

**SULTAN CITY COUNCIL  
AGENDA ITEM COVER SHEET**

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ITEM NO: Consent C 1A  
DATE: December 2, 2010  
SUBJECT: Council Meeting Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

**SUMMARY:**

Attached are the minutes of the November 18, 2010 Council Meeting as on file in the office of the City Clerk.

**RECOMMENDED ACTION:**

Approve as submitted

**CITY OF SULTAN COUNCIL MEETING – November 18, 2010**

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

**Executive Session:** On a motion by Councilmember Pinson, seconded by Councilmember Neigel, the Council adjourned to executive session for ten minutes to discuss Council candidate qualifications. All ayes.

**CHANGES/ADDITIONS TO THE AGENDA:**

Consent: Add excused absence of Councilmember Davenport-Smith from the November 18, 2010 meeting.

**PRESENTATIONS:**

**Ron Wiediger:** Mayor Eslick presented a Certificate of Appreciation to Ron Wiediger for his five years of service on the Council. Mr. Wiediger resigned in October due to ongoing health issues. During his years on the Council, the City dealt with the Growth Management and Comprehensive Plan problems, contracted for Law Enforcement services with Snohomish County and improved the Public Works department budgets. Ron is a long time resident of Sultan.

**Business Recognition – Allied Waste:** Mayor Eslick presented a Certificate of Appreciation to Allied Waste for their long-term commitment to community projects in the City. Recently Allied Waste volunteered to collect and dispose of tires that were abandoned in Reese Park. Three years ago, Community Volunteer Susie Hollenbeck approached Allied Waste asking them if they would partner with her and the Sultan Boys and Girls Club at Sultan's Annual Cleanup Day to encourage the youth in the community to pick up street litter. As an incentive, Allied Waste offered to sponsor \$500 in prizes for the best performers picking up litter. Allied Waste has continued that partnership and sponsorship with the Sultan Community ever since.

**E-Mail/Spam – Iron Goat:** The city's internet and e-mail service provider, Iron Goat Networks (aka Ryan and Caroline Spott), will give a brief overview of the city's e-mail and spam filter programs.

**COMMENTS FROM THE PUBLIC:**

**Susie Hollenbeck:** At the City Wide Pride spring clean Allied Waste donated a truck to haul off the blackberries and provided funds for prizes. The program helps the kids get community service hours and clean up the community.

**Kay George:** Her E-mail was spammed and she feels there are others that were caught in spam also.

The utility rates in Sultan are high compared to the rates in Bothell and are a hardship for families. There are no jobs in Sultan and people have to commute to work. They pay \$300 a month for gas. People want to live in Sultan but decide against it because it is too expensive to live here. She does not see anyone prospering, citizens are struggling and Sultan needs to cut back expenses. Increase in fees and salaries are not acceptable. There will be more foreclosures in the future. People do not trust the Government as there is wasteful spending and no accountability. The Council needs to look at salaries - \$1.5 million for city hall. Don't need a building department or a City Administrator.

**CITY OF SULTAN COUNCIL MEETING – November 18, 2010****COUNCILMEMBER COMMENTS**

Pinson: Thanked Iron Goat for the training and Kay George for her opinions. The Sewer rate increase needed now is due to past decisions. The City must deal with unfunded mandates and do what they can at the city level.

Slawson: Provided article on the increases that are occurring in other cities in utility rates. Snohomish County Tomorrow complete the review of the CCP's and they will be forwarded to the County next month. The Housing element will be done in January.

Neigel: Appreciates Kay George's comments as they need people to let the Council know what the priorities are. Major cuts will be coming at the state level and he is proud that Sultan has a balance budget.

Blair: Thanked Ms. George for her comments. She ran for office for fiscal responsibility and has worked towards a balanced budget and they have had to raise fees to compensate for prior council decisions. They have not taken out loans and have cut expenses and the city now has reserve funds. The sewer rate increase is the last option for the city. The City needs the Community Development Director as they have other functions to perform other than building. If people want to cut garbage costs, they should recycle more and put out less garbage. Emergency preparedness classes are being held to prepare citizens for all types of disasters.

