

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: Consent C 1
DATE: December 11, 2008
SUBJECT: Council Meeting Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

SUMMARY:

Attached are the minutes of the November 13, 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.

CITY OF SULTAN COUNCIL MEETING – November 13, 2008

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, Davenport-Smith, and Blair. Absent: Doornek.

CHANGES/ADDITIONS TO THE AGENDA:

Consent – Excused absence of Councilmember Doornek

COUNCILMEMBERS COMMENTS:

Champeaux: Thanked everyone who helped out with the sandbagging and flood.

Wiediger: The High school students did a good job helping with filling and distributing the sand bags.

Davenport-Smith: There was a wonderful group of people in town who volunteer to help during the flood.

Flower: Thanked those who help with the flood and sand bags.

Blair: Thanked the Fire, Police, Sheriff, Mayor and City Staff for their work during the flood.

Gave a special thanks to Debbie Copple and Gordon MacDonald for organizing the sand bagging. The High School students worked all day helping with the sand bags. Bubba's and the Crosswater Church provided food to the volunteers and Brent Sunstread help with supplies and running errands.

Mayor: The command post worked well and provided great coordination. The City will stockpile the sand bags for the next event. Thanked everyone for their work. It was a great day for Sultan and the City was in good shape with all the help.

HEARINGS: Minutes of public hearings are included as a separate document.

1. Regional Police Contract
2. Sultan School Impact Fees
3. Sultan Municipal Code 16.116.110
4. 2009 Final Budget

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; Davenport-Smith - aye; Flower – aye, except item 7; Blair – aye.

- 1) Approval of the October 23, 2008 Council Meeting Minutes as on file in the Office of the City Clerk.
- 2) Approval of the October 23, 2008 Regional Police Contract Public Hearing minutes as on file in the Office of the City Clerk.
- 3) Approval of the October 23, 2008 2008 Budget Amendment Pubic Hearing minutes as on file in the Office of the City Clerk.
- 4) Approval of the October 23, 2008 2009 Budget Public Hearing minutes as on file in the Office of the City Clerk.
- 5) Approval of vouchers in the amount of \$187,647.03 and payroll through October 13, 2008 in amount of \$85,198.11 to be drawn and paid on the proper accounts. Set a subcommittee for November 25, 2008 to review additional vouchers.
- 6) Adoption of Ordinance 998-08 Police Bond Tax Levy
- 7) Adoption of Ordinance 999-08 2009 Property Tax Levy
- 8) Adoption of Ordinance 1001-08 Establishing a CR Sewer Fund

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- 9) Adoption of Ordinance 1002-08 Establishing a CR Water Fund
- 10) Adoption of Ordinance 1003-08 Establishing a Building Maintenance Fund
- 11) Authorization for the Mayor to sign the Extension of the Franchise Agreement with Rabanco (Allied Waste) for Recycle Service
- 12) Authorization for the Mayor to sign a Professional Service Contract with Harmsen Associates for Survey Work
- 13) Set a Public Hearing on Proposed Garbage Rates for December 11, 2008
- 14) Authorization for the Mayor to sign a Professional Service Contract with Kenyon Disend for legal services.
- 15) Set a Public Hearing on the Iron Goat Franchise for December 11, 2008
- 16) Excused absence of Councilmember Doornek from the November 13, 2008 Council meeting.

ACTION ITEMS:

Regional Police Contract: The issue before the Council is to authorize the Mayor to sign the Interlocal Agency Agreement Related to Law Enforcement Services with Snohomish County. The Snohomish County Sheriff's Office presented the attached ILA proposal to the City Council on October 9, 2008. The Council directed staff to set hearings to take public comment on the proposal at the October 23, 2008 and November 13, 2008 meetings.

Consent item C-2 provides the minutes from the October 23, 2008 public hearing. Members of the community who spoke were in favor of contracting with Snohomish County for police services. The proposed ILA would obligate the City to contract with the Snohomish County Sheriff's Office for a five year period (2009-2013). The costs associated with services are set during the ILA. The City will need to renegotiate the contract in 2013 or determine to return to in-house services. The lease agreement will be brought back for discussion on December 11, 2008.

Discussion was held regarding the building lease credit; transfer of personnel; and selection of the Police Chief.

On a motion by Councilmember Slawson, seconded by Councilmember Wiediger the Mayor was authorized to sign a Regional Police Contract with Snohomish County. All ayes.

Councilmember Slawson moved to amend the motion to accept the building credit at \$30,000 per year; seconded by Councilmember Wiediger. All ayes.

Ordinance 1005-08 School Impact Fees: The Council has received the Planning Board recommendation and conducted a public hearing on the Sultan School District Capital Facilities Plan 2008-2013 and School Impact Fees.

Discussion was held on the need for additional information on how the fees were developed; the number of single family lots available; fees paid by other jurisdictions and the impact to the school district.

