

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: Consent C 1
DATE: February 25, 2010
SUBJECT: Council Meeting Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

SUMMARY:

Attached are the minutes of the February 11, 2010 Council Meeting minutes as on file in the office of the City Clerk.

RECOMMENDED ACTION:

Approve as submitted

CITY OF SULTAN COUNCIL MEETING – February 11, 2010

Mayor Eslick called the regular meeting of the Sultan City Council to order in the Sultan Community Center. Councilmembers present: Pinson, Wiediger, Slawson, Flower, Beeler, Blair and Davenport-Smith. Student representative: Nic Gregg

PRESENTATIONS

New Staff: Mayor Eslick and Chief Brand introduced the new officers assigned to Sultan and gave the Oath of Office to the Officers. Connie Dunn introduced the new Utility workers Cliff Reilly and Jeremy Link.

Watershed Management Update: Connie Dunn, Public Works Director, introduced Jim Frost with Lusignan Forestry. Mr. Frost provided an update on the Watershed Management program. The current timber in Sultan's watershed is in overall good health with the exception of a couple of ongoing root-rot pockets that Lusignan Forestry has helped the city manage as needed throughout the years. Current market conditions now allow the City Forester, to recommend a harvest in type 2 and 3.1 by conducting a pay-as-you-cut thinning over a two year period to remove dead, dying, diseased and blow down trees, including a slash cutting of red alder in type 5 and 6. These operations should take place during dry seasons of 2010 and 2011, with appropriate permits secured as soon as possible.

The Mayor was requested to sign the Forest Practice application. The anticipated revenue for 2010 is \$40,000.

CHANGES/ADDITIONS TO THE AGENDA

Executive Session – add for Real Estate Acquisition

Action: Add Community Transit letter of support

COMMENTS FROM THE PUBLIC:

Dave Wood: VOA gave a report on the point in time homeless count held in January. The total number of homeless in Snohomish County is down from last year, however the number of people in shelters is up compared to 2009. The number of homeless in East County is down. This appears to be a result of the pressure to move the transients out of the area. The number of homeless school kids does not appear to be accurate based on information VOA has received and the number of free or reduced lunches at school.

COUNCILMEMBER COMMENTS

Beeler: Provided a report on PSRC (Puget Sound Regional Council) meeting - the commute to the meeting was bad and it is a problem the state must deal with. PSRC is developing transportation policy for the next 30 years and must deal with the state and federal regulations. The smaller cities can't afford the extra taxes proposed to fund transportation projects. It was nice to have the police officers here tonight to meet them.

Blair: Report that she saw the new school resource officer picking up a truant student and delivered them to school. It is nice to have the officer in the school reaching out to the students and the city needs to consider options to continue the program. There is a House bill that has passed out of the House to repeal I-960 which required a 2/3 vote of the house to raise taxes or a vote of the people. The state should not be given carte blancs to raise taxes. There is a non-profit coop in Monroe that distributes fruit and vegetables and it would be nice to have the same program in Sultan. They would need a location and program manager for the project. Would like to see new business owners invited to Council meetings.

CITY OF SULTAN COUNCIL MEETING – February 11, 2010

Flower: Thanked Mr. Wood for his work and for reminding them that homelessness can happen to anyone. Transportation improvements need to build an economic base to provide employment and keep people in the area. Taxes and tolls are not the answer. The elimination of I 960 goes against what the citizens wanted and it would be like salt in a wound for the state to impose more taxes at this time. There will be a volunteer cleanup of the Reiter Foothills area this weekend. There is a task force working on grants to replace culverts.

Davenport-Smith: The Stilly-Snoquamish task force has been very successful in getting culvert grants. City staff is working on a grant for the Sultan Basin Road project thru the state. There is a wildlife specialist working on the peacock issue around her neighborhood.

Wiediger: Thanked Bob Martin for his work on the permit program. It took two weeks to get a permit and the house is now under construction.