Beeler: Snow is predicted and he is glad the City has a snowplow and sander ready to go. The City is looking at having to raise the utility fees this year and it is dramatic. The council has delayed some of the increase due to the economy and but is at a point the fees must be raised to cover cost. Mandates impact the city as they were required to plan for the growth and had to pay consultants to help develop the comp plan. Growth stopped but the mandates did not. The City Administrator has kept the city out of trouble and cleaned up messes and is worth the pay received. Staff is not leading the Council, they are providing the information for decision. The Council looks at what other cities are doing but must make decisions based on what Sultan needs.

Russell Wiita: He will be providing a presentation on the High School Band competitions on December 16; Winterfest is on December 4; Chili feed benefit to the band on December 15. There was a follow up on the Every 15 minute program from last year. The Teen Court judges attended training last week. On December 11 there will be a "Stuff a Bus" program at the Rite Aid to fill the bus with food and clothing.

Mayor Eslick: Appreciates the comments from Kay George. The Iron Goat presentation was requested due to E-mail problem and City Hall was transparent about the problem and the Council was informed. Is proud of the way the Council and staff have been handling the money for the city. Council positions will be coming up and she encouraged people to apply. Economy is going to get worse but we have good community.

**STAFF REPORTS:** Written reports (on file in the Office of the City Clerk) were submitted by the Police Department, Code Enforcement, Water Department. Planning Board minutes were submitted.

**PUBLIC HEARINGS:** The Public Hearing on the 2011 Budget was continued. See minutes under a separate report.

**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 Neigel, the consent agenda was approved as amended. Pinson – aye; Slawson – aye; Neigel – aye; Blair – aye; Beeler - aye.

**CITY OF SULTAN COUNCIL MEETING – November 18, 2010**

- 1) Approval of the Council Meeting Minutes as on file in the Office of the City Clerk.
  - A. Public Hearing on 2011 Tax Levy
  - B. Council meeting of October 28, 2010
  - C. Joint Planning Board/Council of November 2, 2010
- 2) Approval of Vouchers in the amount of \$203,410.61 and payroll through October 29, 2010 in the amount of \$51,631.24 to be drawn and paid on the proper accounts.
- 3) Adoption of Ordinance 1093-10 - Industrial Master Plan Decommission
- 4) Adoption of Ordinance 1095-10 - 2011 Police Levy
- 5) Approval of Utility Relief Report
- 6) Excused absence of Councilmember Davenport-Smith from the November 18, 2010 meeting.

**ACTION ITEMS:****Ordinance 1098-10 Sewer Rate Increase:**

The issue before the council is the introduction of Ordinance 1098-10 to increase the monthly sewer utility rates for 2011 and 2012.

The Sewer Debt Service fund has payments of \$465,959 due for 2011 and \$461,403 due in 2012. There are insufficient revenues to cover the debt service payments in 2011 and 2012. At the Budget Retreat, the Council discussed the sewer debt service requirements for the next two years and considered alternatives that included increasing monthly sewer rates; reducing reserve funds; postponing capital improvements at the Wastewater Plant; and reducing operating expenses.

Council discussed the following alternatives at the October 28, 2010:

1. Increasing sewer rates only: Staff has prepared an ordinance to increase the sewer rate \$6.64 per month for current customers.
2. Postponing increases to stormwater utility rates: The stormwater utility rate will not increase until September 2011 to mitigate the impact of the sewer rate increases to all utility rates.
3. Reducing sewer operating expenses: Proposed reductions are addressed in this report.
4. Spreading the increase across all benefitted properties, including properties that do not currently have sewer services: Based on the legal determination provided by the City Attorney, the city cannot spread the cost of the sewer improvements across all the benefitted properties. Property owners cannot be billed for a service they are not receiving.

The cuts will defer maintenance in the sewer plant. The rate proposal is based on reserve fund transfers and five new connections. In 2012 these revenue sources will not exist and an additional \$3 per month will be needed.

Discussion: Snohomish is raising rates by 11% each year for the next three years; Marysville is also having to increase rates; Bothell has different rates for inside and outside the city limits; Sultan has chosen to raise rates to reduce debt obligations but there is a need for emergency reserve funds; the Council looks at short term needs and the staff looks at long term needs which creates a good balance and provides the whole picture of needs; stormwater rates need to be increased no later than June 1, 2011; some Council felt the rates should all be increased now.

On a motion by Councilmember Beeler, seconded by Councilmember Slawson, Ordinance 1098-10 increasing sewer rates was introduced and passed on to a second reading and the storm water rates increase will be held until June 1, 2011. All ayes. Nay – Neigel and Pinson.

