

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: Consent C 1
DATE: March 11, 2010
SUBJECT: Council Meeting Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

SUMMARY:

Attached are the minutes of the February 25, 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 25, 2010

The regular meeting of the Sultan City Council was called to order in the Sultan Community Center by Mayor Eslick. Councilmembers present: Slawson, Flower, Beeler, Blair and Davenport-Smith
Absent: Pinson and Wiediger.

CHANGES/ADDITIONS TO THE AGENDA

Consent: Add excused absence of Councilmembers Pinson and Wiediger.

Move Perteet contract to action items

Move Resolution of Support to action items.

Discussion: Add discussion of garbage relief requests

PRESENTATIONS

2010 Budget: Laura Koenig, Deputy Finance Director presented and reviewed the 2010 Budget book.

COMMENTS FROM THE PUBLIC:

Dave Wood: VOA Director provided copies of the ECAP newsletter and the Sky Valley Senior Center newsletter. A senior center will be opening in Sultan in March and will have many activities for seniors in the area.

Ginger York: To help with the stimulus proposals there are three measures to consider: 1) delay of impact, connection and mitigation fees until the point of sale or certificate of occupancy. That would help the builders however they will need to pressure test the water and there may need to be a fee for that. 2) If there is a basic plan for houses they could reduce the fee for a plan check. 3) Time is spent by the developer and staff to approve plats and a three year extension would save time and money.

Mark Shark: He is a real estate and land developer and from his viewpoint, price matters – buyers will purchase what they can afford. The main hurdle is the price of home and to consideration options is beneficial. The Council could consider a pilot program to spur activity by offering savings to builders, enlisting the services of Snohomish/King County Master Builders and embracing signage – signs attract sales.

COUNCILMEMBER COMMENTS

Slawson: Community Transit will need to make major cuts to service. The Sunday and Holiday routes will be cut. Non-profit vans will be made available to non-profit groups. PSRC will be changing the rules to encourage municipalities to commit grant funds. Unfunded mandates need to be monitored to control costs to the smaller cities.

Davenport-Smith: The Council is working on options for the developers. Councilmember Pinson's son was born this evening.

Blair: The Natural Hazards open house provided good information on community hazards. Citizens can check their property to determine what hazards may occur and if they have adequate insurance coverage. The CERT training is going well and has been very informative. The City is subject to the Scenic Highway Act and signage on the highway may be a problem.

Mayor Eslick: There will be a memorial for Bruce Ramsey this weekend. He was the motorcyclist killed on Highway 2 this week. Several community members and the news media attended the US 2 Coalition meeting – need to keep highway 2 in the spot light to get funding. The first quarterly meeting of the Snohomish County Mayors was well attended and they will continue to meet to

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Mayor: address regional issues. The City/School committee is discussing the teen and transient problem and potential solutions. The Census will begin in March and she encouraged people to respond as the count is important to the city.

CONSENT AGENDA:

The following items are incorporated into the consent agenda and approved by a single motion of the Council. On a motion by Councilmember Blair, seconded by Councilmember Flower, the consent agenda was approved as amended. Slawson – aye; Davenport-Smith – aye; Flower – aye; Blair – aye; Beeler – aye.

- 1) Approval of the February 11, 2010 Council Meeting Minutes as corrected on file in the Office of the City Clerk.
- 2) Approval of Vouchers in the amount of \$1660,712.83 and payroll through February 5, 2010 in the amount of \$64,232.90 to be drawn and paid on the proper accounts.
- 3) Authorization for the Mayor to sign the Master License Service Contract for Business License Maintenance with the State.
- 4) Authorization for the Mayor to sign the Interlocal Agreement with Snohomish County Courts for Violations Bureau.
- 5) Authorization for the Mayor to sign a professional services contract with Washington Wildlife Services not to exceed \$5,000 for on-call nuisance wildlife control.
- 6) Authorization for the Mayor to sign the Aid Agreement with Snohomish County for Chip Sealing Streets
- 7) Adoption of Ordinance 1068-09 Annual Comprehensive Plan Docket
- 8) Excused absence of Councilmembers Pinson and Wiediger from the February 25, 2010 Council meeting.

