

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: Consent C 1

DATE: August 28, 2008

SUBJECT: Council Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

SUMMARY:

Attached are the minutes of the August 14, 2008 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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The regular meeting of the Sultan City Council was called to order in the Sultan Community Center by Mayor Eslick. Councilmembers present: Champeaux, Wiediger, Slawson, Flower, Blair and Doornek. Absent: Davenport-Smith

CHANGES/ADDITIONS TO THE AGENDA:

Consent: Add excused absence of Councilmember Davenport-Smith

Discussion: Health District Funding Crisis

Consent: Land Lease move to action.

PRESENTATIONS: Mayor Eslick, Debbie Copple and Chief Hawkins recognized members of the Explorer Group that assisted with the Sultan Summer Shindig in 2008.

Debbie Copple advised that over the past 20 years there have been police officers from various communities helping during the Shindig and the Explorer Group was very professional.

Chief Hawkins advised that, thanks to the Explorers patrol during the evenings, there were no reports of theft this year from the vendors during the Shindig.

COMMENTS FROM THE PUBLIC

Mary Carson-Ford: They have raised \$1250 for the repairs to the Gateway signs. The job is larger than they anticipated and additional repair work will be required. It was requested the advertising signs be moved away from the Gateway sign. Asked when the animal control position will be advertised as there are animal issues that need to be addressed.

Wendall Smith: The Council was presented with a budget of \$500,000 for Stormwater because staff advised a NPDES permit was required and that was not true. They were misled by staff.

Frank Linth: The Planning Board meeting was held last week with the new members and it went quite well. He invited everyone to attend the Planning Board as they are an important part of the planning process and need public input. They are a very diverse group and strength come with diversity and the ability to agree to disagree.

Jeffrey Beeler: There were four homes in the developments that were allowed direct access off the Sultan Basin Road. He urged the Council not to approve any more direct access from the road and to look into the resident parking on the shoulder of Sultan Basin Road. The Highway 2 Safety Coalition is working with the State WSDOT to identify safety projects for Highway 2 and he urged the Council to request them to defer the improvements to the park and ride and put the money into safety issues. The stormwater utility had four options and the first was not enough to cover the expense of the retention ponds and the fourth was too much for the rate payers. The Council should reconsider the other two options.

Al Wirta: Suggested the Homeowners Association pay more than the \$5.75 ERU and have the money put towards their projects. He will receive zero benefit from the utility at his home or business.

Debbie Copple: The Chamber of Commerce has concerns about the large increase proposed for traffic mitigation. The City can't compete with other areas for commercial development if the fees are too high. Need to find a way to mitigate the fees to attract business. The Index Sportsman Club shooting range issues with the Forest Service are still being resolved and they hope to have it reopened soon.

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Keith Arndt: The comments about the mitigation fees from the Chamber were welcome but the Council should have heard from them months ago. There is an action item on the comprehensive plan for the annual docket review and he agrees the rezone request should be eliminated. There are no docketed issues to address retail versus rooftops and it can not be addressed for two years. The Council should consider extending the time frame to docket issues.

Loretta Storm: Her parents bought a house in 1950 for \$4000 and it is worth \$250,000 today. The cost of infrastructure has gone up and the Council needs to raise fees to meet those costs. The City has lost money by not raising mitigation fees and \$5200 is not a large amount.

Steve Harris: The increase in the mitigation fee from \$1837 to \$5200 is hard to accept and the Council should consider a tier increase over a few years instead of a one time increase. With the Comprehensive Plan docket items, the Council needs to keep the whole community in mind when making decisions. They were elected to represent everyone and they will impact business and citizens by decisions.

COUNCILMEMBERS COMMENTS:

Blair: Thanked everyone for the work on the Gateway signs. Animal control is important and staff has recommended cutting the funding but it will be considered as part of the budget amendments. The comprehensive plan docketing and the mitigation fees are major issues.

Slawson: He has heard that the State and the County have a hiring freeze and other cities are cutting back. As a Council, they need to look at tightening the purse strings for the City. Businesses are closing all over the County and the Council needs to be creative and figure out how to get business into the City.

Champeaux: We need to develop a plan to attract business into the community. The LID was supposed to encourage business and it did not. The City needs to be aggressive about recruiting business. Commercial development is still going strong in areas but residential is not.

Mayor Eslick: Has heard that businesses are closing but the City is considering raising the mitigation fee. In a time of crisis we need to consider how to attract business and we need to educate people before they fail. The City will begin work on a promotional film for Sultan next week.