**CITY OF SULTAN COUNCIL MEETING – November 18, 2010****Ordinance 1094-10 2011 Tax levy:**

The issue before the Council is the adoption of Ordinance 1094-10 which sets the property tax levy for the 2011 at \$689,408. A public hearing as required by RCW 84.55.120 on the proposed use of 2011 property taxes was held October 28, 2010. There was no public comment submitted on the proposed tax levy.

Ordinance 1094-10 sets the regular property tax levy for 2011 with the amount to be levied for collection at \$689,408. The Council elected to levy the tax at the full 101% of the prior year collection (\$678,378 x 101% = \$688,557 plus new construction of \$3,425 plus refunds of \$851 = \$689,408) to ensure property taxes received are the maximum allowed by state law.

On a motion by Councilmember Blair, seconded by Councilmember Pinson, Ordinance 1094-10 setting the 2011 Tax Levy was introduced and passed on to a second reading. All ayes.

**Resolution 10-20 Salary Allocation:**

The issue before the Council is the adoption of Resolution 10-20 to allocate salaries and benefits to the various operating and capital project funds.

During the annual budget process a review of staffing requirements is completed by the Department Heads. Staff reviews the current job responsibilities and the proposed work program for the next year to determine the appropriate fund to charge for the salaries and benefits. Staff time must be appropriated to the fund for which the employee performs the work. For 2011, salaries and benefits will be charged out to the Building Maintenance Fund. The source of revenues is the allocation of utility taxes (\$5,700). Law Enforcement salaries and benefits are for the Violation Clerk. The source of revenue is infraction revenue estimated at \$26,000 for 2011.

On a motion by Councilmember Pinson, seconded by Councilmember Slawson, Resolution 10-20 to set salary allocations for the 2011 Budget was adopted. All ayes.

**Resolution 10-21 Interest Distribution:**

The issue before the City Council is the adoption of Resolution 10-21 to allocate investment interest earned to each fund in which was earned. Currently, the City's policy is to allocate the majority of the interest earned to the General Fund. The majority of the City funds are invested in the State Investment Pool. The average rate of interest paid in 2010 was .27%. The city has received \$5,050 in investment interest for the first six months of the year.

During the budget retreat the Council discussed investment interest rates and allocating the interest to each fund while the rates are so low. The General fund received \$2,358 in interest income for January to June 2010. The General Fund no longer relies on this revenue source to balance the budget.

On a motion by Councilmember Blair, seconded by Councilmember Beeler, Resolution 10-21 allocating earned interest for the 2011 Budget was adopted. All ayes.

**Ordinance 1097-10 Salary Schedule:**

The issue before the City Council is first reading of Ordinance No. 1097-10 to adopt a salary schedule for employees. RCW 35A.33.050 requires that salary ranges for various positions in the City be made a part of the annual budget document adopted with the annual budget. Ordinance No. 1097-10 fulfills this requirement

The City Council has the authority to set pay and benefits. As a part of the annual budget process, the City Council must adopt a salary and compensation ordinance for 2011 to establish pay levels for all employees. Salary levels for represented (union) employees are established during contract

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negotiations. Salary levels for non-represented employees are set by the City Council annually during the budget process. The attachment for Union wages needs to be amended to leave the salary at the 2010 wage.

On a motion by Councilmember Slawson, seconded by Councilmember Neigel, Ordinance 1097-10 setting salaries for 2011 was introduced and passed on to a second reading as amended. All ayes.

**Ordinance 1085-10 Concurrency Management:**

The issue before the city council is to have First Reading Ordinance No. 1085-10 repealing Chapter 16.108 “Concurrency Management System” and adopting a new Chapter 16.108 to be consistent with 2004 Comprehensive Plan as revised in 2008.