Planning Board Report: Frank Linth, Chair, advised the Board is moving forward with developing procedures and process. They are involved in the Comp Plan public outreach and the first open house was held this week. The Staff did a good job of setting up the display for the open house and there were several students that attended.

Police Report: Chief Brand reviewed the January report for the Council and public. The Volunteers at the Sheriff's Office put together the graphs and reports for the police department. Crime and calls for service have gone down thanks to the Sheriff's office, citizens and block watch.

ACTION ITEMS:**Interlocal Agreement with Sno-Isle for the Library District**

The issue before the Council is the authorization for the Mayor to sign the Interlocal Agreement (ILA) between the City of Sultan and Sno-Isle Inter-county Rural Library District. The Interlocal agreement (formally LSA) has not been updated since the annexation into the District. The major change from the prior agreement is that the City no longer provides janitorial service to the Library. For the past year and a half the District has hired a janitorial firm to clean the Library, restrooms, and lobby. The City's obligation under the agreement is to provide space, utility service and landscaping services.

On a motion by Councilmember Slawson, seconded by Councilmember Davenport-Smith, the Mayor was authorized to sign the Interlocal Agreement between the City of Sultan and Sno-Isle Inter-county Rural Library District. All ayes.

CITY OF SULTAN COUNCIL MEETING – February 25, 2010**Professional Service Contract – Latimore Company**

The issue is to authorize the Mayor to execute a contract with The Latimore Company, LLC not to exceed \$16,000, for Consultant Services in support of the land use permit system.

In addition to the Springbrook transition which is already completed, the additional tasks and costs not included in the Original Contract that are proposed for this contract are as follows:

1. Springbrook Transition \$4,000 (already completed)
2. Ongoing Technical Support \$6,000 (Land Use and Building Permits). This task provides ongoing work with Staff to resolve operations of the automated system. This is an on-call service billed as needed. Staff will seek to resolve problems in-house first and will call Mr. Latimore if the issues cannot be addressed.
3. Add Public Works Permits \$4,000 (Enterprise Funds and Public Works). This task provides for addition of several permits that are issued through the Public Works Dept. Grading, Right-of-way Construction, Water Connection, Stormwater Management, Driveway, and Sidewalk Permits need to be brought into seamless automated format with the Planning Permits that were included in the first Contract. This activity will be paid for chiefly by the enterprise funds that benefit from the permits.
4. Ongoing Technical Support \$2,000 (Public Works Permits). This task provides the same on-call technical support for the new Public Works permits as described in Item 2 for the Planning Permits.

Brief discussion was held regarding the completion date of the project; the funding source for the contract will be professional service that were budgeted for the comp plan; the potential need for a budget amendment; the need to complete the scope of work proposed.

On a motion by Councilmember Beeler, seconded by Councilmember Davenport-Smith, the Mayor was authorized to sign a contract with the Latimore Company in an amount not to exceed \$16,000. All ayes.

On Call Engineering Services – Call for Request for Qualifications

The issue before the City Council is to consider contracting with an Engineer for On-Call Services for the projects the city needs to complete in 2010.

The services rendered would be part of project costs on projects in the Capital Improvement Project List (CIP). The 2010 capital budget includes in-house salary and benefits and outside engineering services. The proposed engineering budget combines the two expenditures together.

On a motion by Councilmember Blair, seconded by Councilmember Beeler, staff was approved to seek an engineering firm to meet the city needs/presenting a proposal by March 25, 2010 Council Meeting. All ayes.

Ordinance 1072-10 PI Zones

The issue is to discuss the recommendation from Planning Board and to introduce Ordinance 1072-10. The Ordinance Amends Title 16, Unified Development Code, by creating the text of the Public/Institutional Overlay Zone, and Amending the Zoning and Land Use Map by placing the Public/Institutional Overlay Zone on certain properties described in the text of the Zone.

A Zone showing the location of land owned/managed by governmental and public agencies is a normal component of city zoning codes. This action has been undertaken to address the lack of such a zone in the Sultan Municipal Code.

At its regular meetings of January 20, February 3, February 17, March 3, May 5, and July 21, 2009, the Planning Board developed a draft text of a P/I Overlay Zone. A copy of the Zoning and Land

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Ordinance 1072-10: Use Map showing the locations of the P/I Zone as implemented by the text of the Zone has been provided.

