

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

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

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

SUMMARY:

Attached are the minutes of the March 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 – March 11, 2010

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

CHANGES/ADDITIONS TO THE AGENDA

Consent: Remove appointment of Nora Davis to Library Board (applicant withdrew)

PRESENTATIONS

Community Service Officer: Bob Martin, Community Development Director, introduced Victoria Forte the new Community Service Officer. Victoria has 13 years experience in animal control work and has set a goal to work with the Council and community to develop an animal control and education program for the city.

Water System – 100 Years of Service: Connie Dunn introduced Mike Williams and Bill Ferry. Mike Williams and Bill Ferry provided a presentation on 100 years of water service. The City began providing water to the citizen in 1910. The City owns Lake 16 which is located in the City's 360 acre watershed. The first dam was built in 1949. The plant sits on a 40 acre site with a 1 million and 1.5 million gallon water reservoirs. The staff is installing new electronic meters, has a fire hydrant flushing program and a cross connection program.

COMMENTS FROM THE PUBLIC:

Sue Martinell – Mayor Eslick read a letter regarding garbage rates into the record.

COUNCILMEMBER COMMENTS

Wiediger: Thanked the staff for their presentation and wished Victoria good luck with the animals.

Davenport-Smith: Good presentation by staff; welcome to Victoria. Data Bar will be preparing the city flag for the city council to review at the next meeting.

Blair: Welcome to Victoria. Park fountain: there was a good turn out to help with the cleanup and repair assesement of the fountain. Further work is done on the utility service. The next step will be to clear the ponds to determine if they will hold water. The group will work with the Garden Club and high school on plantings.

Slawson: There is no electrical power at the fountain site now and the pump needs to be replaced. The group working on the shooting range has received letters of support from Val Stevens, Kirk Pearson and Dan Kristainson and the project is moving forward.

Beeler: PSRC has adopted the draft 2040 Transportation plan. Toll roads are part of the plan and will be a part of the future transportation.

Mayor Eslick: Acknowledged Mr. McGyver, teacher from the High School. She participated in a mock meeting at the school and has invited the students to attend a Council meeting. The VOA will host a tour on March 22nd at 6 for the Council and Planning Board. The Fire Department will replace the lights on the Post Office. The VOA Senior Center had grand a opening with a good turnout. The cleanup group for Reite Foothills is looking for volunteers to help rehab the area.

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 Davenport-Smith, the consent agenda was approved as amended. Pinson – aye, abstained on the minutes; Wiediger – aye; Slawson – aye; Davenport-Smith – aye; Flower – aye; Blair – aye; Beeler – aye.

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The following items are incorporated into the consent agenda and approved by a single motion of the Council.

- 1) Approval of the February 25, 2010 Council Meeting Minutes as on file in the Office of the City Clerk.
- 2) Approval of Vouchers in the amount of \$49,782.05 and payroll through February 19, 2010 in the amount of \$35,761.72 to be drawn and paid on the proper accounts.
- 3) Approve the recommendations of the Council Sub-Committee for adjustments and credits to Utility accounts

ACTION ITEMS:

Ordinance 1073-10 Peddler's, Solicitors and Transient Merchants:

The issue is the introduction of Ordinance 1073-10 to amend SMC 9.12 Peddler and Solicitor regulations to bring the regulations into conformance with state and federal law. The issue was discussed at the February 25, 2010 and staff was directed to prepare an ordinance based on the policy decisions made by the Council. The City of Sultan Peddler and Solicitor Ordinance has been in place since 1979 and recent court rulings have rendered it no longer enforceable. A number of other cities have been faced with the same issue and have written updated, enforceable ordinances to protect their citizens. 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.

Discussion was held regarding impact to garage sales; difference between invited vendors and peddlers; provides a tool for enforcement of time restrictions; background checks on peddlers to protect the citizens; need to provide exception for companys such as Schwans; duplication of licenses – business license and peddlers permit. Councilmember Pinson was opposed to the requirement for an additional license.

