

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: Consent C 1 A
DATE: December 16, 2010
SUBJECT: Council Meeting Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

SUMMARY:

Attached are the minutes of the December 2, 2010 Council meeting as on file in the office of the City Clerk.

RECOMMENDED ACTION:

Approve as submitted

CITY OF SULTAN COUNCIL MEETING – December 2, 2010

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

CHANGES/ADDITIONS TO THE AGENDA:

Consent – Move Ordinance 1098-10 Sewer rates to action.

Consent – Move Ordinance 1097-10 Salary Schedule to action

COMMENTS FROM THE PUBLIC:

Tony Redding: Discussed how the Holiday season impacts people and how difficult emotionally and financially it can be for families. To help people get through the Holidays there will be a gathering to provide support and celebrate the season. She invited the Council and public to join in the Winter Solstice celebration on December 21, 2010.

COUNCILMEMBER COMMENTS

Slawson: Community Transit Swift service has been running for one year. There will be a buy local campaign to support transit. Stuff a bus program will be held in Monroe to provide food and clothing for the local food banks. This year they served 299 plates of food served at Sultan Harvest.

Russell Wiita: The winter concert will be held at the High School on December 15th.

Neigel: The Snohomish County Human Services has funding for alcohol prevention programs and Sultan has been identified as a potential community for the service. They are working with the School District to get the program in Sultan.

Blair: Worked at Sultan Harvest all day and enjoyed working at the VOA instead of City Hall as the facility is much better to use. She attended the DEM meeting on emergency preparedness training and advised the public about the new siren warning system the city will be installing. December 7th there will be a hearing in Olympia on the reconveyance of the land from the State back to the County for a multi use park.

Beeler: Appreciated the e-mail about the snow removal and the thank you from the Foundry. Staff did a great job on the snow removal and the plan looks good; need to make sure there is funding in the budget for snow removal and for emergencies. Likes seeing the new businesses listed in the management team minutes and updates on the status of issues. At the U.S. 2 Coalition meeting the state representatives stressed the need to focus on safety first instead of capacity improvements. Capacity may come with the safety improvements.

Mayor Eslick: The north county Mayors met with State representatives and they discussed joint issues, the Reiter Foothills, and Highway 2 safety and capacity issues. The Affordable housing forum discussed long-term unemployment and the economic outlook. Some people are losing their unemployment this month and others in April. Work Source is willing to come out to Sultan to set up office space to work with residents in the area.

STAFF REPORTS: Written reports are on file in the Office of the City Clerk from the Public Works Field staff and the Planning Board minutes.

PUBLIC HEARINGS: Public Hearings on the 2010 Budget Amendments and Amendments to the Comprehensive Plan/PROS Plan were held during the meetings. Minutes are available under a separate report.

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CONSENT AGENDA: The following items are incorporated into the consent agenda and approved on a single motion of the Council. On a motion by Councilmember Beeler, seconded by Councilmember Slawson, the consent agenda was approved as amended. Pinson – aye; Slawson – aye; Davenport-Smith – aye, abstained on the November 18, 2010 minutes; Neigel – aye; Blair – aye; Beeler - aye.

- 1) Approval of the Council Meeting Minutes on file in the Office of the City Clerk
 - A. Public Hearing on 2011 Budget
 - B. Council meeting of November 18, 2010
- 2) Approval of Vouchers in the amount of \$173,469.54 and payroll through November 12, 2010 in the amount of \$69,847.38 to be drawn and paid on the proper accounts.
- 3) Adoption of Ordinance 1094-10 2011 Tax Levy
- 4) Adoption of Ordinance 1085-10 Concurrency Management
- 5) Confirm Health Board Representative – Mayor Karen Guzak, Snohomish

ACTION ITEMS:**Council Appointment:**

The issue before the Council is to nominate and appoint a candidate to Council Position 3. The city received one application for Council Position 3 from Marianne Naslund. An interview was conducted prior to the meeting on November 18, 2010 and the Council discussed the qualification of the candidate in executive session. Nominations and voting must be done in an open public meeting. If a nomination is made and approved, the candidate will be sworn into office on December 16, 2010.

Council briefly discussed the lack of applicants for the open position and candidates in the last election; pay increase does not entice people to apply; appreciation for those who volunteer their time to be on the Council.