HEARINGS:

2008 Budget Amendments: Staff requested the hearing be continued as the information from the Sheriff's department on the Interlocal for the Evidence Officer is not yet available. On a motion by Councilmember Slawson, seconded by Councilmember Champeaux, the hearing was continued to August 28, 2008.

CONSENT AGENDA:

The following items are incorporated into the consent and approved by a single motion of the Council. On a motion by Councilmember Blair, seconded by Councilmember Wiediger, the consent agenda was approved as amended. Champeaux – aye; Wiediger – aye; Slawson – aye; Flower – aye except Ordinance 985-08, nay; Blair – aye; Doornek - aye.

1. Minutes of the July 24, 2008 regular Council Meeting as on file in the Office of the City Clerk.
2. Approval of vouchers in the amount of \$246,323.03 and payroll through July 25, 2008 in amount of \$103,170.71 to be drawn and paid on the proper accounts.

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3. Approval of the revision to the scope of work for PWTF loan #PW-6-962-PRE-131 to suspend the design of the Membrane Bioreactor WWTP at 50% and the addition of a centrifuge solids dewatering system.
4. Acceptance of the Date Avenue street construction funded by CDBG and waterline project funded by the City.
5. Adoption of Ordinance 985-08 establishing a Stormwater Utility.
6. Adoption of Ordinance 987-08 amending SMC 5.28 Cable TV Regulations.
7. Excused absence of Councilmember Wiediger from the August 28, 2008 Council meeting.
8. Set a Public Hearing on amendments to SMC 21.04 for August 28, 2008.
9. Excused absence of Councilmember Davenport-Smith from the August 14, 2008 Council meeting.

ACTION ITEMS:

Ordinance 986-08 Stormwater Utility Rates: The issue before the City Council is to have First Reading of Ordinance No. 986-08 to establish a stormwater utility rate structure levied upon all developed real property within the boundaries of the utility. The City Council discussed four rate structure alternatives for the Stormwater Utility at its July 10, 2008 meeting. The City Council selected Alternative 1 and directed staff to prepare an adopting ordinance for Council action. Discussion was held regarding the amount of funds needed for capital improvements, limited budget proposed, lack of funds to provide stormwater improvements as a part of street projects, the stakeholder report that was not representative of all members in the group, and inadequate planning to meet the needs for maintenance and improvements. It was requested the matter be continued to September 11, 2008 when the entire Council would be present for the vote. On a motion by Councilmember Flower, seconded by Councilmember Champeaux, Ordinance 986-08 was continued to the September 11, 2008 meeting. All ayes.

Resolution 08-22 Anderson Farms: A Closed Record Hearing was held during the Council meeting of August 14, 2008. The Hearing Examiner found significant non-compliance with the code and has recommended denial of the proposal. Discussion was held regarding the 19 issues addressed by the Hearing Examiner that make the application non-compliant, concurrency not being an issue as there were no letters of availability for water and sewer connections, and the ability to submit a new application. On a motion by Councilmember Slawson, seconded by Councilmember Doornek, the Council adopted Resolution 08-22, accepting the Hearing Examiner's recommendation to deny the application for the Grandview Inc. Planned Unit Development and Subdivision application for a 26-lot Planned Unit Development. All ayes, except Councilmember Flower who voted nay.

Comprehensive Plan Annual Docket:

The Council opened the Annual Comprehensive Plan Docket for the 2008-2009 Docket with a closing date of June 30. No new Docketed applications were received. There is one item which remains on the Docket from the 2005 cycle. All other Docket items from 2005 through 2008 have been addressed by the recent work on the Comprehensive Plan in response to the Growth Management Hearing Board cases. The remaining Docket Item, a petition by Mr. Bart Dalmasso, to implement a buffer along Hwy 2 and change zoning to Highway Oriented designation on all property fronting the highway has been carried over since it was submitted in June 2005. There is approximately 34,000 lineal feet of frontage (both sides of the highway) along Hwy 2 within the City of Sultan. 90% is in either Highway Oriented Development (HOD) Zone, Urban Center Zone (UC), or Economic Development (ED) Zone. The issue is whether it is a worthwhile

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effort to open the Comprehensive Plan to change the zoning on the approximately 10% of the Hwy 2 frontage that is not already designated for commercial and industrial economic development. The properties designated in the residential categories are so designated because they, in general, contain residential development at the time the designations were put in place. Brief discussion was the residential use of the property and existing business in the zone and the need to solicit public input regarding the zoning.

