

**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

---

ITEM NO: Consent C 2  
DATE: April 9, 2009  
SUBJECT: Council Meeting Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

**SUMMARY:**

Attached are the minutes of the March 26, 2009 Public Hearing on proposed sewer rate increases 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 – March 26, 2009****PUBLIC HEARINGS:**

The Public Hearing on the proposed increased to sewer rates was called to order by Mayor Eslick.

Councilmembers present: Champeaux, Slawson, Flower, and Blair.

**Staff:**

The Staff report was presented by Deborah Knight, City Administrator.

The issue before the City Council is to hold a Public Hearing to take public comment on adopting a cost of living adjustment for sewer base rates for 2010 and 2011.

City staff recommends adopting a cost of living adjustment for sewer base rates in 2010 and 2011. The City Council adopted a three year schedule of sewer rate adjustments by Ordinance 961-07 on September 27, 2007. The final approved adjustment is December 1, 2009. There are no other sewer rate adjustments scheduled.

Typically utility adjustments are based on a study of capital and operating needs and anticipated revenues. A rate study usually follows an update of the General Sewer Plan (GSP). The GSP update is coordinated with the Comprehensive Plan Update as required under the Growth Management Act. Sultan updated its GSP in 2006 and completed a sewer rate study in 2007. The City will begin reviewing and updating the General Sewer Plan again in 2010/2011 to coincide with the update of the City's Comprehensive Plan and Water System Plan.

Since the current rate adjustments will expire in 2009, there will be a two to three year "lag" time between completion of the GSP update and the next potential rate study. Without small incremental annual rate adjustments, utility customers are subject to "sticker shock" when a rate adjustment is finally approved. This has been the city's past practice and the City Council has indicated a preference for proactive versus reactive management of revenues and expenditures. In order to address this timing issue, The City Council and community will have an opportunity to review the proposed adjustments during the budget process. The budget has been reduced to the minimum expenses necessary to provide service. The proposal has a maximum amount of increase of 5%. The ordinance will be adopted separately from the code amendments.

**Councilmember Comments:**

Flower: The last increase was two years ago and there have been two other rate studies and rates keep going up.

Blair: Prior Councils chose to use a rate lower then recommended in the rate study and the citizens are paying the costs for upgrades due to those actions. Other costs to the city are increasing and the rates need to be adjusted.

Champeaux: This has been an issue for fifteen years. They don't want to burden the ratepayers but they do need to maintain the system. A cost of living increase will be easier on the customers then having to impose a large increase as has happened in the past.

Slawso: The City has been playing catch up with the rates and they need to do a cost of living increase.

**Public Input:**

Jeffrey Beeler: Prior Councils have not implemented the proper increases necessary to cover increased costs. It is good to see the Council supporting a small cost of living increase instead of huge increases. The proposal leaves the City with options and sets a maximum amount for the citizens and will allow the City to keep pace with inflation.

**CITY OF SULTAN COUNCIL MEETING – March 26, 2009**

Frank Linth: We are facing an inflationary spiral in the nation and it would be dire if the Council was not on top of covering the cost of inflation. There are many factors that impact the rates and service.

Bob McCarthy: He is retired and on a fixed income and does not get a cost of living increase. Everything keeps going up and his income does not and he can't keep up with the increases. The Council needs to consider those on a fixed income and set rates for them. There are no jobs available in Sultan. If there is anything they can do to help cut costs, it would be appreciated.

Debbie Copple: She has heard concerns from citizens and business that they are not getting cost of living increases and this increase will be hard on them. Other businesses are cutting back to save jobs and if this includes a cost of living increases for employees, they should consider other options.

Garth York: He understands the need to increase rates to cover the cost of living. If the employees received a COLA that should be considered as other people don't get COLA's. The City should look at a cap on costs. The people in unions keep getting COLA's and others in private industry don't get those increases.

**Council comments:**

Slawson: The City is looking for money from the State for upgrades to the Sewer Plant to help reduce costs.

Blair: Understands the citizens concerns and agrees they need to consider all factors. There is a low income senior rate but not a low income rate and she would like to see something for low income customers with some qualifiers. The City has other costs besides salaries and vendors are rising their rates to cover costs.

On a motion by Councilmember Slawson, seconded by Councilmember Champeaux, the public meeting was closed. All ayes.

---

Carolyn Eslick, Mayor

---

Laura J. Koenig, City Clerk