On a motion by Councilmember Slawson, seconded by Councilmember Davenport-Smith, Marianne Naslund was nominated and confirmed to Council Position 3. All ayes.

Ordinance 1096-10 – 2011 Budget:

The issue before the Council is the introduction of Ordinance 1096-10 to adopt a budget for the 2011 fiscal year. The detailed budget and department reports were prepared and submitted to the Council during the public hearing process on October 28, 2010 and November 18, 2010.

At the November 18, 2010 meeting, the Council introduced Ordinance 1098-10 to increase sewer rates effective December 1, 2010 and to postpone the increase in stormwater rates from January 1, 2011 until June 1, 2011. The Sewer Operating fund (Fund 401) had a negative balance of \$107,066. The sewer rate increase provided the additional revenue needed to cover debt service payments for 2011 and 2012. The Sewer fund budget has been amended to include the additional revenue and the fund is balanced. There are no other changes to the fund budgets.

At the budget retreat staff presented a proposal for two park workers and two maintenance works for Public Works. Council elected to reduce the budget back to the same level as 2010 with two employees with part of the time allocated to park. During the budget preparation, staff reduced the number of workers but left the total hours at 1712 instead of 1040 hours. The dollar amount of difference is \$4,885.

Discussion: The original budget anticipated the proposal to eliminate liquor tax would pass and the General fund budget was reduced to two part time employees; cuts were made in the Street Fund due to the reduction in property tax for the decreased assessed values; citizens want the streets clean and repaired; cuts were made in the street capital budget not maintenance; use of stormwater funds to clean streets was discussed. The stormwater stakeholders were promised the proposed budget would not change, however street cleaning was a part of the budget. The

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Budget: community survey showed the citizens want the parks maintained. The consensus of the Council was to maintain the same level of service in the parks and reduce the hours back to 1040 hours for the year. Encourage the Adopt a Park program and the use of correctional workers to maintain the parks. Briefly discussed including the Springbrook financial program upgrade back into the budget, however, it was decided to postpone the upgrade.

On a motion by Councilmember Slawson, seconded by Councilmember Davenport-Smith, Ordinance 1096-10 setting the 2010 Budget was introduced for a first reading with an amendment to reduce the park worker hours to 1040. All ayes except Councilmember Blair and Beeler who voted nay.

Sky Valley Chamber Lease:

The issue before the city council is to authorize the Mayor to sign a 5-year lease agreement and agreement for services with the Sky Valley Chamber of Commerce for use of office space at the Visitor Information Center located at 320 Main Street. In exchange for the use of office space, the Sky Valley Chamber will provide staffing for the Visitor Information Center and promote Sultan as a tourist destination.

The city and chamber have had a successful partnership operating the Visitor Information Center together since 2004. The chamber provides staffing to greet visitors to Sultan and enhances the city's attractiveness for economic development. The proposed changes to the lease agreement bring additional clarity to the relationship. Clarification of the process to allow third-party users to occupy the building further improves the facility's use as a city resource. The insurance requirements were addressed.

Discussion: Lease serves the purpose of the City and Chamber well and is specific to the services the Chamber provides; City should not be in the business of subsidizing business; should charge market rent and pay the Chamber for service; Grow Washington has moved out but the Mayor's office is in the building.

On a motion by Councilmember Davenport-Smith, seconded by Councilmember Slawson, the Mayor was authorized to sign a 5-year lease agreement and agreement for services with the Sky Valley Chamber of Commerce for use of office space at the Visitor Information Center located at 320 Main Street. All ayes, except Councilmember Pinson who voted nay.

WH Pacific Contract Amendment:

The issue before the city council is to discuss lowering the proposed road profile to reduce construction costs and to prepare necessary documents to stage Phase III of the Sultan Basin Road Realignment Project. Staging the project will be necessary if construction bids exceed the approved budget to build this phase of the project in its entirety. If the city council decides to proceed with amending the project design and to prepare for staging the project, a contract amendment (Supplemental Agreement No. 5) with WHPacific in an amount not to exceed \$47,806 will be needed.

The contract amendment authorizes WHPacific to revise the plans, specifications and estimates to lower the road profile by using American Association of State Highway Transportation Officials (AASHTO) design standards for vertical curve design. These changes can reduce the project cost by approximately \$350,000. The contract amendment also includes modifying and resubmitting the prospectus to WSDOT and preparing the bid documents with an alternate to accommodate staging if necessary.