Discussion was held regarding the concerns of the Fire District with the PI zone; the use of an overlay zone to eliminate the need for future rezones.

On a motion by Councilmember Slawson, seconded by Councilmember Davenport-Smith, the Council accepted the recommendation from the Planning Board and introduced and adopted Ordinance 1072-10, amending Title 16, Unified Development Code, by creating the text of the Public/Institutional Overlay Zone, and amending the Zoning and Land Use Map by placing the Public/Institutional Overlay Zone on certain properties described in the text of the Zone. All ayes.

Perteet – On Call Service Agreement:

In March of 2009, the Council authorized an On-Call Planning Services Contract with Perteet Engineering in the amount of \$10,000. The contract in 2009 was for assistance with current development planning review and specifically assigned Growth Management Long Range planning tasks which included Stormwater, Park Impact, and Transportation planning activities. For this Contract Addendum, the Work Order Authorization is limited to assistance with current development review activities. These expenditures will be pass-through charges, reimbursed to the City by Developers whose projects are being handled by Perteet.

Brief discussion was held regarding the requirement for a deposit prior to completion of the work.

On a motion by Councilmember Davenport-Smith, seconded by Councilmember Blair the Mayor was authorized to sign the contract amendment with Perteet for On call Services. All ayes.

Resolution 10-02

The issue before the Council is a request from Evergreen Manor to provide a resolution of support for State funding for alcoholism and drug treatment programs. The Council sub-committee reviewed the request from Evergreen Manor and requested staff to draft a resolution of support. The City received a letter from Evergreen Manor requesting a resolution of support from Cities to protest continuing slashes in State funding for alcoholism and drug treatment services. They have not requested any financial support. They are concerned that additional cuts to the State budget for these programs will have an impact on low income residents by eliminating all low income outpatient alcoholism and drug addiction treatment for single adults and may lead to the closure of Snohomish County's only detoxification program available to persons without insurance coverage.

Brief discussion was held regarding the successful work done by Evergreen Manor and the good relationship they have with the Snohomish Health District. The purpose of the resolution is to encourage the state to continue funding for the programs as the low income residents will be the most impacted.

On a motion by Councilmember Blair, seconded by Councilmember Davenport-Smith, the Resolution of Support for Evergreen Manor to encourage State funding for alcoholism and drug treatment programs was adopted. All ayes.

DISCUSSION**Garbage Rate Study**

The FCS Group made a presentation on January 28, 2010 on the garbage rate study. The garbage rate study looks at "cost of service" - how much does it cost the city to collect garbage for each customer type? The study examines the expenditures and revenues in the city's garbage utility – enterprise fund to determine if the current rates are adequate to meet the fund's needs over the next five years. By state law, the city's garbage utility enterprise fund must pay for itself. This means

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Garbage Rate Study: the city's other revenue funds such as the general fund (property taxes) cannot be used to underwrite the garbage fund and the garbage fund revenues cannot be used to supplement the general fund to cover general government expenses. Based on the revenue and expenditure assumptions, the study recommends increasing garbage rates by 9% in 2011, 4% in 2012 and 3% in 2013-2015. There are two alternatives:

1. An across the board increase meaning all rates for all customer types will increase by 9% in 2011.
2. An increase based on cost of service meaning each customer type (weekly, bi-weekly, monthly, commercial 1 yd, commercial 2 yd, etc.) will experience either an increase or decrease depending on how much it costs the city to actually serve each customer.

The Policy Questions that need to be addressed:

