

SULTAN CITY COUNCIL

AGENDA ITEM COVER SHEET

ITEM NO: Consent C 6

DATE: December 13, 2007

SUBJECT: Council Minutes

CONTACT PERSON: Laura Koenig, City Clerk

SUMMARY: Attached are the minutes of the November 15, 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:

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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:

Action: Pull Resolution 07-24 Interest Distribution

COMMENTS FROM THE PUBLIC

Steven Fox: Thanked Loretta Storm for her work providing information and the City for posting the information on the web. Requested amendment to the minutes to reflect the question he asked and the response by the City Attorney. The Fire Commissioners feel the basic question they are asking is not being understood. They want all the City plans revised so that the road is not shown through their property. They want documents approved by the City Council that don't show road through their property.

Loretta Storm: The proposed \$400,000 expense to make the comprehensive plan compliant includes a land use attorney, planning consultant, and transportation consultant. This is a lot of money and it should not cost that much for a new plan. She is sick of the subject and Ms. Fallgatter is sick of the appeals but they will continue until the comp plan is compliant. The City needs an expert on the Growth Management laws to guide the effort. The plan is not compliant because of the direction being given by staff and they need to change the process. Urged the Council to request proposals from land use attorneys.

Josie Fallgatter: During the Planning Board meeting Reid Shockey said the plan is about 80% complete, so why will it cost \$200-400,000 to complete the plan. If the plan is not good she will kick them to the curb and it does not matter who they hire. The staff needs to give the consultant good direction on the preparation of the plan and the Mayor needs to enforce the consultant contracts.

Jerry Gibson: Thanked the staff for submitting the petition for docketing. The staff report is not accurate regarding the sewer line needs and septic system failures. They can form a LID if a sewer line is needed. The City must get the comprehensive plan done in a short time and they need to give staff direction. The Capital budget shows private contributions for projects and he does not recall any donations coming to the Council for approval.

Jeff Beeler: Thanked the staff for getting the contractor to put lines on the Sultan Basin Road. The area is very dark and there are no signs or reflectors on the road. For the Budget health insurance costs are up 14% and he had to cut back on his private plan. The City should consider higher deductibles for insurance.

COUNCILMEMBERS COMMENTS:

Champeaux: The City Council looks forward to working with the Fire District to resolve the issue with the comprehensive plan as no one wants to impact their property. In regards to health care, the City has two union groups and one non represented group to deal with regarding benefits and they know that changes are necessary but it will be difficult. For some people no matter what the City does on the Comprehensive plan it will not be enough and they will not consider it to be compliant.

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CONSENT AGENDA:

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

1. Approval of vouchers in the amount of \$391,431.58 and payroll through October 19, 2007 in the amount of \$107,804.77 to be drawn and paid on the proper accounts.
2. Adoption of Ordinance 966-07– 2008 Tax levy
3. Adoption of Ordinance 965-07– 2008 Tax levy – Police bonds
4. Adoption of Ordinance 967-07– Capital Project Fund REET 1
5. Adoption of Ordinance 968-07 – Capital Project Fund REET 2
6. Adoption of Ordinance 969-07 – Park Impact Fund
7. Adoption of Ordinance 970-07 - Transportation Impact Fund
8. Adoption of Ordinance 971-07 – Stormwater Utility Fund
9. Adoption of Ordinance 977-07 – Repeal Chapter 16.112.100
10. Adoption of Ordinance 974-07 – Amend Title 13.12 Disconnection Fees
11. Interlocal Agreement with Snohomish County – Emergency Management
12. Interlocal Agreement with MRSC for Rosters

ACTION ITEMS:

Ordinance 972-07 2008 Budget: The public hearing on the 2008 Budget was held prior to the Council meeting. On a motion by Councilmember Slawson, seconded by Councilmember Seehuus, Ordinance 972-07 setting the 2008 Budget was introduced and passed on to a second reading. All ayes.

Ordinance 973-07 2007 Amended Budget: The public hearing on the 2007 Budget Amendments was held prior to the Council meeting. On a motion by Councilmember Seehuus, seconded by Councilmember Slawson, Ordinance 973-07 amending the 2007 Budget was introduced and passed on to a second reading. All ayes.

Ordinance 975-07 2008 Salary Schedule: The City Council has the authority to set pay and benefits. As a part of the annual budget process, the City Council must adopt a salary and compensation ordinance for 2008 to establish pay levels for all employees. Salary levels for represented (union) employees are established during contract negotiations. Salary levels for non-represented employees are set by the City Council annually during the budget process.

The City Council reviewed a proposed salary schedule for non-represented employees at its November 8, 2007 meeting and directed staff to return with an adopting ordinance. On a motion by Councilmember Champeaux, seconded by Councilmember Slawson, Ordinance 975-07 setting the 2008 Salary Schedule was introduced and passed on to a second reading. All ayes.

