

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: Consent C 1

DATE: October 22, 2009

SUBJECT: Council Meeting Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

SUMMARY:

Attached are the minutes of the October 8, 2009 Council meeting as on file in the office of the City Clerk.

RECOMMENDED ACTION:

Approve as submitted

CITY OF SULTAN COUNCIL MEETING – October 8, 2009

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, Beeler, Blair and Davenport-Smith

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

CHANGES/ADDITIONS TO THE AGENDA

Consent: Move Richard Little contract to action

Action: Add PUD Settlement

PRESENTATIONS**State Audit Report for 2008**

Brian Goodrick, State Auditor, provided an overview of the 2008 audit report. There are no findings and the areas of concern are being addressed by city staff.

COMMENTS FROM THE PUBLIC:

Dave Wood, Volunteers of America: Provided an update on the ECCAP (educational program for young children). There are 30 students in the state program that is geared toward low income families. There is a 75% better chance that children involved in the pre- school programs will graduate from high school. The focus is to work with the families to break the chain of poverty through education.

Kami Pressman, Boys and Girls Club, provided an update on the Keystone Club which is geared toward teens and the Afterschool Alliance program at the club. Kami provided photos of the work done in the teen center by the students.

COUNCILMEMBER COMMENTS

Wiediger: Thanked Dave Wood and Kami Pressman for all the good work they have done with the kids.

Davenport-Smith: Thanks for the update. The Return of the Pinks festival was small but very significant. There were Native American storytellers and dancers present; as well as Snohomish County and Department of Ecology representatives. Next year the Chinook salmon will spawn and they are planning another event in October.

Flower: Thanked Kami and Dave for their work; the programs do work. Advised there is a web site available for information on the swine flu (snocoflu.com)

Blair: Thanked Dave and Kami for the work with the community. Budget meeting – thanks to staff for the work they did on the budget. The Audit report was short and there was good work done by the staff to make improvements.

Beeler: Return of the Pinks – the tribal performance of drums, dancing and flutes were great and they groups are looking forward to coming back next year. Logging is not a prime industry anymore and the city needs a new identity and fishing is a good focus. The city needs to plan for future events and provide more information to the public.

Slawson: Advised he was elected to the Community Transit Board as the small city representative. Requested an excused absence for him and Councilmember Blair for the next Council meeting.

Mayor Eslick: A criminal justice grant to develop a local accountability board to provide preventative measures for drug and alcohol problems is available. The city would partner with the VOA, Sky Valley Chamber and Goldbar with Sultan as the lead agency. VOA would manage the program and there is a 50% which can be in kind.

CITY OF SULTAN COUNCIL MEETING – October 8, 2009**HEARINGS:**

2009 Budget Amendments: The public hearing on the 2009 budget amendments was opened by Mayor Eslick:

Staff Report was presented by Laura Koenig, Deputy Finance Director.

Staff recommends a budget transfer from the equipment fund to the General Fund to cover the \$13,300 for the 800 MHZ assessment payment (included in Ordinance 1053-09). Further, Staff recommends that the balance of money in this Fund be split between the Street Fund (80%), Building Maintenance fund (10%) and the Equipment Replacement fund (10%) for Public Works after the deduction for payment due under the Interlocal for the 800 MHZ communication system is made. This allocation based on the current fund balance would provide funding for 2009 of:

General Fund	\$13,300
Street Fund	\$85,071
Building Fund	\$10,634
Equipment Fund	\$10,634

Discussion was held regarding allocation of the funds for future years. The fund will be closed out and the future revenue distribution will be a policy decision.

On a motion by Councilmember Blair, seconded by Councilmember Slawson, the public hearing was closed. All ayes.

Greens Estate Developer Agreement: The public hearing on the Greens Estate Developer Agreement was opened by Mayor Eslick. The final agreement was not completed prior to the hearing.

On a motion by Councilmember Beeler, seconded by Councilmember Flower, the hearing was continued to October 22, 2009. All ayes.

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 Slawson, the consent agenda was approved as amended. Champeaux – aye; Wiediger – aye; Slawson – aye; Davenport-Smith – (absent for the vote); Flower – aye; Blair – aye; Beeler – aye. The following items are incorporated into the consent agenda and approved by a single motion of the Council.