The city council previously had First Reading of Ordinance No. 1085-10 on August 12, 2010. During First Reading, Keith Arndt and Chip McElhany submitted public comment regarding the proposed ordinance. Specifically, Mr. Arndt and Mr. McElhany raised concerns regarding the proposed phasing and wastewater concurrency determination. The city council directed staff to work with Mr. Arndt and Mr. McElhany

Since more than 90 days have passed since council had First Reading of Ordinance No. 1085-10, city staff recommends repeating the First Reading Ordinance No. 16.108 “Concurrency Management System” and schedule Second Reading on the consent agenda for December 2, 2010. The proposed ordinance provides for the following:

- Repeal Chapter 16.108 of the Sultan Municipal Code in its entirety and enacting a new chapter 16.108 titled “concurrency management system”
- Provide a regulatory mechanism to evaluate impacts from development on adopted levels of service;
- Describe the information necessary to make a concurrency determination;
- Adopt procedures for issuing certificates of concurrency or denial letters;
- Report and monitoring reserved capacity;
- Provide for severability; and establishing an effective date

On a motion by Councilmember Blair, seconded by Councilmember Pinson, Ordinance 1085-10, Concurrency Management, was introduced and passed on to a second reading. All ayes.

**FCS Group Contract – Water/Sewer Rate Studies:**

The issue before the city council is to authorize the Mayor to sign a contract with FCS Group not to exceed \$30,100 to conduct the financial analyses and rate forecasts for the Water System Plan (WSP) and General Sewer Plan (GSP) updates.

The city council approved a contract with RH2 in December 2009 to update the city’s WSP and GSP. The initial proposal from RH2 included a sub-contract with FCS Group to complete the financial analyses and rate forecasts that are a required part of the updates. A financial analysis and rate forecast is needed to ensure adequate revenues to address the capital facilities needs identified in each of the plans. In December 2009, the city council made the decision to contract separately with FCS Group rather than contract with FCS Group through RH2. The council’s decision will save the city from having to pay RH2 to manage the contract with FCS Group. City staff will oversee the work of FCS Group.

The WSP and GSP are at the point where the financial analyses and rate forecasts are needed to complete the updates. The 2011 water and sewer operating budgets include \$15,000 each for the contract with FCS Group.

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The city council has previously indicated an interest in revisiting the water and sewer rate designs adopted in December 2009 and November 2007. For an additional \$18,040 – approximately \$9,000 for each utility, FCS Group can prepare alternative rate designs for the city council's consideration. The optional proposal assumes two alternatives for water, such as elimination of the base allowance and a tiered (block) rate structure. Current sewer rates bill a flat rate for service. Alternative sewer rates could include both a fixed and volume based charge. The optional rate design work includes one on-site meeting for review of rate designs and up to two meetings with city staff via the internet to finalize the rate designs for council consideration.

Discussion: Alternative to do "poor man's analysis" and have the Council work on the rate structure; case law on problems with city's doing their own rate study; need to consider the rate structure as well as the rates; need to monitor the scope of work and consultant costs.

On a motion by Councilmember Blair, seconded by Councilmember Pinson, the Mayor was authorized to sign a contract with FCS Group not to exceed \$30,100. All ayes.

**Ordinance 1099-10 PROS Plan:**

The issue before the city council is to set a public hearing for Thursday, December 2, 2010 to take public comment on adopting the 2010 Park, Recreation and Open Space Plan and corresponding amendments to the 2008 Comprehensive Plan Update.

The city adopted its current Park, Recreation and Open Space (PROS) Plan in November 2005. The City of Sultan 2005 PROS Plan must be updated every five years and accepted by the Washington State Recreation and Conservation Office. A state approved PROS Plan ensures the city will be eligible for future park, recreation and open space grants offered by the State of Washington.

Sections of the 2005 PROS Plan were adopted by reference into the 2008 Comprehensive Plan Update. The city must incorporate the changes to the 2010 PROS Plan into the comprehensive plan. The city will use the goals and policies and technical information developed through the 2010 PROS Plan to update the Park and Recreation Element, Capital Facilities Element and corresponding appendices of the 2008 Comprehensive Plan.

Under state law, changes the comprehensive plan can be scheduled concurrently with changes to the city's budget pursuant to RCW 36.70A.130(2)(a)(iv).

On a motion by Councilmember Beeler, seconded by Councilmember Slawson, the city council set a public hearing on December 2, 2010 to take public comment on the proposed 2010 Park, Recreation and Open Space Plan and corresponding amendments to the comprehensive plan. All ayes.

**DISCUSSION**

**City E-Mails/Spam Policy:**

There are two related issues for the city council's consideration:

1. How should the city manage the "general-delivery" e-mail addresses (e.g. [cityhall@ci.sultan.wa.us](mailto:cityhall@ci.sultan.wa.us) and [council@ci.sultan.wa.us](mailto:council@ci.sultan.wa.us))?
2. What is the appropriate spam filter setting for general-delivery e-mail addresses?