The primary issue is that the estimated cost of the project exceeds available funding. It is important to note that the shortfall does not take into account the \$1,000,000 previously appropriated by the office of U.S. Senator Patty Murray in 2010, which may now be in jeopardy due to the recent elections. The total funding available without Senator Murray's appropriation is \$2,551,798.84. The estimated costs for engineering, right-of-way acquisition, wetland banking,

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WH Pacific: and construction are estimated to be \$3,281,590. This estimate assumes a 20% reduction in construction costs previously determined, due to the current bid environment.

The difference between estimated costs and available funding is \$729,791. This differential was anticipated by WHPacific and City staff early in 2010, and arrangements were made to stage the construction of this final phase of the project to allow a portion of the project to be constructed. It is critical that a portion of the project be constructed in 2011, or \$262,048 in federal funding will be withdrawn.

Discussion: Why was the design alternative not considered before; impact to state or federal funding; difference in engineering standards; need to go to bid to determine actual costs and what alternatives can be considered; potential need for additional funding and phasing the project; need for the City to obligate the construction funds by March 2011 or potentially lose funding; need assistance with bid preparation as staff does not have the expertise at this time to prepare bid specs to WSDOT standards.

On a motion by Councilmember Blair, seconded by Councilmember Davenport-Smith, the Mayor was authorized to sign Supplemental Agreement No. 5 with WH Pacific, not to exceed \$47,806 to revise the plans and specifications to reflect lowering the road profile, resubmit the prospectus to WSDOT, and prepare bid documents with an Alternate to allow staging and the Mayor was directed to discuss a reduced contract amount with WH Pacific. All ayes, except Councilmember Pinson who voted nay.

PUD Settlement Agreement – Amendment #1:

The issue before the city council is to authorize the Mayor to sign the First Amendment to the Off-License Agreement with Public Utility District No. 1 of Snohomish County in connection with the relicensing and operation of the Henry M. Jackson Hydroelectric Project.

The PUD is requesting an amendment to the off-license agreement to reflect new easement areas negotiated between the parties. The primary change is the easement area in Reese Park is reduced from 16 acres to 7.4 acres. The easement area in Osprey Park is increased from 8.3 acres to 16.9 acres. The overall easement area (24.3 acres is unchanged). The purpose of the proposed easements is to create off-channel habitat enhancement adjacent to the Sultan River. The payment terms and conditions to mitigate any unanticipated consequences from developing the habitat areas remain the same.

On a motion by Councilmember Slawson, seconded by Councilmember Davenport-Smith, the Mayor was authorized to sign the First Amendment to the Off-License Agreement between the City and Snohomish County Public Utility District No. 1 for the Henry M. Jackson Hydroelectric Project. All ayes.

Ordinance 1099-10 Comprehensive Plan Amendment:

The issue is to have first reading of Ordinance No. 1099-10 repealing the 2004 Park, Recreation, and Open Space Plan and replacing it in its entirety with the 2010 Park, Recreation and Open Space Plan; amending the 2008 Revised Comprehensive Plan to incorporate by reference sections of the newly adopted 2010 Park Recreation and Open Space Plan into Chapter 3.3 Park and Recreation Facilities, Chapter 3.4 Capital Facilities Plan; Appendix D -- Park and Recreation Needs of the City of Sultan; and Appendix E – Fiscal Capacity. A public hearing was held during the Council meeting.

On a motion by Councilmember Blair, seconded by Councilmember Davenport-Smith, Ordinance 1099-10 amending the Comprehensive Plan was introduced and passed on to a second reading. All ayes.

CITY OF SULTAN COUNCIL MEETING – December 2, 2010**Ordinance 1100-10 – 2010 Budget Amendment:**

The issue before the Council is to introduce Ordinance 1100-10 to amend the 2010 budget. A public hearing was held during the Council meeting.

Staff recommends the following amendments to the 2010 Budget:

1. **Fund 001 General Fund:** The total increase in expenses will be \$32,300 and the total reduction in expense will be \$39,000. \$13,500 will be transferred to Fund 203 GO bond fund for debt service.
2. **Fund 302 Real Estate Excise:** Increase operating transfer from the REET fund to the GO Bond fund by \$9,000. REET fund reserves will be used to make payments on the GO bond for the Community Center to make up the short fall in revenues collected.
3. **Fund 109 Community Improvement:** Increase revenues and expenses by \$9,999 to include the Justice Assistance Grant (JAG) received by the City in 2010.

