

**SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET**

ITEM NO: Consent C 1
DATE: August 13, 2009
SUBJECT: Council Meeting Minutes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

SUMMARY:

Attached are the minutes of the July 23, 2009 Council meeting as on file in the office of the City Clerk.

RECOMMENDED ACTION:

Approve as submitted

MOTION: Move to accept the consent agenda as presented.

CITY OF SULTAN COUNCIL MEETING – July 23, 2009

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

Executive Session:

On a motion by Councilmember Davenport-Smith, seconded by Councilmember Champeaux, the Council adjourned to executive session for thirty minutes to discuss potential litigation and personnel issues. All ayes.

CHANGES/ADDITIONS TO THE AGENDA:

Consent: Remove contract for appraisal until a future date

PRESENTATIONS:

Community Service Officer: Cindy Cleland, the Community Service Officer was introduced to the Council. Her primary duties will be in animal control and code enforcement.

Richard Little – Funding Efforts Update:

Richard Little presented an update on his lobbyist funding efforts for the Wastewater Treatment Plant and Street funding. Several Council and staff members have attended meetings with State and Federal representatives to present the Sultan projects. They were not successful in getting funding for the projects but they have made the projects known. He made three trips to Washington DC on behalf of the City to meet with representatives and familiarize them with the projects. The City needs to continue to raise their profile and keep it on the front of the list and needs to continue to strategize with Representatives Pearson and Kristiansen and work with the Department of Ecology.

Councilmember Slawson advised he was impressed with how well known Mr. Little is in Washington DC and how he managed to get them into see people in power to keep Sultan on the radar. Councilmember Blair noted it is important to keep our name and projects in the fore front.

US 2 Proposed Improvements:

Councilmember Beeler provided an update on the US 2 Safety Coalition efforts to secure funding for improvements to US 2 and reviewed the proposed projects for the current funding cycle. The current programs in the traffic safety corridor will be small improvements at low cost to address safety. There is 10 million dollars allocated for improvements with the projects scheduled to go out to bid in the spring of 2010 with construction in the fall of 2010. The projects include:

- 1) Fern Bluff Road (several fatalities have occurred at the intersection) proposal is to close the south portion of the intersection for safety. Will maintain emergency access.
- 2) Sultan Startup road east of town will close the intersection and do improvements to the existing road. Will maintain emergency access.
- 3) Gold Bar east of town will put in two way left turn lane all the way thru town.
- 4) Sultan will add two way left turn lane near the park and ride area.
- 5) Intersections from 254th to 153rd will add left turn lanes for safety.

COMMENTS FROM THE PUBLIC:

Nick Clutcher: Expressed concern over the kids hanging out on the street corner and the way they harass people, especially the elder. There are fights and drugs and kids out all night. He is disappointed that something is not done and asked if a curfew was possible. He has worked hard to become a nursing assistant and moved out here to get away from the problems in the larger cities. There is not much for the kids to do in town and there needs to be some programs developed to keep kids busy.

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Steve Harris: Advised he will be meeting with Representative Dan Kristiansen next week to discuss funding for road improvement projects and will be working with a development group to provide street improvements.

Susan Hollenbeck: She is proud of what the town is doing to take care of the issues with the kids. The Mayor and VOA have taken positive steps to make improvements and the problem is not as bad as it was previously.

Keith Arndt: Addressed the issue of water/sewer allocation policy and the fact the Planning Board was presented with a draft that was the same as the one from 2007 and were not provided the list of changes presented to the Council. There may be legal issues with charging a fee at final plat as they are connecting to the system. This is a policy decision and he asked why the Planning Board was not requested to review the matter. They should review the proposal and make a recommendation to the Council.

Marilyn Downing: Concerned about street safety for everyone and does not want to see another stabbing in town.

COUNCILMEMBERS COMMENTS:

Champeaux: The Mayor's agenda is to clean up the town and address the issues with the kids.

Slawson: It is against the law to impose a curfew but the city could ask for a voluntary curfew. He appreciates the hard work Nick has done to achieve his goals. The stabbing incident was unfortunate but the city is working to address the issues. Thanked Mr. Little and Mr. Beeler for their work on the city projects and highway safety.

Wiediger: Thanked Councilmember Beeler for the presentation on US 2. The Mayor is working with VOA to develop programs for the kids.

Davenport-Smith: Appreciates Nick showing up and talking about his concerns and offering help. The Snohomish County Tomorrow countywide planning group discussed the PSRC 2040 transportation plan which does not address the issues on US 2. They don't plan to put a lot of effort into US 2 so it is good to have US 2 Coalition working on funding. Snohomish County is working on their comp plan update and SCT is part of those efforts.

Flower: The Shindig was great event and the ABATE group had no problems. Thanked the Mayor for helping out in the dunk tank to raise funds for the Sportsmans Club.

Blair: Thanked Nick for coming to the meeting and voicing his concerns. There has been improvements over the years however, when school gets out the kids show up again. The City has requested additional patrols of downtown and gazebo areas. Shindig was a great event and a lot of motorcycles showed up despite the weather. Thanked Councilmember Slawson for putting up the detour signs for the motorcycles.

Beeler: He received an e-mail from a resident and they want to know why the city keeps looking to the east end of town and not the west end for commercial development; could be considered. The city and coalition need to continue to work on the highway projects.

Mayor Eslick: The stabbing incident changed the community and there have been groups formed to discuss what the community can do to ensure everyone's safety and what types of programs can be developed for the youth and senior citizens. The youth are concerned about their safety and that issue needs to be addressed.