On a motion by Councilmember Slawson, seconded by Councilmember Beeler, Ordinance 1073-10 was introduced and passed on to a second reading. All ayes.except Councilmember Pinson who voted nay.

Professional Service Contract for Website Development and Email Hosting Services with Iron Goat Networks, LLC:

The issue is to authorize the Mayor to sign a contract with Iron Goat Networks, LLC to provide Website and Email Hosting Services. The Council Subcommittee met with Iron Goat in December 2009 to discuss areas of concern and they were advised at the meeting that there was no signed contract to provide web site and e-mail service. The Committee requested staff bring the matter to the full council for discussion. This was a discussion item at the January 28, 2010 Council meeting. The concern of the Council was the lack of a contract was not compliant with the recommendation of the State Auditor. Iron Goat has provided service in accordance with a letter Iron Goat submitted to the City dated October 3, 2007. The proposed contract is a one year term with provisions for two (2) one year extensions. The contract has been reviewed by Iron Goat and the City Attorney.

On a motion by Councilmember Davenport-Smith, seconded by Councilmember Blair, the Mayor was authorized to sign a contract with Iron Goat LLC to provide Website Maintenance and E-mail services. All ayes.

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Wastewater Treatment Plant Upgrade-Contingency Fund

Brown and Caldwell in a letter to the city on October 2, 2009, outlined the additional submittal reviews (Phase 200) they completed as part of this project and stated that they were not included in the original scope of work (Brown and Caldwell reviewed 48 submittals; scope indicated 10). The additional submittal reviews are unanticipated costs. As a result, Brown and Caldwell incurred \$3,713 in excess of the budgeted amount for this task, and Brown and Caldwell requested and staff approved an allocation from the contingency phase to cover these expenses.

The request for the remaining \$2,987 of the \$6,700 under phase 199 is for the work associated with additional project management expenses (due to extended schedule) and resolution of responding to various issues related to the project completion (as-builts, change order requests and invoices, electrical and special inspections, MCC issues, seismic and pipe supports, completion of forms, etc). Brown and Caldwell would consider these unanticipated expenses since they have taken significantly longer than expected to resolve with Triad (not all are resolved yet).

Discussion was held regarding the requirement for written authorization from the Council to change the scope of work; staff approval of the work per an October 2009 letter.

On a motion by Councilmember Slawson, seconded by Councilmember Flower, the Council authorized the expenditure of \$2,987 to Brown and Caldwell from the contingency fund. This alternative would pay for the project work performed for the city during additional project management including resolution of or responding to various issues related to the project completion and did not authorize the remaining budget amendments (\$9,544) requested by Brown and Caldwell. All ayes except Councilmember Blair who voted nay.

DISCUSSION

Garbage Rate Study:

The city council received a presentation from FSC Group on January 28, 2010 and discussed the expenditure assumptions on February 25, 2010. Based on the revenue and expenditure assumptions, the city will need to increase garbage rates by 9% in 2011, 4% in 2012 and 3% in 2013-2015 to achieve the council's goals in the garbage utility. The 9% increase is needed to meet the council's goal of replacing the garbage truck in 2015, cover labor costs to collect and dispose garbage, and create a 45-day cash reserve to cover expenses. Increases in 2012-2015 are needed keep pace with inflation. In preparing the study, FSC Group and city staff made some expenditure assumptions such as cash flow needed to meet expenditure obligations, labor agreement, cost-of-living adjustment, equipment replacement (e.g. garbage truck). The way to temper the proposed rate changes is to examine the expenditure assumptions. The city council made the following decisions at the February 25, 2010 council meeting:

Across the board rate adjustments versus cost of service adjustments. Adopt a cost of service model.

Implement a rate change mid-2010 or January 2011. Implement a cost-of-service rate change in July 2010 to reduce the rate increase for a 32-gallon weekly customer. Delaying implementation means having to raise funds more quickly to build operating reserves and replace the garbage truck. See below for more discussion.

