

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: Consent C 1

DATE: April 10, 2008

SUBJECT: Council Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

SUMMARY:

Attached are the minutes of the March 27, 2008 Council meeting minutes 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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The regular meeting of the Sultan City Council was called to order in the Sultan Community Center by Mayor Pro-tem Blair. Councilmembers present: Champeaux, Wiediger, Slawson, Flower, Davenport-Smith. Absent: Doornek

CHANGES/ADDITIONS TO THE AGENDA:

Consent: Add excused absence of Councilmember Doornek

Action: Move WWTP Short term funding to Discussion

Executive Session: Add for personnel before action

PRESENTATIONS:

Wastewater Treatment Plant Update:

Tadd Giesbrecht and Bill McCarthy from Brown and Caldwell the City's project manager for the Upgrade presented an update on the Wastewater Treatment Plant project.

The planning efforts began in 2006 based on future needs and I & I issues. In 2007 the City decided to go with a Membrane Bioreactor MBR and solicited bids and began the preliminary design process. Short term improvements were completed in 2006 and 2008. The new construction phase is schedule for 2010-11.

Michael Willis Architects discussed the plant design. The goal in the design was to make it aesthetically pleasing from the park and highway and functional for operations.

Bill McCarthy provided a cost estimate update which is currently \$17.6 million if construction starts in 2009.

Council discussion was held regarding the addition of the centrifuge to the design and construction costs, required art element for the project and the design of the building to reduce operations and maintenance costs.

COMMENTS FROM THE PUBLIC

Joe Beavers: Provided an update on the safety projects planned for Highway 2 which has been designated at a Traffic Safety Corridor. The State Patrol will increase patrol on the Highway. Advised that another meeting will be held on April 21, 2008 to discuss the proposed safety projects.

Josie Fallgatter: Thanked Joe Beavers, Loretta Storm and Jeffrey Beeler for their work with the Highway 2 Safety Coalition Board. Sewer Plant – the application deadline for the SRF loan is October 31st and the GMA compliance hearing is set for November. In order to apply for the SRF loan, the City must have a compliant comprehensive plan. The changes to quasi-judicial hearing to disallow public comment during the closed record hearing will not fix the problem in the code. The development code will not be consistent with the Hearing Examiner code. Read that Kay George had called some people “terrorists” and she wanted to go on record that the name calling is just meaningless words.

Loretta Storm: Appreciates those who have worked on the Highway 2 issues. Noted that Gold Bar has been great in their participation but she is bothered that Sultan is not represented at the meetings. Advised there is a board position open and they are looking for new members.

Keith Arndt: Asked if the sewer plant is primary or secondary treatment and if the City could make money on the dried products? Asked if the costs of operations have been considered in the design and if the engineer had considered using the biosolids to produce energy? The City needs to consider the operations cost as well as the construction costs.

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Jeff Beeler: His neighbors are concerned about speeding cars and they would like the city to consider speed humps to slow down vehicles (Loves Hill Drive and Meara Lane) and would like some police presence in the area. Asked if the City could consider lowering the speed limits from 25 mph to 20 mph in residential areas. The Homeowners Association is concerned about the maintenance of the detention ponds which could cost up to \$150,000 per pond. Asked if the City has any oversight over the HOA to determine the amount of dues needed to maintain the ponds? The City should have a representative at the Highway 2 Coalition meetings.

COUNCILMEMBERS COMMENTS:

Weidiger: Thanked all the people who worked on the funding for the Highway 2 projects.

Slawson: Appreciates the work of the Highway 2 Coalition. Advised that the multi-use park in the Sultan Basin area is moving forward and the land trade has been started. Additional meetings will be held in May to discuss the project further.

Davenport-Smith: Thanked those on the Highway 2 Coalition and advised she would be interested in attending the meetings if they are held in the evening.

Blair: Thanked those on the Highway 2 Coalition and noted until January 1, 2008 the City did have representation from Councilmember Seehuus and from former Chief Walser. The City hosted an Economic Development Professionals meeting on Wednesday, March 26th which gave the staff an opportunity to discuss what is going on in Sultan.

Staff Reports:

Police: Chief Hawkins advised the block watch meetings are going well and the citizens are getting involved with helping the police. They have developed a list of the citizens concerns to be addressed.

Grants/Economic Development: Donna Murphy advised that the Economic Development Professionals held the quarterly meeting in Sultan. The Economic Development web page is scheduled to go live on April 1st. Final preparation for the annual Cleanup Day is being completed. This will be a joint event with Snohomish County.