On a motion by Councilmember Slawson, seconded by Councilmember Neigel, Ordinance 1100-10 amending the 2010 Budget was introduced and passed on to a second reading. All ayes except Councilmember Beeler who voted nay.

Adoption of Ordinance 1098-10 Sewer Rate Increase

The issue before the council is the adoption of Ordinance 1098-10 to increase the monthly sewer base rates for 2011 and 2012. The ordinance was introduced for a first reading on November 18, 2010. The motion on first reading was to introduce Ordinance 1098-10 with an effective date of December 4, 2010 for a first reading and postpone the \$1.25 rate increase for the stormwater utility from January 1, 2011 until June 1, 2011.

On a motion by Councilmember Slawson, seconded by Councilmember Davenport-Smith, Ordinance 1098-10 was adopted with an effective date of December 4, 2010 and the stormwater rate increase was delayed until June 1, 2011. All ayes.

Adoption of Ordinance 1097-10 Salary Schedule

The issue before the City Council is the adoption of Ordinance No. 1097-10 to adopt a salary schedule for employees. The ordinance was introduced for a first reading on November 18, 2010 with recommendations to amend the schedule for Union 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.

Brief discussion held regarding budget savings by imposing a freeze on step increases for non-represented employees; three employees are impacted; ordinance could be revised in 2011; would improve public perception; consider impact to employees who put in a lot of hours.

Councilmember Pinson moved to adopt Ordinance 1097-10 setting the 2011 salaries with a one year freeze in step increases for non represented employees with the exception of increases provided for by contract. Seconded by Councilmember Neigel. Ayes: Pinson, Beeler, Neigel, and Davenport-Smith; Nay: Blair and Slawson

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

DISCUSSION

Speed Limits: Staff requests the Council consider and give direction on two separate citizen requests for speed reductions. The first request was that the speed limit in the area of the Boys

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Speed Limits: and Girls Club and Volunteers of America be reduced from 25 to 20 miles per hour because of the unusually high number of children and families that frequent and cross the street at that location. First Street is a straight, flat, paved roadway with one lane of travel in each direction and sufficient room for on street parking on both sides of the street. There have been no reports of collisions in the area for more than two years and a sampling of radar enforcement shows the average speed in the area is 28 miles per hour.

Staff recommends the speed limit remain 25 mph; there be increased patrols and radar in the area and the City put warning signs about the pedestrian traffic.

Discussion was held regarding use of stop signs to slow traffic; use of speed humps or road “turtles”; additional patrols or decoy cars in the area. Staff will bring back alternatives with costs.

Wagley Creek Automotive and the businesses on East Main Street have requested the speed limit in the 1100 block of East Main Street be reduced to 20 miles per hour as well. The businesses have asked for this because of the condition of the gravel roadway and problems with employees from local businesses going too fast through the area. East Main Street is a one block, two lane gravel road that runs east from 11th Street to the back entrance of Romac Industries. Although the road is straight and level, it does have potholes and a drainage ditch on the north side, with no clear curb or border on the south side of the roadway. The road is adjacent to Wagley Creek and has a single culvert crossing that is inadequately sized to serve large delivery vehicles. Staff and the Council recommended the speed be reduced to 20 mph.

PUBLIC COMMENT ON AGENDA ITEMS ONLY

Marianne Naslund: Lives and works in town and doesn't always pay attention to speed signs, however the turtles and flashing lights do get her attention. Would not like to see the city put money into the problem that may not fix it.

COUNCILMEMBER RESPONSE TO PUBLIC COMMENT ON AGENDA ITEMS

Pinson: His action on the wages is not a reflection on the staff work but on the economy.

Neigel: Agrees that staff is not the reason for the wage cuts.

Blair: Brochures on emergency preparedness are available at the library in English and Spanish. The salary freeze is insignificant amount of money and is an empty gesture for the community. The Council should listen to community about park.

Beeler: The Council pay has been held at the same rate and the wages have been frozen without benefit of a review committee.

Mayor Eslick: The VOA is considering taking over the food bank and would like the city to look at the lease.

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

Carolyn Eslick, Mayor

Laura J. Koenig, City Clerk