Slawson: House Bill 2855 passed the House to put a fee on tabs to help transit services and will now go to the Senate. Due to budget cuts, Community Transit will be cutting services on weekends, holidays and evenings. This will be an impact to those that rely on the bus to get to work and may cause some to lose their homes and jobs. The property for the shooting range has been transferred to Snohomish County. There will be hearings on the project, which has been partially funded. There was an article in the Monroe Monitor regarding the fire rating for the city. The city has a level 3 rating which reduces the insurance costs for the residents and businesses. Bob Martin did an excellent job working with the program and rating bureau.

Pinson: Asked what it would take to get a 1 or 2 fire rating. There was an article on new fish and chips business in Sultan in the newspaper. This is what will help the economy.

Nic Gregg: Announced the annual High School musical Crazy for You will be presented in two weeks and he invited all to attend.

Mayor Eslick: Ted Jackson has been working on the Reiter Foothills issue on behalf of the valley. WSDOT is permanently closing the Startup rest area this weekend. They would accept volunteers to help maintain it. There was an all staff meeting today to help the new Police Officers and city staff to get to know each other. They also held a work session on what is great about Sultan and why people live here. The City has selected a Community Service Officer who should start work later this month.

CONSENT AGENDA: The following items are incorporated into the consent and approved by a single motion of the Council. On a motion by Councilmember Davenport-Smith, seconded by Councilmember Wiediger, the consent agenda was approved as presented. Pinson – aye; Wiediger – aye; Slawson – aye; Davenport-Smith – aye; 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 Council Meeting Minutes as on file in the Office of the City Clerk.
 - a. January 28, 2010 Council meeting
 - b. January 28, 2010 Public Hearing on the Accessory Dwelling Unit moratorium
 - c. January 19, 2010 Joint meeting with the Council and Planning Board
- 2) Approval of Vouchers in the amount of \$141,273.52 and payroll through January 22, 2010, in the amount of \$51,505.09 to be drawn and paid on the proper accounts.
- 3) Approval of the agenda for the February 20, 2010 Council retreat.

CITY OF SULTAN COUNCIL MEETING – February 11, 2010**ACTION ITEMS:****Piper Jaffray Investment Account:**

The issue before the Council is to authorize staff to establish an investment account with Piper Jaffray. The City has accounts with the State Investment Pool, Coastal Bank and Seattle Northwest Securities for investment purposes. Coastal Bank is limited in the amount of funds that they can invest in the money market account or certificates of deposit (maximum \$250,000). The current interest rate for the State Pool is .29%. Staff would like to pursue other investment opportunities for the long term funds to maximize interest returns on the City's funds. Piper Jaffray has worked with municipal governments for several years and is well versed in qualified investments.

On a motion by Councilmember Blair, seconded by Councilmember Flower, the Council approved the Institutional Account Agreement to establish an investment account with Piper Jaffray and authorized staff to complete the necessary documents to set up the account. All ayes.

Community Transit Letter: Councilmember Blair read the letter of support into the record.

The taxes collected thru sales tax for transit go to Sound Transit. If additional funding is not provided for CT, cuts to service will be made to the rural areas and be concentrated on the I-5 corridor. This will impact people who work at Boeing or in Seattle. People will lose jobs and potentially homes.

Discussion was held regarding the amount of revenue fares produce (minimal); the reason for the letter of support (funding source for transit); the need to replace old buses; the need for uses to pay for services; the need for a centralized transit system instead of multi system; the need to address the budget issues with the state.

On a motion by Councilmember Blair, seconded by Councilmember Beeler, the mayor was authorized to sign a letter of support. All ayes except Councilmember Pinson who voted nay.

DISCUSSION**Economic Stimulus – Permit Extensions and Impact Fee Payments**

The issue before the city council is to discuss short-term changes to the city's zoning and land division codes to offer relief and economic stimulus during the recession. In 2009, the City of Sultan addressed plat extensions needed to keep projects active during the economic downturn through developer agreements. The council approved planned unit development (PUD) extensions for Caleb Court and Greens Estates. The city is working with the Hammer bankruptcy attorney to extend the Hammer PUD. The Vodnick project manager was contacted about extending the preliminary PUD approval but never responded. By entering into a developer agreement, the council is not setting precedent that all other developments will automatically be extended. The developer agreement mechanism provides the developer an opportunity to validate compliance with the code standards as provided by in the Sultan Municipal Code.