2008 Capital Budget: The City Council discussed the 2008 Capital Budget at its November 8, 2007 meeting. Following internal discussions, City staff is recommending that the City Council delay including the High Level Reservoir in the Capital Budget until the City Engineer has a more detailed project cost estimate for Council to review.

The 2008 Capital Budget outlines the proposed project expenditures and funding sources for the capital projects the City will be working on in the coming year. Capital project expenditures for 2008 must be included in the City's adopted 2008 Budget.

The policy question for the City Council is whether the capital projects, proposed expenditures, and revenue sources address the City's short- and long-range capital investment priorities. In

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other words, are these the projects Council wants to focus on in the coming year, are the expenditures adequate for the level of work, and are the funding sources appropriate? A complete list of proposed projects and expenditures with the changes was discussed at the November 8, 2007 meeting.

Councilmember Flower moved to adopt the Capital Budget, seconded by Councilmember Slawson, All ayes.

Resolution 07-29 Payroll Allocation: During the annual budget process a review of staffing requirements is completed by the Department Heads. Staff reviews the current job responsibilities and the proposed work program for the next year to determine the appropriate fund to charge for the salaries and benefits.

For 2008, salaries and benefits will be charged out to the Park and Street Improvement funds. Part of the staff's salaries and benefits for federal and state funded projects can be charged back against the grants received. Tracking the wages in those funds will make it easier to properly charge the grant and will create an audit trail for the State Auditor and the granting agency. The State Auditor has requested that the Council adopt the Salary/Benefit allocation as a part of the budget process.

On a motion by Councilmember Seehuus, seconded by Councilmember Flower, Resolution 07-21 Payroll Allocations was adopted. All ayes.

Resolution 07-30 Investment Policy: The Investment Policy was discussed during the November 8, 2007 Council meeting and staff was directed to bring the policy back for adoption. The City does not have a formally adopted Investment Policy. Staff currently used guidelines provided by the BARS (Budget, Accounting, Reporting System) manual and various RCW's regarding investments. The State Auditor has recommended that the City adopt written policies to insure that consistent financial practices are followed. The document is based on a sample policy obtained from the Washington Municipal Treasurer's Association.

The Investment Policy provides a list of allowed investment instruments, reporting process, internal controls and requires the Finance Committee to participate in the management of the portfolio.

On a motion by Councilmember Flower, seconded by Councilmember Seehuus, Resolution 07-23 establishing an Investment Policy was adopted. All ayes.

Resolution 07-27 Purchase Policy: The Purchase Policy and Procedures was discussed at the November 8, 2007 Council and the direction was to bring the Purchase Policy and Procedure back for adoption.

Staff has drafted a Purchase Policy and a Purchase Procedure for the Council's consideration to provide a consistent process for the purchase of materials, supplies, equipment and services. Municipalities must follow several state laws with regards to the purchase of supplies, materials or equipment. There are additional statutory requirements that apply to public works projects and architectural and engineering services.

The Purchase Policy defines the responsibilities of the Finance Department and of each Department Head for the purchase of supplies, equipment and professional services. The Sub-Committee met in June to review the purchasing parameters and staff has met on several occasions to review the parameters and the process. The guidelines set will allow the city departments to operate in an efficient and consistent manner.

On a motion by Councilmember Blair, seconded by Councilmember Champeaux, Resolution 07-27, Purchase Policy, was adopted. All ayes.

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Everett Animal Shelter Interlocal: City staff recommend terminating the Interlocal Agency Agreement with the City of Everett for animal shelter services until such time as the City can either 1) negotiate a new contract with Everett that excludes Sultan residents from directly delivering animals to the Everett Animal Shelter or 2) the City is able to directly invoice Sultan residents for the cost of dropping off stray animals at the animal shelter.

Staff originally estimated the City would spend approximately \$1,455 (15 animals x \$97) on sheltering services in 2007. The City has spent \$3,776 on sheltering services since the Interlocal went into effect. The City has used the animal shelter twice since the beginning of the Interlocal. The Everett Animal Shelter has indicated that the City could continue to bring animals to the Shelter. Without the Interlocal Agreement in place, the Shelter will charge the City \$137 per animal rather than the \$97 per animal rate provided for in the Interlocal.

Given the City's current minimal need for the Everett Shelter and the costs incurred by Sultan as the result of residents using the Shelter, staff is recommending the City give the City of Everett notification of its intent to terminate the contract.

If Everett is unwilling or unable to renegotiate the Interlocal with Sultan, the other option, if the City still wants to have an Interlocal with Everett for shelter services, is to implement the necessary ordinance(s) to directly invoice Sultan residents for the cost of dropping off stray animals at the animal shelter.