- 1) **Operating Reserve.** What should be the level of cash in the operating reserve to meet expenditure obligations – 30 days, 45 days, 60 days or 90 days? The study used a 60 day operating reserve. The larger the operating reserve the more revenues the utility needs to collect to meet the reserve. The lower the operating reserve the higher the risk of not meeting expenditure obligations.
- 2) **Labor costs.** The study assumes 3.0% annual wage increases and 10.0% annual benefit increases over the five year period. 10% of the proposed Field Supervisor's salary and benefits (approximately \$8,640) are included in proposed rates. The city has a union contract that must be negotiated this year.
- 3) **Equipment replacement (e.g. garbage truck, dumpsters, etc).** The study assumes the city will pay cash for a new garbage truck in 2015 after 10 years of service. An alternative would be to borrow funds to pay for the truck and toters. The replacement truck will be fully automatic reducing staff costs and improving safety. The city will need to purchase new garbage toters for all customers to fit the automated truck. The total capital cost in 2015 is estimated at \$550,000 for the truck and toters.
- 4) **Across the board rate adjustments versus cost of service adjustments.** Currently business customers are paying more than the cost of service and "supplementing" residential customers. In general, a cost of service approach will reduce rates for business customers and increase rates for residential customers.
- 5) **Incentives/costs to reduce excess garbage and encourage recycling.** The city's current rates for 2- 32 gallon cans per week are double the rate for a single 32 gallon can per week. The city adopted this rate structure to discourage excess garbage and encourage recycling. Recycling is a flat rate per week regardless of the amount. Residents and business owners can reduce their garbage fees by increasing their recycling.
- 6) **Separating state business and occupation (B&O) taxes from rates.** The city's current rates include the state required B&O tax. Should the city remove the tax from the rates and create a new line item on the bill for the B&O tax?
- 7) **Implementing a rate change mid-2010 or January 2011.** Implementing the rate change in mid-2010 could reduce rate increases by approximately \$0.50. Delaying implementation means having to raise funds more quickly to meet expenditure needs.

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The Council agreed the across the board was a preferred option with implementation this year to reduce costs; equipment needs to be replaced; those who use the extra service should pay; there should be at least a 45 day reserve; need to make sure the labor assumptions are accurate and the City will not know those numbers until negotiations are complete; need to continue to encourage recycling.

The Staff was directed to provide information on the rates based on the use of a 45 day reserve, equipment replacement, service adjustments, and across the board increases.

Peddlers/Solicitors Ordinance

The issue is to discuss proposed changes to SMC 9.12 Peddler and Solicitor regulations to bring the regulations into conformance with state and federal law. The City of Sultan Peddler and Solicitor Ordinance has been in place since 1979 and recent court rulings have rendered it no longer enforceable. In recent months we have seen an increase in citizens' complaints about aggressive peddlers that are unwilling to abandon their sales pitches and try to intimidate citizens into buying their wares. Although recent court rulings have limited the regulation authority of cities, they have not totally restricted regulations and allow a permit process to register peddlers and solicitors. The City may collect fees to offset the administrative costs of a permit program.

There are a number of policy issues the Council needs to address:

1. Does the Council want to regulate peddler and solicitors?
2. Does the Council want to require a license or permit?
3. As part of application process, does the Council want to require a background check by the Police Department?
4. Does Council want the permit process to pay for staff time and / or discourage peddlers and solicitors by imposing a high permit fee
5. Does Council want any fee associated with its permits?
6. Does Council want to regulate the hours and days a peddler or solicitor can be active?
7. Does Council want to include service groups such as Girl or Boy Scouts, Boys and Girls Club, etc in the requirement for permits?

Discussion: The Council requested that panhandling be addressed in the ordinance and that a permit and fee be required. A background check should be done and the hours should be regulated.

GO 21 – Railroads

The issue before the city council is to consider sending a letter to Congressman Rick Larson opposing any changes to the Staggers Rail Act and supporting the Freight Rail Infrastructure Capacity Expansion Act of 2009. In January, Joseph Hughes with the GO21 organization approached the mayor, city council members and city staff requesting support for the Freight Rail Infrastructure Capacity Expansion Act of 2009 and opposition to the Staggers Rail Act. Mr. Hughes has asked the city to send a version of the attached letter to Congressman Rick Larson opposing any changes to the Staggers Act and supporting the Freight Rail Infrastructure Capacity Expansion Act of 2009. The legislation also proposes a tax incentive for building infrastructure.

Brief discussion was held regarding the requirements for the trucking industry to pay taxes for use of the road; the railroad is competing with the trucking industry; railroad is requesting a tax credit on what they have paid to build infrastructure; Why consider a 25% tax credit when they are adding capacity and taking road taxes away from cities; spur is not needed. The Council supports the Staggers Act but not the tax credit.