- 1) Approval of the September 24, 2009 Council Meeting Minutes as on file in the Office of the City Clerk.
- 2) Approval of Vouchers in the amount of \$388,110.76 and payroll through September 18, 2009 in the amount of \$42,034.95 to be drawn and paid on the proper accounts.
- 3) The second Council Meetings for November and December were cancelled and the Public Hearings for 2010 Budget and Tax Levies were set for October 22, 2009 and November 12, 2009 and hearings on the final 2009 budget amendments were set for November 12, 2009 and December 10, 2009.
- 4) Lighted Crossguard Electrical Bid was awarded to Trans-Tech Electric Inc. in the amount of \$30,705.
- 5) Adoption of Ordinance 1058-09 Recycle Rates
- 6) Adoption of Resolution 09-22 Wellness Program
- 7) Adoption of the Championship Sign Policy
- 8) Authorization for the Mayor to sign Supplemental Agreement 2 with WDOT – US2/Sultan Basin Road Phase III
- 9) Authorization for Appraisal in an amount not to exceed \$1,000– 2nd Street Property

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- 10) Authorization for the Mayor to sign a Professional Service Agreement with Summit Law Group
- 11) Authorization to submit an application for a GMA Energy Planning Grant - EETP
- 12) Utility Committee Report
- 13) Appointment of Mary Koenig to the Library Board

ACTION ITEMS:**Wastewater Treatment Plant**

The issue is the approval of a professional service contract with K&L Gates not to exceed \$4,200 to serve as bond counsel for the issuance of the \$400,000 bond to complete the WWTP centrifuge project. The City is required to have bond counsel to issue municipal bonds. The City's attorney firm of Kenyon Disend does not have a bond counsel on staff and has recommended K&L Gates. The contract has been reviewed and approved by Bruce Disend.

On a motion by Councilmember Blair, seconded by Councilmember Flower, the Mayor was authorized to sign the letter of engagement with KL Gates as bond counsel service. All ayes

CDBG Grant Application – 2nd Street Phase II:

In 2007 the City of Sultan applied to CDBG for construction of 2nd Street, Phase II that would extend the improvements to from Birch to Cedar Avenue. CDBG will call for grant proposals for the 2010 round on October 1st and the applications will be due on November 1st, which a very short turnaround. The City is fortunate that an application from 2007 already exists for this project and will only need to be updated for submittal.

On a motion by Councilmember Slawson, seconded by Councilmember Flower, staff was directed to apply for a CDBG Grant, for 2nd Street Improvements Phase II and the Mayor was authorized to sign the necessary forms for the application. All ayes.

Ordinance 1060-09 Library Board:

The issue before the City Council is the introduction of Ordinance 1060-09 which reduces the number on the Sultan Library Board from six members to five members. The Library Board under the current municipal code (SMC 2.18) is comprised of six members. The Library Board has submitted a request to reduce the number of members to five. As with many boards, recruitment of new members to fill vacant positions has been difficult at time and they feel they can operated efficiently with five members

On a motion by Councilmember Blair, seconded by Councilmember Wiediger, Ordinance 1060-09, Library Board, was adopted. All ayes.

Cairncross and Hempelmann Professional Service Agreement:

The issue before the City Council is to authorize the Mayor to sign a professional services contract with Cairncross and Hempelmann not to exceed \$4,500 to assist the city with developing utility allocation policies and procedures.

On August 27, 2009 the city council directed staff to amend SMC 16.108 Concurrency Management System to incorporate water/sewer allocation policies and procedures consistent with the city's comprehensive plan. City staff have reached a point in developing an allocation system of needing outside legal assistance to simply describe and codify a process that is consistent with the comprehensive plan. Staff is seeking assistance from Mr. Andy Lane with Cairncross and Hempelmann. Mr. Lane assisted the city in developing and adopting a compliant comprehensive plan in 2008. Mr. Lane is familiar with the city's comprehensive plan and the challenge to adopt a utility allocation policy consistent with the plan.