On a motion by Councilmember Slawson, seconded by Councilmember Wiediger, Staff was directed to terminate the Interlocal Agency Agreement with the City of Everett for Animal Shelter services until such time as the City can either 1) negotiate a new contract with Everett that excludes Sultan residents from directly delivering animals to the Everett Animal Shelter or 2) the City is able to directly invoice Sultan residents for the cost of dropping off stray animals at the Everett Animal Shelter. All ayes.

Comprehensive Plan Amendment to 2007 Annual Docket: City Staff recommends the City Council amend the 2007 Docket approved by the City Council on September 27, 2007 to include the petition submitted by Gerry Gibson on behalf of the Dyer Road and Skywall Drive Residents as described on Exhibit 1 which included deleting:

1. The proposed roadway connection of Dyer Road and Skywall Drive as identified as Proposed Roadway Number 28 on the Transportation Plan Map; and
2. The proposed sewer pipeline extension on both Dyer Road and Skywall Drive, including the proposed pump station as shown on the Sewer Utility Map.

Docketing the petition will alleviate the concerns of the residents that their petition submitted in September will not receive consideration by the City Council in that City Staff erroneously directed them to submit a petition which was not included in a 2006 Comprehensive Plan Docketing request.

On a motion by Councilmember Flower, seconded by Councilmember Seehuus, the Council moved to amend the approved 2007 Comprehensive Plan Docket to include the Petition from the Dyer Road and Skywall Drive residents. All ayes.

Cairncross and Hempelmann Professional Service Contract: The issue before the City Council is to authorize the Mayor to negotiate a professional services contract with Cairncross and Hempelmann for land use attorney services to 1) assist the City with responding to the Compliance Deadlines on December 31, 2007 and January 28, 2008; and 2) assist the City with adopting a compliant comprehensive plan under the State Growth Management Act.

The City must respond to the deadlines for the completion of the TIP and Capital Facility plan elements in accordance with orders from the Growth Management Board.

The Council needs to decide whether to use the current City Attorney or to hire land use attorney to complete the work necessary by the December 31, 2007 deadline and decide who do they want

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to use to bring the plan into compliance. There is \$200,000 in the 2008 budget however, after discussions with the land use attorney and consultants, this may not be enough money. The attorney will be a part of the team that develops the plan. The final scope of work needs to be prepared and staff and the public need to be involved in the process. Staff recommended a hybrid approach to the work which would separate the work on the compliance deadlines for the Growth Management Board from the remainder of the work. Staff would send out a Request for Proposal for a land use attorney to assist with the plan completion.

Discussion was held on the amount of money available and the amount of money the City has spent to bring the plan into compliance; project management; contract enforcement and legal recourse; stakeholder involvement in the plan; potential sanctions if the City does not comply; and funding sources. Several consultants will be needed to complete the different elements of the plan.

On a motion by Councilmember Flower, seconded by Councilmember Slawson, the Council moved to authorize the Mayor to negotiate a professional services contract with Cairncross and Hempelmann for land use Attorney services to 1) assist the City with responding to the compliance deadlines on December 31, 2007 and January 28, 2008 and 2) assist the City with adopting a compliant Comprehensive Plan under the State Growth management Act. All ayes. Councilmember Flower amended his motion to use the hybrid approach which would hire an attorney now for the compliance issues and send out a request for proposals from land use attorneys, seconded by Councilmember Champeaux. All ayes.

PUBLIC COMMENTS

Loretta Storm: There is \$35,000 in the budget for a planner to make sure the plans are consistent. The City should hire a planner at the County to work on the plan to save costs. Is shocked that Reid Shockey has been paid \$130,000 and will be paid more. There must be accountability for the contracts and there has to be control.

Josie Fallgatter: It was a good question on no action alternatives and that may be good way to go. If they choose to make the plan right it will not be appealable. The GMA board provides a great deal of discretion to the City. The legal fees are incurred because the City Attorney is doing his job to get the City off the hook and they could tell the attorney not to defend the issues to keep costs down. John Wilson, BHC, was told that population does not match in the plans and his scope of work was to make it compliant. He advised them to leave it and pay him to correct it. Reid Shockey was suppose to prepare a compliant capital facility plan and did not do it. There are elements in the GMA that are required and the hearings board has said they must be in the comp plan. The actions taken by the city are clearly erroneous and it could have been prevented.

Jerry Gibson: In regards to the contributions, there is one for \$10,000 for the Foundry Drive crossing and the Council must approve it first. Takes exception to the comments from the City Administrator about the direction received from staff on the comprehensive plan. The comprehensive plan has an emergency access going through to the Dyer Addition and the City staff told the planner to put it in the plan.

Executive Session: On a motion by Councilmember Seehuus, seconded by Councilmember Wiediger, the Council adjourned to executive session for thirty minutes to discuss personnel and potential litigation. All ayes.

Adjournment: On a motion by Councilmember Blair, seconded by Councilmember Flower, the meeting adjourned at 10:15 PM.

Benjamin Tolson, Mayor

Laura J. Koenig, City Clerk