On a motion by Councilmember Flower, seconded by Councilmember Blair, Ordinance 1005-08, School Impact Fees, was continued to the next meeting. All ayes.

LID 97-1 Wetland Mitigation Credit:

The issue before the City Council is to authorize the Mayor to sign the Wetland Mitigation Credit Purchase Agreement and obligate the remaining balance from the LID-97 fund (approximately \$100,000) and approximately \$54,800 from the CR Sewer Fund to satisfy the City's obligation to mitigate for damage associated with the LID-97 sewer extension project.

On August 22, 2008, the City transmitted a wetland mitigation plan (Plan) to Kristina Tong at the Army Corps of Engineers. The Plan addresses impacts to wetlands adjacent to Wagley's Creek

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LID Mitigation: which were disturbed during the construction of a sewer extension (LID-97) adjacent to the creek between Sultan Basin Road and Rice Road.

The Mitigation Plan was required in order to address the compliance action brought by the Army Corps of Engineers against the City in 2000.

The City proposed two mitigation measures in the Plan:

1. Purchase mitigation bank credits equivalent to 1.29 acres of wetland at the Snohomish Basin Mitigation Bank owned by Habitat Bank LLC.
2. Enhance 1.26 acres of degraded riparian wetland, wetland buffer and riparian buffer on-site within the LID project area.

Authorizing the Mayor to sign the Wetland Mitigation Credit Purchase Agreement will complete the City's obligation under the first mitigation measure. Staff will return to Council in January with a proposal to enhance the degraded riparian wetland and implement the second mitigation measure.

On a motion by Councilmember Slawson, seconded by Councilmember Blair, the Mayor was authorized to sign the Wetland Mitigation Credit Purchase Agreement to satisfy the City's obligation to mitigate for damage associated with the LID-97 sewer extension project. All ayes, except Flower and Champeaux.

Ordinance 1000-08 – 2009 Budget:

The issue before the Council is the introduction of Ordinance 1000-08 to adopt a budget for the 2009 fiscal year. The detailed budget and department reports were prepared and submitted to the Council during the public hearing process.

On a motion by Councilmember Slawson, seconded by Councilmember Blair, Ordinance 1000-08 setting the 2009 Budget was introduced and passed it on to a second reading. All ayes.

Ordinance 1004-08 – 2009 Salary Schedule:

The issue before the Council is first reading of Ordinance No. 1004-08 to adopt a salary schedule for employees. RCW 35A.33.050 requires that salary ranges for various positions in the City be made a part of the annual budget document adopted with the annual budget. 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 fiscal impacts for the 2009 budget are limited to the 3% step increase and a 3.2% COLA adjustment. The Community Development Director is at Step 3 in the pay plan. All other non-represented employees are at Step 2 in the pay plan. The fiscal impacts for the 2009 budget is a 6.2% COLA adjustment. (CPI-W June to June Seattle, Tacoma, Bremerton)

Discussion was held on the increase for non-represented employees. They are taking the 3% step increase and a 3.2% COLA when they could have requested the step and the 6.2% COLA provided to represented employees.

On a motion by Councilmember Slawson, seconded by Councilmember Flower, Ordinance 1004-08, 2009 Salary Schedule, was introduced and passed on to a second reading. All ayes.

Resolution 08-31 – 2009 Salary Allocations:

The issue before the Council is the adoption of the 2009 salary/benefit allocations to the operating funds. During the annual budget process a review of staffing requirements is completed and the proposed work program is used to determine the appropriate fund to charge for salaries and benefits. The State Auditor has requested the Council adopt the salary and benefit allocation as part of the budget process.

On a motion by Councilmember Davenport-Smith, seconded by Councilmember Flower, Resolution 08-31, 2009 Salary Allocations, was adopted. All ayes.

CITY OF SULTAN COUNCIL MEETING – November 13, 2008**Resolution 08-32 – 2009 Interest Allocations:**

The issue before the City Council is the adoption of Resolution 08-32 to allocate investment interest earned in 2009. Under state law (RCW 35.39.034), if a Code City's funds have been commingled for investment purposes, the interest may be apportioned among the various participating funds or to the general or current expense fund as the city determines by ordinance or resolution. There are restrictions under state law regarding allocation of interests and bond ordinances may require the allocation of the earned interest to the bond reserve fund. Interest earned on investments of Impact fee funds and REET funds must be allocated to those funds. Interest earned by the Cemetery Trust Endowment is credited to the Cemetery operating fund. With the exception of the LID Bond fund, staff is recommending that interest earned by bond funds should be credited to the fund to offset the cost of bond principal and interest payments. It is also recommended that interest earned by the Water and Sewer reserves, construction and debt funds be credited to those funds. This will insure that additional funds will be available for projects and bond and loan payments.

On a motion by Councilmember Slawson, seconded by Councilmember Champeaux, Resolution 08-31, 2009 Interest Allocation, was adopted. All ayes.