Finance: Laura Koenig advised that work on the 2007 Annual Report is being completed and the final closeout on the Sultan Basin Road has been submitted to the State for reimbursement.

Executive: Deborah Knight advised that interviews for the Community Development Director are being held and the candidates will be at the joint meeting of the Council and Planning Board on April 1st to meet the board members and public.

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; Davenport-Smith - aye; Flower – aye; Blair – aye.

- 1) Minutes of the March 13, 2008 regular Council Meeting as on file in the Office of the City Clerk.
- 2) Approval of vouchers in the amount of \$58,903.04 and payroll through March 7, 2008 in amount of \$88,657.66 to be drawn and paid on the proper accounts.
- 3) Excused absence of Councilmember Doornek from the March 27, 2008 Council meeting.

Executive Session: On a motion by Councilmember Flower, seconded by Councilmember Slawson, the Council adjourned to executive session for ten minutes to discuss personnel matters. All ayes.

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ACTION ITEMS:

Rural Business Opportunity Grant Application: Mayor Eslick and staff have been working with Mayor Hill of Gold Bar and the Snohomish County Office of Economic Development and identified the USDA Rural Business Opportunity grant that could fund a Retail Economic Development Strategy for the Cities of Sultan and Gold Bar. A cost estimate is \$70,000. The maximum grant amount is \$50,000 and the additional \$20,000 will be shared equally with Gold Bar and provided as in-kind. The federal grant is highly competitive and demographics for Sultan and Gold Bar are similar. It was determined that the best and most cost effective strategy is for Sultan and Gold Bar to partner in the application. Brief discussion was held regarding the in-kind match and the selection of a consultant.

On a motion by Councilmember Slawson, seconded by Councilmember Champeaux, staff was authorized to submit a grant application for a \$50,000 Rural Business Opportunity grant. All ayes.

Interlocal Agreement with Snohomish County – Interim Police Chief: The Interlocal Agency Agreement with the Snohomish County Sheriff's Office will expire on April 30, 2008 unless the City gives the County written notice by April 1, 2008 of its intention to extend the Agreement for one additional nine month period to take the contract through January 2009. The cost will be \$9,524 per month. This will be \$580 increase in cost for contracting versus hiring a full time Police Chief. The first candidate for the position of Police Chief (Charlie Dennis) accepted a position with another city and the seconded candidate's qualifications do not meet the needs for Sultan. Mayor Eslick has requested the Council contract with the County for the remainder of 2008. Brief discussion was held regarding the Civil Service rules and the process for advertising the position.

On a motion by Councilmember Slawson, seconded by Councilmember Flower, the Mayor was authorized to sign the Interlocal Agreement with Snohomish County to provide an Interim Police Chief. All ayes.

Resolution 08-11 Amending Council Procedures: The City Council discussed amending procedures for taking public comment during quasi-judicial closed record hearings at its Council Retreat on February 9, 2008 and at its Council meeting on March 13, 2008. Following the discussion on March 13, 2008, the City Council directed staff to change its procedures to not allow public comment during a closed record hearing. No other city allows public comment during a closed record hearing. The public is encouraged to participate during the open record hearing. The City Attorney is reviewing the Hearing Examiner code and Title 16 to insure consistency and recommendations for changes will be brought back at a later date.

City staff propose amending Section 6, Public Hearing Procedures, of the document entitled "City of Sultan Council Meeting Procedures" to add procedures for quasi-judicial closed record hearings. The City Council adopted these procedures by Resolution 07-11 on April 12, 2007. Brief discussion was held regarding the definition of "appellant", code consistency and notification to the public of the change in procedure.

On a motion by Councilmember Slawson, seconded by Councilmember Flower, Resolution 08-11 amending the Council Meeting Procedure was adopted. All ayes.

Wastewater Treatment Plant SRF Application: The issue before the Council is 1) to determine whether to pursue a low interest Water Pollution Control Revolving Fund loan (SRF) in 2009 to fund the Waste Water Treatment Plant Upgrade and 2) to authorize the Mayor or designated staff to negotiate and sign a contract amendment with Brown and Caldwell to rewrite chapters of the Waste Water Treatment Plant (WWTP) Engineering Report in order to submit an application to

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WWTP Funding: the Department of Ecology for a low interest Water Pollution Control Revolving Fund loan in 2009 to fund the WWTP Upgrade. Brown and Caldwell estimate the cost to amend the WWTP Engineering Report will be approximately \$70,000. The payoff is a low-interest loan offer necessary to proceed with construction of the WWTP in 2009. Discussion was held regarding the scope of work, the amount of the loan, the ability to pay back the loan and the issues with being GMA compliant to qualify.