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Cairncross: On a motion by Councilmember Champeaux, seconded by Councilmember Flower, the Mayor was authorized to sign a professional service contract with Cairncross and Hempelmann to assist the city with developing utility allocation policies and procedures. All ayes.

Interlocal Agreement with Sultan School District for the 6th Street Project:

The issue before the City Council is to authorize the Mayor to sign the Interlocal Agency Agreement with the Sultan School District to provide a maximum of \$5,000 to support roadway improvements to Sixth Street. The proposed Agreement is in accordance with the Hearing Examiner's August 26, 2009 conditions of approval on the School District's conditional use permit (CUP_09-02) to relocate the Sky Valley Options High School to the existing Mountain View Christian Fellowship church building on Sixth Street.

Discussion was held regarding approval after the work has been completed; impact to the school district if the city does not approve the expenditure; why Alder Street repairs were not required; how impacts are allocated to a project; timeline for installation of the waterline.

On a motion by Councilmember Champeaux, seconded by Councilmember Flower, the Mayor was authorized to sign an Interlocal Agency Agreement (ILA) with the Sultan School District not to exceed \$5,000 to repair Sixth Street and address the street's poor existing condition. All ayes except Councilmember Slawson who voted nay.

Ordinance 1061-09 2009 Budget Amendments:

A public hearing on the proposed amendment to the 2009 Budget was held during the Council meeting of October 8, 2009. The Council considered amendments to distribute the balance of revenues in Fund 106 – Police Equipment Reserve Fund to the 101 -Street, 104 - Equipment Reserve and 113 – Building Maintenance Fund.

On a motion by Councilmember Slawson, seconded by Councilmember Davenport-Smith, Ordinance 1061-09 amending the 2009 Budget was introduced and passed on a first reading. All ayes except Councilmember Champeaux who voted nay.

Richard Little Contract:

The issue before the City Council is to authorize the Mayor to sign a professional services contract with Richard Little not to exceed \$23,800. The proposed contract replaces the City's previous contract with Mr. Little which expired in September 2009. The primary purpose of the contract is to provide assistance representing the City's need for capital budget funding for the Waste Water Treatment Plant (WWTP) upgrade during the 2010 state and federal legislative sessions. Securing capital funding from state and federal governments is part of the City's WWTP funding strategy. Funding for the contract is proposed in the 2010 sewer system operating budget and professional services budgets in the capital project funds.

Discussion was held regarding the value received for services; the need to coordinate meetings with state and federal representatives; the availability of funding this year and the economic issues; limit the services provided or requested; city staff setting up needed meetings; more involvement by

On a motion by Councilmember Flower, seconded by Councilmember Slawson, the City Administer was authorized to negotiate a contract with Richard Little for professional services and to bring it back to the council for action at the next meeting. All ayes.

PUD Settlement Agreement:

The Snohomish County Public Utility District No. 1 (PUD) has been working with stakeholders including Sultan and Fire District 5 since 2005 to renew the federal license to operate the PUD hydroelectric dam on the Sultan River. This settlement agreement must be presented to FERC next week.

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PUD: On a motion by Councilmember Blair, seconded by Councilmember Slawson, the Mayor was authorized to sign the Settlement Agreement for the Henry M. Jackson Hydroelectric Project. All ayes.

DISCUSSION**Initiative 1033 Report:**

The issue before the council is to review and discuss Initiative 1033 the Tim Eyman-sponsored measure that would “limit growth of certain state, county and city revenues to annual inflation and population growth, not including voter-approved revenue increases. Revenue collected above the limit would reduce property tax levies.” Voters will choose to approve or deny this initiative on Tuesday, Nov. 3rd.

The city council may want to consider holding a public hearing and taking a collective vote to support or oppose Initiative 1033. According to the Public Disclosure Commission, City Councils may collectively vote to support or oppose a ballot measure at a properly noticed public meeting, where supporters and opponents of the measure are given an equal opportunity to express views. The limitations on the increases to revenues will create an issue with being able to fund projects; sales tax revenues will not be able to be used for economic development it must be used to reduce property taxes. The Sky Valley Chamber has decided to oppose the initiative due to the negative impact on business.