The city's current practice is to separate the two general delivery e-mail addresses. One alternative would be to copy council on all e-mails sent to the "city hall" address and to copy the city administrator and/or city clerk on all "council" e-mails. The benefit of this approach is transparency. A citizen seeking to reach the city through the general delivery e-mail will have a greater level of assurance that their e-mail will be received by the city.

Brief discussion was held regarding the two separate E-mail accounts and the need to monitor each; E-mail address is not used for legal notices; press releases information has been corrected; need to advise people to contact City Hall if they don't receive a response to E-mail; public record that the City is not filtering E-mails.

**CITY OF SULTAN COUNCIL MEETING – November 18, 2010****FEMA Floodplain Remapping:**

FEMA is charged by the US Congress with managing the National Flood Insurance Program (NFIP). Part of that mandate is to keep current maps of the floodplains of the nation's river systems and periodically adjust the boundaries and severity ratings of flood-prone areas.

The river systems of Snohomish County have been the focus of an updated mapping effort for the last two years. The new maps are intended to more accurately define the areas subject to flooding, to better define the type of hazard presented by flooding (moving water, ponding, surface runoff) and to take into account new environmental factors that contribute to flood potential (more impervious surface development, increased frequency of high volume storms).

One of the improvements to accuracy of the new maps is use of LIDAR (Light Detection and Ranging). LIDAR is a system that surveys the elevation of the earth's surface with a lasers mounted in aircraft. When compared to previous survey techniques, LIDAR gives a much more accurate elevation measurement and a denser network of measurement points that are used by computer systems to draw the flood maps.

Subject to the public process, the new DFIRM mapping will be adopted and any new designations will become effective in the first half of 2011. The City will be adopting the map components that apply inside the City Limits as part of the overall adoption process for Snohomish County. The change will provide up to a 50% reduction in flood insurance. Some properties have been removed from the 100 year flood plain to the 500 year flood plain which will allow the property owner to opt out of flood insurance.

Discussion: Certified insurance agents will have the current FEMA maps and will be able to help with issue with the lenders; press release to let citizens know of the proposed changes; PUD dam not taken into account for the study; Wagley Creek was not addressed in the study; Bob Martin and Deborah Knight did a good job working on the study.

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

**Council Pay Structure:**

The issue before the Council is the amount and method of payment of the monthly salary for the Mayor and Councilmembers. The matter was discussed at the Council retreat and Councilmembers requested this issue be brought for further discussion on November 18, 2010.

The Council discussed the following alternatives during the Council Retreat on October 9, 2010:

1. Leave the current pay structure in place
2. Change the pay to a flat rate per month
3. Set a flat rate per meeting regardless of the type (council meeting, committee, board)
4. Factor in a CPI adjustment annually
5. Create a shared pot and split it based on the number of meetings attended.

Discussion:

**Beeler:** Need to setup a citizen committee to discuss the pay; is in favor of raising pay.

**Pinson:** Not interested in raising pay.

**Slawson:** Not interested in change. Should establish committee for review.

**Blair:** Not interested in increase. Committee would need to have stakeholders.

**Neigel:** Neutral on pay structure.

**COUNCILMEMBER RESPONSE TO PUBLIC COMMENT ON AGENDA ITEMS**

**Beeler:** He does attend a lot of meetings for the city and gets full pay but he does lose time from his family; other council members don't have time to attend additional meetings. The city has done a good job with the budget and will resolve the sewer issue.

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Blair: Ran for office knowing the pay was \$150 per month and it should be left until the economy recovers.

Slawson: The City honored Ron Wiediger and he will miss him. Ron worked on public works and animal control. He attends a lot of meetings but he has the time and no children and it is good to network with others.

Mayor Eslick: The news about the flood mapping changes needs to be out to the public. King 5 has called her for information of the impact of the new maps to the citizens. Ron specifically wanted the water meters changed out and it would be nice to let him know the progress being made.

**Adjournment:** On a motion by Councilmember Neigel, seconded by Councilmember Slawson, the meeting adjourned at 10:15 PM. All ayes.

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Carolyn Eslick, Mayor

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Laura J. Koenig, City Clerk