On a motion by Councilmember Champeaux, seconded by Councilmember Slawson, the Mayor or designated staff was authorized to negotiate and sign a contract amendment with Brown and Caldwell to rewrite chapters of the Waste Water Treatment Plant (WWTP) Engineering Report in order to submit an application to the Department of Ecology for a low interest Water Pollution Control Revolving Fund loan in 2009 to fund the WWTP Upgrade. All ayes.

DISCUSSION ITEMS:

Interlocal Agreement with Snohomish County – Patrol Deputy: The issue before the Council is to discuss the costs and benefits of negotiating a one (1) year Interlocal Agency Agreement from July 1, 2008 to June 30, 2009 with the Snohomish County Sheriff's Office for a patrol deputy. Mayor Eslick is concerned with public safety and would like to have more Officers on the street. The City is advertising for a lateral officer now but will take some time to complete. The option available to the city is to contract with Snohomish County by using the funds received from Skoglund Ridge to fund an additional officer. The cost per month would be \$10,000 and the funds are available if the City does not hire the replacement lateral officer this year. If the Civil Service provides an eligibility list to the City, the contract may need to be terminated.

Discussion was held regarding the potential for other developers to pay any funds, level of service compliance issues and the need to review the overall budget impacts the City has with increased staffing and GMA compliance issues.

Budget Amendments and Priority Projects: The budget for 2008 was adopted in December 2007 and due to staffing changes, there have been several changes in the assumptions made for salaries and benefits for 2008. The second area of concern is the cost for professional services for work on the Comprehensive Plan. The budget amount in the Planning Department for professional services is \$115,000 and total spent to date is \$55,186.88. This represents 48% of the total budget for the year. Staff is recommending the City negotiate with Cairncross and Hempelmann and Shockey/Brent to spread out payments for the balance of the year in equal monthly payments. This will insure that adequate revenues are available on a monthly basis to cover the costs associated with the Comprehensive Plan update. The General Fund is the major fund impacted by these issues.

Council areas of concern were cash flow, the amount of funds spent to date, costs of the planning consultants, the need for a hiring freeze and the need to tighten the budget now. Staff was directed to address the areas of concern and to renegotiate the contracts with the consultants.

Stop the Clock: On a motion by Councilmember Slawson, second by Councilmember Davenport-Smith, the clock was stopped at 10:00 PM.

Wastewater Treatment Plant Funding: The issue before the Council was to authorize the Mayor or designated staff to negotiate a short term loan with Coastal Community Bank to complete the design phase of the Wastewater Treatment Plant upgrades. The City was \$822,500 short of funds to complete the design phase of the project. The City has been advised that \$500,000 in funds have been allocated by the State to fund the Wastewater Treatment Plant.

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The shortfall was \$322,500. Based on update information from Brown & Caldwell, the needs have changed and the shortfall is now in excess of \$500,000. The changes in the scope of work that were not approved by the Council totaled \$46,500 and the costs for the additional design items total \$155,000. Staff was directed to bring back the consultants for further discussion on the proposed changes and to recommend a new proposal for funding the increased costs.

PUBLIC COMMENTS

Jeffrey Beeler: 18 months ago the City had a more stable police department and the proposal from the Snohomish County Sheriff was turned down. The City has brought the County in to fill the gap in the Chief's position and is proposing to hire a County Deputy and maybe they should look at the contract again since we don't have the stability. Attended the Comprehensive Plan Open House and the police level of service was discussed. Asked if the level of service is deleted from the comprehensive plan, would the developers still have to pay any fees?

Deborah Knight, City Administrator: Advised the Comprehensive Plan has levels of services included for police and this has created an issue for development. It is not a required element for the plan. The Developers agreed to sign a voluntary agreement to provide funding for police services for one year but if the level of service element is removed from the plan, they would not have to pay the fee.

Keith Arndt: Is glad to have Chief Hawkins here and he appreciates the work done by the police. Six months ago the level of service for police was a major issue and now the City is down one officer. They need to review the budget and determine if they can afford to hire a replacement. The City is working on making the Comprehensive Plan compliant but an appeal of their efforts has not been considered in the budget process.

COUNCIL COMMENTS

Slawson: Advised that he is pro police but also supports a balanced budget.

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

Kristina Blair, Mayor Pro-tem

Laura J. Koenig, City Clerk