In response to the present economic conditions, other cities in the region have been adopting short-term revisions to zoning and land division codes to offer relief and economic stimulus during the recession. There are pros and cons associated with the decision to adopt a permit extension or the point at which impact fees are collected. This is the reason why the vast majority of the cities have adopted short-term changes necessary to stimulate the economy. The intent of adopting these types of ordinances is to provide short-term relief and get homebuilders and developers moving again. This is balanced against the need to ensure that in the long-run, after the economy has recovered – the requirement to move projects along and

CITY OF SULTAN COUNCIL MEETING – February 11, 2010

Economic Stimulus: not tie up land and staff resources is necessary. City staff have some specific concerns about tracking the payment of impact fees through escrow. Council needs to ensure whatever system is adopted can be efficiently implemented by city staff with a minimum level of paperwork for both the developer and the city.

Discussion:

Developer agreements can extend the life of the plats or a plat extension could be granted provided a previous extension had not occurred. The Council needs to make policy decisions on how they will extend plats and how they will track them. There is a proposal at the state level that would require the deferral of impact fees until the property is sold. Impact fees are due at the time of permit application now the choice would be to continue current practice, require at the time a certificate of occupancy is issued or at the time of property sale. Vesting of fees has been an issue for developers as the amount of impact fees can change from the date the plat is approved and the date a permit is issued. The city begins paying the cost of maintenance of the infrastructure such as streets and lights at the time a plat is approved – the developers need to help contribute to these costs. Other issues addressed included the number of plats impacted; the need to include a sunset clause in any ordinance; timing for collection of fees; the need for consistent rules and the potential harm by changing rules back and forth; will future plats be included or only existing plats; other impacts such as holding water/sewer connections for a plat not ready to build when another developer may be ready to move forward. The City Attorney is drafting a memo on water/sewer availability and recommended further discussion be delayed until the memo is complete.

Mayor Eslick requested the discussion be continued to the next meeting.

Labor Negotiations:

The issue before the city council is to consider alternatives for professional labor negotiation services. The city's bargaining agreement with Teamsters Local 763, representing utility and office/clerical workers, expires on December 31, 2010. The city and teamsters are tentatively scheduled to begin negotiations in March. The city has used members of the management team to negotiate past contracts. City staff recommend using a professional labor negotiator for the upcoming negotiations to assist in getting the most advantageous contract. City staff will assist the Attorney with gathering information.

Brief discussion was held regarding the amount of time the City Attorney would spend on negotiations; staff involvement and the cost difference between a professional negotiator and the city attorney.

The consensus of the council was to use the hybrid method of using staff and the city attorney.

Public comments

Ted Jackson: There are bills pending at the State to impose fees to help collect fees for park maintenance. Testimony from citizens from Sultan helped alter the bill to help fund the Reiter Foothills area. The off road vehicle tax was diverted to other park funding needs which was not the intent of legislature when the tax was imposed.

COUNCILMEMBER RESPONSE TO PUBLIC COMMENT ON AGENDA ITEMS

Pinson: Great discussion on issues this evening. On the CT issue they agreed with him but did not feel it was time to address the funding – when should it be addressed. The city needs to let the state know that we value a balanced budget.

CITY OF SULTAN COUNCIL MEETING – February 11, 2010

Davenport-Smith: Agreed with what he is saying about a balanced budget and writing a letter to let them know we value balancing the budget. For political reasons the letter of support should not address the funding.

Blair: There is a time and place for criticism of the state. When the state is spending time on issues that are not important to the economy, we need to help them refocus funding ideas.

Beeler: It was good to meet the new officers assigned to Sultan and to know under the Sheriff's contract we are guaranteed a minimum number of officers.

EXECUTIVE SESSION: On a motion by Councilmember Slawson, seconded by Councilmember Blair, 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 Flower, the meeting adjourned at 9:50 PM. All ayes.

Carolyn Eslick, Mayor

Laura J. Koenig, City Clerk