On a motion by Councilmember Slawson, seconded by Councilmember Doornek, the Council deleted the Highway 2 zoning item from the docket, affirmed that no additional docket applications were received during the open docket period and close action on the docket until the June 2009 docket application period. All ayes.

Lease Agreement:

Snohomish County Solid Waste is requesting a new 15-month lease (October 1, 2008-December 31, 2009) of City owned property adjacent to the transfer station to continue temporary collection of residential wood debris. The Council authorized the first agreement effective October 1, 2007. The original lease was for a three month period with three 3-month extensions. The original lease agreement will expire on September 30, 2008. The collection site is open to the public on weekends and is staffed by Solid Waste employees. Brief discussion was held regarding charging fees to the residents as the original lease provided for the service to be free; also requirement to obtain city authorization prior to any construction at the site.

On a motion by Councilmember Blair, seconded by Councilmember Slawson, the Council authorized the Mayor to sign the land lease with Snohomish County for City for property adjacent to the County Transfer Station on Cascade View Drive with clarification to the contract that there will be no cost to the East County citizens and they be required to obtain approval from the City for any construction of the walls. All ayes.

DISCUSSION ITEMS:

SMC 2.26 Hearing Examiner: The issue before the City Council is to discuss proposed amendments to Sultan Municipal Code (SMC) 2.26 – Hearing Examiner to delete sections of the code that reference the process for appealing an Examiner's decision. The proposed changes to SMC 2.26 include some "housekeeping" items to make SMC 2.26 consistent with SMC 21.04 (Conditional Use Permits) and Title 16. At the City Council retreat in January 2008, the City Council discussed its procedures for quasi-judicial closed record hearings on preliminary plat applications, preliminary planned unit development (PUD) applications, variances, and conditional use permits. The Council directed staff to review SMC 2.26 and propose amendments to be consistent with city code and state law. Under the city's process, land use applications that are not handled administratively by City staff first go to the Hearing Examiner for an open record hearing. The Hearing Examiner then makes a recommendation to the City Council that either recommends approval, approval with conditions, or denial of the application. The Hearing Examiner can also deny with prejudice which means the applicant cannot apply with the same project under the same circumstances.

The City Council holds a quasi-judicial closed record hearing where it can accept the recommendation, reject the recommendation, or remand the application back to the Hearing Examiner for further proceedings. Applicants must appeal Council decisions to Superior Court under the State of Washington Land Use Petition Act (LUPA).

The City's process is somewhat confusing because Sultan Municipal Code 2.26.140 and 2.26.150 were not amended following Regulatory Reform in 1995. The revisions will make code consistent with state law and clarify the process.

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Snohomish County Health District: Councilmember Flower read a letter from Aaron Reardon regarding the financial issues with the Health District and County financial problems. They are considering staff layoffs and cutting critical health programs. The funding for the Health District used to be shared by the County and Cities, however, State law changed the requirement for cities to participate in the funding. The County is proposing a request for cities to share in the cost of health services. The funding issues have not been addressed by the County as the revenues have not increased but expenditures have increased. Brief discussion was held regarding the impacts to families that need the services and the financial burden the County is requesting the cities to consider.

PUBLIC COMMENTS

Fred Seiner: The City is talking about bringing in business but since they don't have business they are asking the citizens to pay. They don't need a storm system on Date Street as there are storm systems on other streets. Where is the money saved from the Library going to? The City bought a vector truck that was not useable and the City wants to buy more new trucks. He would like to see results for the money the City has spent.

Jeffrey Beeler: The stakeholders want to review the expenses annually to make sure the city is spending the money well.

Steve Harris: The Health District employees make high salaries and it should be recommended to Mr. Reardon and others that they cut back their wages instead of asking the cities for money. Building will start up again and things will get better. Some citizens forget the Council are working citizens also and some are self employed and they pay the fees too.

Keith Arndt: The analysis of the Health District is correct. The City staff and Council have gone through budget issues and the City has not resorted to playing the emotional track to get what they want or needed. City should tell Mr. Reardon not to go begging to those that have their own needs.

COUNCIL COMMENTS

Blair: The library money is not available until 2009. Past action does not always dictate current action. The prior Councils have rubber stamped the budgets without review and they have allowed interfund loans to cover the problems. The Council requests information and reviews the finances.

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

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

Carolyn Eslick, Mayor

Laura J. Koenig, City Clerk