Discussion was held regarding the negative impact to both city and county governments; the impact of lower property taxes will be reduced levels of service; the need to hold a public hearing to take a stand for or against the initiative.

A special meeting to hold a public hearing was set for October 13, 2009 at 7 PM.

2010 Budget for Enterprise Funds: Connie Dunn, Public Works Director, discussed the enterprise funds

The Public Works Department serves the citizens of Sultan in a variety of ways as well as being an integral part of Sultan governmental offices. The enterprises funds are as follows:

- 103 Cemetery Fund
- 104 Equipment Reserve Fund
- 400 Water Fund
- 401 Sewer Fund
- 402 Garbage Fund
- 406 Stormwater Fund

Cemetery: Continuing to maintain Sultan’s beautiful cemetery has continuously been a goal of the Sultan Staff. Revenues were down by 50% in 2009. The 2010 budget anticipates \$31,500 in revenues, cuts were made accordingly. The cemetery rate study and niche wall are postponed until revenues increase.

Equipment Reserve Fund: The Public Works Department has several pieces of equipment to operate and maintain. Staff does an excellent job of making the city equipment last as long as possible. For several years the city has set aside funds for garbage truck replacement. In recent years the city has been working towards an equipment replacement fund by setting aside funds from several departments to fund the 104 account to replace or purchase equipment to be use in the enterprise funds.

Staff has set aside funds in the 2010 budget for a sweeper, utility pickup truck, automated garbage collection system, and mowers. The automated garbage collection system would require modification of the existing truck and purchase of toters but would save cost in the long term with

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reduced manpower and claims. Brief discussion was held on using stormwater funds to help pay for the street sweeper.

Water Fund: This fund is for the operation and maintenance of the water treatment and distribution system, which includes a 360 acre Watershed. The water department supplies water to approximately 1700 households and businesses in the Sultan area. In 2010 the city will spend \$10,000 on electronic water meters. The water department will continue with the fire hydrant program and the meter replacement program in 2010. New case law requires the city general fund to pay for the fire hydrant repair and maintenance program.

The city will be transferring \$152,000 from water reserve fund to cover debt service on the 2003 plant upgrade.

Sewer Fund: Provides an outstanding service to the citizens of Sultan, keeping the discharge water from the treatment plant pristine. In 2009 the staff at the wastewater treatment received an award from the Department of Ecology for no violations of discharge from the wastewater treatment plant.

The wastewater collection system has inflow and infiltration issue and it is a huge factor at the treatment plant. The engineering department is continuing to work on the flow monitoring of the collection system.

Debt service payments will continue being a problem in the sewer fund in 2010, 2011, and 2012 until the \$1,000,000 Public Works Trust Fund Loan is repaid.

The plant has several pieces of equipment, pumps, motors, and bearings, at or nearing the end of its useful life. The plant staff identified \$249,800 in needed equipment replacement and repair. Because of debt service payments being transferred from operating fund the request for equipment replacement and repair was reduced to \$65,070.

Brief discussion was held regarding staff concerns about funding for needed repairs. Council has supported the plan to upgrade the plant and now must consider equipment replacement as an alternate action.

Garbage Fund: Sultan provides garbage service to the citizen's three days per week, Monday, Thursday, and Friday. The city has a franchise agreement with Allied Waste for recycling which is critical in the waste stream flow in Sultan as well as Snohomish County.

No changes are proposed in the garbage, the recycling franchised was negotiated in 2009.

Stormwater Fund: Stormwater utility became a reality in the city at the end of 2008 and started collecting fees in 2009. Revenues in the stormwater utility were forecast be to \$100,000 the actual collected will be around \$80,000. The 2010 budget was cut proportionally and further cuts could be required.

PUBLIC COMMENT ON AGENDA ITEMS ONLY

Frank Linth: The Planning Board is becoming more aware of issues and policies and is looking for a vision statement. There is one in the 1994 plan but not in the current comprehensive plan. The City should consider making a poster of the vision and posting it in the meeting room.

Adjournment: On a motion by Councilmember Flower, seconded by Councilmember Wiediger, the meeting adjourned at 9:45 PM. All ayes.

Carolyn Eslick, Mayor

Laura J. Koenig, City Clerk