to annex to the district and the City terminated the contract. There would be no library service available to the citizens.

PUBLIC COMMENTS

Loretta Storm: Noted that anyone who would like to get involved with the youth situation should contact Dave Wood at the VOA. Asked Councilmember Blair who the 25 people she contacted were? (Blair – advised they were business owners and citizens). Was pleased with actions taken by the Council. Thanked Councilmember Seehuus and Flower for staying steady on the police issue.

Tracy Hoenstein: Thanked the Council for the vote supporting the police department. Thanked staff for getting the “Walser” sign back up. (Mayor Tolson advised that a letter of apology for removing the sign was sent by the City).

Josie Fallgatter: There is an Issue beyond how many police the City can afford, how many does it take to keep the citizens safe. The City is adding more and more people on assumption they will get more and more money for cops. There is a need to assess the strategy as building more houses has not worked. A number of people have communicated why the plans are important but the Council turns a deaf ear to them. The crisis with the police happened because the City did not plan.

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Jeffrey Beeler: Asked about the \$97,000 library contract and impact of annexation to the Library District. The City would save money but the taxpayers would have to pay additional tax. Asked how long it takes to train a lateral police officer.

(Staff advised that the City would not have to pay the contract amount for library services if the voters approved annexing to the district. The Library District can collect a maximum of \$.50 per thousand of assessed value.

Charles Van Pelt: The door count for the Library through May was 34,000 users and the projection is that there will be 91,000 going through library in 2007. The Library Board will look at their budget and see if they can help with costs.

Jeff Cofer, Wagley Creek Automotive: Congratulated the Council on resolving the police issue. Thanked officers who problem solved and made it work. Relieved to hear that the library is not really in immediate threat of closure and the annexation issue to keep it appears to have a high success potential. Respects Councilmember Blair for sticking to her opinion.

COUNCIL COMMENTS

Blair: Thanked citizens for their comments and insights. She does represent the community and made decisions based on citizens input.

Flower: Thanked everyone for attending the meeting and the Council members for standing their ground on what they believe in. Annexation to the library district should be explored.

Slawson: Thanked everyone for attending. In regards to the police, does not know how many years this has been an issue but it is finally done now.

Champeaux: In regards to Ms. Fallgatter's comment, we are under the assumption that rooftops will raise revenue but the City assumed that LID 97 would bring in business. He has heard that there are not enough rooftops to bring business in here and now we are assuming that when we have enough rooftops, businesses will follow.

Boyd: Regarding the police issue, the Council needs to remember that budget cuts are needed and that more tough decisions are coming.

Mayor Tolson: The Comprehensive Plan provided a level of Police Service that the City can not afford.

Executive Session: On a motion by Councilmember Boyd, seconded by Councilmember Blair, the Council adjourned to executive session for twenty minutes to discuss collective bargaining and personnel. All ayes.

Adjournment: On a motion by Councilmember Blair, seconded by Councilmember Slawson, the meeting adjourned at 10: 05 PM.

Benjamin Tolson, Mayor

Laura J. Koenig, City Clerk