Ordinance 1006-08 – 6% Utility Tax on Stormwater Utility:

The issue before the City Council is to have First Reading of Ordinance No. 1006-08 establishing a 6% utility tax for stormwater services. This ordinance amends Chapter 3.52 of the Sultan Municipal Code by amending Section 3.53.020 A to add a subsection for Stormwater. The City currently imposes a similar tax on other city provided utilities including water, sewer and garbage. Cities and towns may levy a municipal business tax of up to 6% on electricity, telephone, natural gas, and steam energy utilities, unless a higher rate is approved by voters. There is no rate limit on other services (garbage, water, sewer, and cable TV).

City staff recommended establishing the 6% tax and dedicating the revenues to the General Fund in 2009. The tax revenues would be used to offset the cost of additional budget items such as a copy machine identified through the budget process.

The Council did not feel they could justify adding an additional tax on the stormwater utility at this time.

On a motion by Councilmember Slawson, seconded by Councilmember Champeaux, Ordinance 1006-08, 6% Utility Tax on Stormwater, was not accepted by the Council. All ayes.

DISCUSSION ITEMS:**2008 Fee Schedule:**

The issue before the Council is the discussion of the 2009 City of Sultan Fee Schedule setting the fees charged by the City for various services to meet the cost of these services. Annually the City Council reviews the Staff proposed fee schedule as part of the budget process to assure the fees charged cover the expenditures for City services to the public.

Public Works Fees –Change in the 2009 Fee Schedule include the following:

1. Staff is recommending a fee increase of 30% to pay for services rendered and expenditures in the 2009 Cemetery Budget. In the last five years, the Public Works Department had five employees leave replacing those with three. Public Works Staff dedicated for other enterprise funds (water, sewer, garbage, streets) have been working in the cemetery. The Cemetery Fund is an enterprise fund and is required to pay for itself.

CITY OF SULTAN COUNCIL MEETING – November 13, 2008**2. Water Sales/Water Service**

Turn on/off for non-payment increased from \$50.00 to \$100.00. This encourages the customers who habitually do not pay for their water use, to keep their account current. Each month the City staff spends approximately 20 hours on disconnection for non-payment.

Staff recommends increasing water sales from \$10.00 and \$20.00 to \$50.00 per 1,000 gallons, based on non-city user fee of \$3.42 per 100 cubic feet plus administration fee. The current fee is also less than in-city customers are paying for water. The current fee for water sales, hydro seeding, filling swimming pools, construction dust control, supplement of private wells and other uses is not covering the cost of water supplied to the City.

2. Inspections fees, except off-site sewer inspections, increased to \$105.00/inspection. Off-site sewer inspections are \$2,500.00 deposit.

Discussion was held regarding reducing building fees for flood victims; insurance coverage for flood repairs; repairs completed by residents and business without insurance; FEMA programs for flood proofing and business property that can't be raised above flood level. Discussion on cemetery fees included cost of ash burials; fees compared to other cemeteries; special rates for residents and the need to have the sub-committee review the fees in 2009.

Stop the Clock: Councilmember Champeaux moved to stop the clock at 10:00 PM, seconded by Councilmember Slawson. All ayes except Councilmember Flower.

Park Regulations:

The issue before the Council was to review the proposed park regulations and provide direction to staff on preparing final park regulations. City staff provided an overview of park regulations from the cities of Kirkland, Mill Creek, and Sammamish as a starting point for discussion and direction. The draft park regulations are modeled after the Mill Creek regulations which were adopted in 2003. For the most part, park regulations limit activities such as posting signs, use of firearms, operating motor vehicles, camping, building fires, alcohol and drug use, and park hours. Penalties for violation are included in some but not all regulations. However, park regulations can be as simple as a declaration of park hours with clear penalties for violations. There is a proposal for specific Skate Park rules.

Discussion was held regarding restricting bikes in the skateboard park; enforcement of the rules; the need to address use of fireworks; supervision of children under the age of 9; and horses in the parks.

PUBLIC COMMENTS

Frank Linth: A cemetery lot is real estate and has a market value and the City needs to be competitive at market value. Noted that a large portion of the flooded properties are rentals units.

Steve Harris: Asked if the City is paying for wetland banking, can they use the property? The Council listens to the public and does not make rash decisions on an issue. Congratulated the Council on their achievements over the past year.

COUNCIL COMMENTS

Slawson: There have been a lot of changes in the City in the past year. The City has grown and people are working together instead of fighting with each other.

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Mayor Eslick: Announced the Comprehensive Plan has been approved by the Growth Hearings Board and they advised the City went above and beyond what was needed.

Executive Session: On a motion by Councilmember Blair, seconded by Councilmember Davenport-Smith, the council adjourned to executive session for ten minutes to discuss real estate acquisition. All ayes.

Adjournment: On a motion by Councilmember Davenport-Smith, seconded by Councilmember Blair, the meeting adjourned at 10:45 PM.

Carolyn Eslick, Mayor

Laura J. Koenig, City Clerk