CITY OF SULTAN COUNCIL MEETING – February 25, 2010**Economic Stimulus – Plats and Impact Fees**

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. The issues are:

1. Allow additional 1-year extension to 5 preliminary plats, set to expire in 2010/2011, with council approval of a developer agreement. This action will provide time for the housing market to continue to recover and potentially for the developer to build homes or market the property to another builder. Council considered a two year extension with a sunset provision
2. Implement a short-term (1-2 year) pilot project during which time the city would allow developers to postpone payment of park impact fees (\$3,175) and transportation impact fees (\$5,272) for single family residential homes until close of escrow. Impact fees would be due at building permit application unless the builder records a covenant with the assessor prior to permit issuance. This proposal would apply to approximately 372 platted building lots. Under the staff proposal, the policy would sunset in 2011 or 2012 unless the council took action to extend the sunset date or make the change permanent.

Mayor Eslick read three letters into the record from Councilmember Pinson, Josie Fallgatter and Real Estate Services.

The Council concurred to delay the fees until the certificate of occupancy with the developers being responsible for asking for the delay. There is legislation proposed that may require the delay in collection of impact fees.

Utility Relief Policy for Garbage Service

Councilmember Blair addressed the issues presented to the Sub-committee regarding relief from service charges. There is no policy for relief for excess charges for garbage service and half of the requests to the utility committee were for garbage relief. The City has a policy for excess water usage due leaks. The Sub-committee would like to see proof or repair work submitted with the request.

Discussion was held regarding the process used for noting extra cans (the crew marks the number of cans at each residence); the need for residents to put their address on cans; an appeal process for customers when staff cannot resolve their problems or complaints.

Stop the Clock: On a motion by Councilmember Blair, seconded by Councilmember Slawson, the clock was stopped at 10 PM. All ayes

PUBLIC COMMENT ON AGENDA ITEMS ONLY

Frank Linth: In regards to deferring payment of fees until a certificate of occupancy is issued, the City could consider charging an upfront non refundable deposit instead of collecting entire fee and give builders a time limit to complete the project or lose the fee. That would cover the cost of city in issuing a deferral.

Ginger York: There are no fees without a building permit. Appreciates the Council action on the deferral of fees and extension of plats as that should help developers.

Janet Peterson: Before issuing a permit to Peddlers make sure the sex offender data base is checked. The Garbage crew is not always accurate when they are new to the job. It took three months to correct the charge for the extra can they didn't have one. The garbage crew was trying to be helpful and went into their garage and took the can. A written policy would help staff.

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Mark Shark: Appreciates the consideration for the building industry - help us and we help you. Heard comments about the tax base and lack of sales – there is only a tax and charge on what is sold not what is on the market. Thanks for the consideration given on the fees.

Sam Zimmerman: Requested the Council sign his copy of the agenda for his merit badge.

COUNCILMEMBER RESPONSE TO PUBLIC COMMENT ON AGENDA ITEMS

Blair: It was an interesting discussion on permits, however no action was taken. The Council directed staff to prepare an ordinance. The Council is willing to work with developers who have contributed to the city

Davenport-Smith: In regards to the written comments submitted, noted that Councilmember Pinson is looking for something predictable and across the board for everyone.

Slawson: Noted that not all developers are like the nice – some have been bullies. He supports stimulating the growth in the city. Thanks to the young man for working on his Eagle badge. Thanked the staff for all the hard work they do for the Council and the Planning Board.

Mayor: Complimented the Council on the discussion on the economic stimulus issues. The City needs to help and make housing cost reasonable so they sell.

EXECUTIVE SESSION: On a motion by Councilmember Slawson, seconded by Councilmember Beeler, the Council adjourned to executive session for twenty minutes to discuss litigation. All ayes.

Feldmann Settlement: On a motion by Councilmember Blair, seconded by Councilmember Slawson, the Mayor was authorized to sign the settlement agreement with Carole Feldmann. All ayes.

Adjournment: On a motion by Councilmember Slawson, seconded by Councilmember Blair, the meeting adjourned at 10:35 PM. All ayes.

Carolyn Eslick, Mayor

Laura J. Koenig, City Clerk