Operating Reserve. Reduce the operating reserve from 60 days to 45 days. This lowers the rate increase for a 32-gallon weekly customer over the life of the study.

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

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obligations. The city does not currently have a separate operating reserve account in the garbage fund. A portion of the rate increase would build an operating reserve.

Equipment replacement (e.g. garbage truck, dumpsters, etc). Finance a portion of the capital investment to replace the garbage truck in 2015. The \$550,000 estimate includes new toters for residential customers and retrofitting the current truck as a back-up unit. This lowers the rate for a 32-gallon weekly customer in the short-term but increases rates after 2015 to cover interest costs. This alternative is not recommended by city staff.

Incentives/costs to reduce excess garbage and encourage recycling. Do not charge more than the cost-of-service for excess garbage. This lowers the rate \$6.61 for the 2- 32 gallon weekly customer and removes the incentive to recycle. This approach also increases the cost for other rate payers. Under the current rate structure, the 2- 32 gallon customers are subsidizing other customer classes.

Separate state business and occupation (B&O) taxes from rates. Remove the tax from the rates and create a new line item on the bill for the B&O tax.

Continue the low income senior rate. Continue to subsidize the low income senior rate.

Discussion was held regarding the whether the 3% inflation factor is too low and building a COLA into the rate system; full implementation of the rate increase in July to provide smaller impacts; the creation of a reserve fund; cost for extra garbage. Staff was directed to bring the ordinance back to the Council for action.

Economic Stimulus – Permit Extensions and Impact Fee Payments

The issue before the city council is to provide direction to staff on next steps to implement short-term changes to the city's zoning and land division codes to offer relief and economic stimulus during the recession. The recommendation is to direct staff to work with the planning board to make recommended amendments the Sultan Municipal Code to allow:

1. An additional 2-year extension to "active" preliminary and final plats and planned unit developments (PUDs) set to expire in 2010/2011 with approval of a developer agreement.
2. Applicants for a single-family residential building permit for a lot within a subdivision or short subdivision prior to July 1, 2012, to record a covenant with the assessor against the title before permit issuance to allow the applicant to pay park and transportation impact fees at certificate of occupancy.

Staff was directed to refer the matter to the Planning Board to make recommendations for amendments to the development code.

PUBLIC COMMENT ON AGENDA ITEMS ONLY

Ginger York: The action does not remove the risk as the fees have gone up dramatically since the plats were approved. This gives the builders an opportunity to get financing for the houses and the city will get the fees at a later date. Extension of the plats saves time and money for everyone and reduces duplicate work. Could they consider sooner than June as March is the peak selling season of the year.

Frank Linth: He attended a seminar and it was noted that new housing starts are at the lowest point since the depression in 1929 and delaying fees will help the builders.

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Beeler: Request that signs be posted at each end of town to advise a peddlers license is required.

Blair: Agrees that Spring is the best time for building and it would be benefical to bring the stimulus package back as soon as possible.

Davenport-Smith: Good to see the City moving forward with economic stimulus

Slawson: The Community Transit board voted to eliminate Sunday and holiday service effective in June. Van pools and the Van Go program are available. There is \$50,000 in a fund to help those that need Sunday service.

Pinson: There could be a “do not knock” list at the City Hall for peddlers. The housing market being at an all time low is an indicator that there is a glut of housing. The government deciding how much housing there should be is how the problem was created. Changing the rules after the fact is different discussion from providing plat extensions.

EXECUTIVE SESSION: On a motion by Councilmember Slawson, seconded by Councilmember Flower, the Council adjourned to executive session for forty minutes to discuss union negotiations and pending litigation. All ayes.

Adjournment: On a motion by Councilmember Pinson, seconded by Councilmember Beeler, the meeting adjourned at 9:25 PM. All ayes.

Carolyn Eslick, Mayor

Laura J. Koenig, City Clerk