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Subject: Sultan Council Retreat Summary
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Following is a summary of the Council retreat held on Saturday, March 21, 2009 at the Monroe Library. Please contact city hall at 360-793-2231 for more information on any of the topics discussed at the retreat.

Police Funds

Council discussed the use of the 1% of utility tax that was previously dedicated to police equipment replacement. The funds are no longer needed since the City contracts with the Sheriff's Office.

A number of alternatives were considered but no specific direction given to staff:

- Use for animal control/code enforcement and public safety
- Split between the public works equipment replacement fund and building maintenance and repair fund to ensure long-term funding to protect city assets.
- Rescind the 1% utility tax
- Use to fund COPS grant expenses for hiring additional officer

Water Rate Study

Presentation by Angie Sanchez of FCS Group. City needs to increase water rates over next six years to ensure revenues meet operating and capital expenses in the water fund. Staff provided financial analysis to Council with 4 options for rate adjustments. Council directed staff to return to Council meeting on April 9 for discussion. Ms. Sanchez will make a public presentation before the Council meeting at 6:30. Council will discuss alternatives and provide direction to staff on preferred alternative. Council will set public hearing to take comment at Council meeting on 4/23.

Impact of FEMA Restudy on Downtown Development

FEMA Flood Insurance Restudy currently underway will raise the 100-year base flood elevation and increase 100-year floodplain. Long-term development and redevelopment within the floodplain is going to be more prohibitively expensive overtime. The 100-year floodplain includes the historic business district and surrounding neighborhoods. Council and community need to begin to consider aligning future land use map with floodplain to reduce land use densities in the floodplain. Staff presented a three phase plan. Council directed staff to begin efforts to align land use and the floodplain consistent with Comprehensive Plan and develop a work plan for 2010 budget.

Phase	Years	Sample Tasks
short term	1 – 10	<ul style="list-style-type: none"> · Work to minimize impacts of flood insurance and floodplain regulations on property owners · Develop a long-term vision consistent with current and reasonably anticipated floodplain management practices · Amend the comprehensive plan goals and policies · Amend the future land use map to align with floodplain · Amend development regulations to increase permitted land uses within the urban center zone · Develop program to compensate land owners within the floodplain to limit development (i.e. transfer development rights) · Continue to purchase repetitive flood loss properties · Encourage alternative retail development outside the floodplain
mid term	11 – 20	<ul style="list-style-type: none"> · Review vision of Sultan community · Review progress and reassess regulatory and land use environment · Adopt necessary land use and development regulations to further align land use with floodplain requirements · Provide public investment to encourage retail development outside the floodplain · Use floodplain designation to encourage development of environmental and recreation capacities of the Skykomish and Sultan Rivers (i.e. make lemonade out of lemons) · Use floodplain designation to encourage recreation centered private development
long term	21 - 30	<ul style="list-style-type: none"> · Use land use regulations and development tools to encourage the link between land use and transportation alternatives. · Develop alternative modes of travel to ensure Sultan isn't a disconnected residential island ·

Funding for preservation, maintenance and construction of local streets

Council discussed funding alternatives for the preservation, maintenance and construction of city streets.

The City has limited revenue to pay for basic preservation, maintenance and construction of the City's infrastructure. Over the last decade, funding dedicated to street maintenance has decreased. Due to the passage of Initiative 695 in 1999 and Initiative 776 in 2002, the City experienced a loss of Motor Vehicle Excise Taxes and local vehicle license fees. Revenues to the Street Fund have been stagnant.

In 2008, the Washington State Transportation Improvement Board (TIB) rated all of the City's roadways on a scale of 0-100 with 0 being complete deterioration and 100 needing no improvement. The City has three streets (140th Ave, 2nd Street and 6th Street) rated below 20 and 23 streets rated at 100. As a result of its analysis the state recommends the following:

Overlay - 22,825 feet
Seal Coat - 53,500 feet

[1]

Reconstruct - 1,930 feet
No Treatment - 11,100 feet

Because funding for this work is very limited, city staff recommend the Council consider establishing a transportation benefit district to ensure city streets will continue to serve their purpose of safely moving residents and encouraging quality economic investment in Sultan. A transportation benefit district is **separate taxing district** created for the sole purpose of acquiring constructing, improving, providing, and funding transportation improvements within the district.

Transportation benefit districts have two revenue options not subject to voter approval, but subject to additional conditions:

1. Annual vehicle fee up to \$20. This fee is collected at the time of vehicle renewal
2. Transportation impact fees on commercial and industrial buildings. Residential buildings are excluded.

Since the City already has enacted a transportation impact fee, the focus of this discussion is on the council approved annual vehicle fee up to \$20.00.

City staff estimate Sultan would receive between \$50,000 and \$75,000 annually from a \$20 annual vehicle fee. This revenue could be used to maintain the City's current streets or construct new improvements:

4,500 residents / 2.86 residents per household =
1,573 households x 2 cars/house = 3,146 cars x \$20/car = \$62,937 annually

Council directed staff to schedule a public hearing on April 23, 2009 to take public comment on establishing a transportation benefit district and imposing a \$20 annual vehicle fee to fund street preservation, repair and maintenance.

Other Issues

- Council directed staff to provide a letter to former councilmember Dale Doornek thanking him for his service
- Mayor asked out-going councilmember to consider mentoring (coaching) newly elected members in 2010
- 2010 census will begin next year. Federal government looking for volunteers to assist. Sultan needs accurate count to be eligible for certain grants

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The City repaved 2nd Street from Main to Alder in 2009 as a part of the water system upgrade. City capital funds were used for the street overlay.