

CITY OF SULTAN COUNCIL MEETING – October 13, 2022

Mayor Wiita called the regular meeting to order at approximately 7:00 p.m. The meeting was a hybrid with attendees both in person at City Hall Council Chambers and via Zoom Internet Conference Service. Mayor Wiita called roll and the following were in attendance:

Councilmembers: Morgan, Aldrich, Hund, Neigel, Sivewright, and Beeler.

Councilmember Absent: Dearborn

Staff: City Administrator Ibershof, Public Works Director Morgan, Finance Director Erdman, and City Clerk Pevey.

CHANGES/ADDITIONS TO THE AGENDA

None Noted.

DISCUSSION

AB22-17_Utility Rate Study (FCS Group)

Sergey Tarasov, FCS Group Senior Project Manager, continued the discussion on utility rates with a refresher providing an overview of the rate process work to date with water rates the focus of today's discussion. Introduced a water rate calculator to show different scenarios being considered regarding rates and various tier options to review the impacts it would have to various customers. Council reviewed various scenarios that changed base volume rate, base dollar rate, as well as discussion of a tiered rate. Discussion of equal share among the different customer classes and impacts with each suggested change discussed. Discussion on issues at hand more focused to include customer understanding of the rates and the ability to explain the rate increase to the customers of the system. Sergey explained the base rate is only meant to cover the average customers barest necessities of life and additional usage goes from there. Mayor called for confirmation from council. Council agreed to keep the 300 c.f. base; 5.50%; creating increased base for water of \$60.25, with \$6.26 per 100 c.f. overage. Discussion then shifted to projects this rate structure included and staff confirmed they would review and present the utility projects at a future council discussion.

PRESENTATIONS

AB22-68_2023 Budget

Updated budget numbers on file with city clerk

Mayor Wiita kicked off the discussion on the draft 2023 budget by acknowledging the hard work of staff, the one-time revenues the city received over the last few years and recognized that as development slows the budget will reflect that change. Thanked community partnerships and acknowledged funds set aside are being utilized and thanked council over the years for saving those needed funds. Acknowledged prior council discussion regarding a potential levy to address street projects in the future. Explained to bring forth a balanced budget the city would need to take the 1% tax levy increase plus the 1.5% banked tax levy capacity from years prior.

Finance Director Erdman presented the draft 2023 budget. The city's spending for 2023 would be cut by \$1,250,308 and Administrator Ibershof and Finance Director Erdman explained the various changes. As budget was presented council discussion on reasons for increases and decreases in various areas of the budget and the impacts overall.

The key takeaways from the presentation and discussion were as follows:

- The general fund cash balance used for 2023 operations is approximately \$407,000.
- Pending labor agreement and insurance
- Several projects are not funded in this budget
- Moved projects to ARPA list

Administrator Ibershof explained discussion still in council's hands for remaining ARPA funds will be brought to future council discussions. He also explained the city would have REET funds available for those projects that qualify.

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PUBLIC HEARINGS

AB22-68 2023 Budget to include revenues and property tax levy

Presentation on file with the City Clerk's Office

Minutes of the public hearing under separate cover

On a motion by Councilmember Aldrich, seconded by Councilmember Beeler, council continued the public hearing to the October 27, 2022, Council Meeting; Motion passed 6-0.

COMMENTS FROM THE PUBLIC

None noted

COUNCILMEMBER COMMENTS

Morgan – Thanked presenters tonight and urged citizens to stay healthy with the decreased air quality due to wildfire smoke.

Aldrich – attended Farm Festival and expressed wish for rain to help with air quality.

Hund – Wish for rain to help with air quality; attended health board meeting.

Niegel – thanked Hund for representing city at the health board meeting.

Beeler – Thanked Sergey with FCS Group rates study presentation and stated it helps council understand the utility rates; enjoying weather as keeping busy in his business; thanked staff for hard work to prepare the 2023 budget and acknowledged the struggles the city is facing and feels confident reserves and cash balances will help weather the issues.

MAYOR COMMENTS

Acknowledged participation in video in coalition with other mayors and police agencies to bring light to the issues in police reform and the changes needed. Participating in a steering committee based on this effort and shared the process to date; legislators have reached out to work with the steering committee to address the issues with police reform and the changes needed. Attended the homecoming parade and pep rally and felt it was a good community showing supporting the students for homecoming. Upcoming events include 10/29 VOA clean up day in conjunction with SCSO Drug Take Back Day, and 10/31 Community Alliance Trunk or Treat.

CITY ADMINISTRATOR COMMENTS

Community Development Dept releasing second RFQ for comprehensive plan review as first round did not find a qualified applicant; monitoring development activity to see how the year will end; US 2 discussions have continued and Ibershof confirmed that as of next week the city will have met with the senior leadership in both the house and senate to include democrats and republicans regarding US 2. WSDOT/City Communications are doing well. Finance focused on budget and encouraged council to call staff with questions; working with City of Monroe and VOAWW on mental health counselor as still seeking a qualified applicant to fill the position.

STAFF REPORTS

No written reports for this meeting.

CONSENT AGENDA

On a motion by Councilmember Morgan, seconded by Councilmember Aldrich, the following consent agenda items as amended were approved with motion passing 6-0.

- 1) October 13, 2022, accounts payable vouchers in the amount of \$1,200,251.52, payroll and benefits #17 &

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- 2) #18 in the amount of \$276,793.31, September excise taxes in the amount of \$20,287.58, and a void in the amount of \$1,117.36 all to be drawn and paid on the proper accounts.
- 3) 9/22/2022 Council Meeting Minutes

ACTION ITEMS

AB22-54_Vactor Truck Purchase

On a motion by Councilmember Beeler, seconded by Councilmember Aldrich, council authorized the purchase of a new vactor truck from SWS equipment for an amount not to exceed \$542,629.40 which includes no contingency. Motion passed 6-0.

AB22-73_Transfer of Assets from Health District to newly established County Health Department.

On a motion by Councilmember Morgan, seconded by Councilmember Neigel, council authorized the Mayor to sign the relinquishment agreement with Snohomish County regarding the Health District. Motion passed 6-0.

ADJOURNMENT

On a motion by Councilmember Aldrich, seconded by Councilmember Morgan the meeting was ended at approximately 9:05 pm. The Zoom meeting connection was disconnected shortly thereafter.

DocuSigned by:



Russell Wiita, Mayor

DocuSigned by:



Tami J. Pevy, City Clerk