HEARINGS:

6 Year Transportation Improvement Plan: see minutes.

CITY OF SULTAN COUNCIL MEETING – July 23, 2009**CONSENT AGENDA:**

The following items are incorporated into the consent and approved by a single motion of the Council. On a motion by Councilmember Champeaux, seconded by Councilmember Slawson, the consent agenda was approved as amended. Champeaux – aye; Wiediger – aye; Slawson – aye; Davenport-Smith - aye; Flower – aye; Blair – aye; Beeler – aye, abstained on the minutes.

- 1) Approval of the minutes of the July 9, 2009 regular Council Meeting as on file in the Office of the City Clerk.
- 2) Approval of the minutes of the July 9, 2009 Public Hearing on the 2009 Budget Amendments as on file in the Office of the City Clerk.
- 3) Approval of vouchers in the amount of \$234,790.61 and payroll through July 10, 2009 in amount of \$63171.50 to be drawn and paid on the proper accounts.
- 4) Authorization for the Mayor to sign the annual renewal with Sultan Insurance for Broker Services.
- 5) Authorization for the Mayor to sign a contract amendment with FCS to extend the time on the contract from April 15, 2009 to December 31, 2009.

ACTION ITEMS:**Award Recycling Contract**

The issue before the council is to award a recycling contract and authorize the Mayor to sign a contract for services.

The city received proposals from Allied Waste and Waste Management. The “base” proposals submitted by Allied Waste and Waste Management include providing disposal services at no cost to the city for two clean-up day events

Allied Waste provided three alternative proposals:

1. weekly service – no clean up day events
2. every other week service (EOW) with two clean-up day events
3. every other week service and no clean up day events.

Waste Management provided one alternative proposal for every other week service.

Council Subcommittee Recommendation

The council subcommittee reviewed the proposals on July 16, 2009. The council subcommittee members were comfortable with either a 5 year contract or 7 year contract. The contract may be extended for one additional 5 year period.

City staff support the 7 year contract since the effort to prepare the request for proposal and contract are significant. The recommendation is to award a 7 year contract.

The council subcommittee directed staff to request additional information from the proposers to aid the council in making a final award decision:

1. Allied Waste and Waste Management - Provide a cost proposal for weekly service and disposal service for one clean up day event
2. Waste Management only - Provide a 12 month history of the proposed fuel surcharge

The current cost for recycling is \$1.13 per week (\$4.50/month). Yard waste pick-up is an optional service to city residents. Residents contract directly with Allied Waste for yard waste pick-up. Cost to maintain level-of-service will increase by at least 47% - Under Allied Waste’s proposal to provide the same level of service (i.e. no clean up day event support) the cost will be \$1.60/week (\$6.40/month) a .47 increase/week (\$1.90/month). This proposal does not include service to

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Recycle Contract: support the city's clean-up day event(s). Adding two clean up day events increases the weekly cost to \$1.87 a 65% increase.

Waste Management's proposal includes 2 clean up day events as requested in the contract. The weekly cost would be \$2.25 a 100% increase.

Discussion was held regarding 1) continuing with one cleanup day as they are staff intensive to organize; 2) the impact of the proposed fuel charge from Waste Management; 3) the length of the contract – five or seven years; 4) performance measures in the contract; 5) education and outreach programs to encourage recycling by residents and business; 6) customer service.

Tom Leland from Waste Management advised the fuel surcharge is based on the amount of fuel used and prices. The amount would differ if costs go up or down if service was bi-weekly.

On a motion by Councilmember Champeaux, seconded by Councilmember Slawson, the Mayor was authorized to sign a five year contract with Allied Waste for recycle service with one clean up day per year. All ayes.

Ordinance 1055-09 Amendments to Chapter 3.30 Claims:

The issue before the City Council is the introduction of Ordinance 1055-09 to amend Title 3.30, Claims Against the City. This is a part of the code scrub project for SMC Title 3 and required under ESHB 1553 approved by the State with an implementation date of July 31, 2009.

RCW 4.92 and 4.96 provide for a process for claims against governmental units. During the last legislative session amendments were made to the RCW under ESHB 1553. ESHB 1553 was passed and signed into law with an effective date for implementation of July 31, 2009.

The method of service for a claim has been changed to allow the Claim Form to be delivered to the designated agent by regular mail, or certified mail, with return receipt requested, or can be hand delivered to the office of the designated agent. Prior to this action, a claimant was required to present a claim in writing to the designated agent.

On a motion by Councilmember Blair, seconded by Councilmember Beeler, Ordinance 1055-09 amending Chapter 3.30, Claims Against the City, was introduced and passed on to a second reading. All ayes.

Permit Efficiency Task Force:

The issue before the City Council is to consider appointments to the permit efficiency task force.

The purpose of the task force is to develop recommendations for improving the City's procedures for issuing planning and building permits. The task force would work through the summer and fall of 2009. No applications for appointment were received. On a motion by Councilmember Slawson, seconded by Councilmember Champeaux, the task force matter was dropped. All ayes.

Resolution 09-13 Utility donation Program:

The issue before the Council is the establishment of a donation fund and program to assist residents of Sultan with utility payments.

In February 2009, staff presented a proposal to establish a "Good Samaritan Fund" to assist City residents with utility payments. In June 2009, the Council Sub-committee met with Dave Wood from Volunteers of America to discuss the criteria for the program. The VOA administers programs to provide assistances to low income families and has established a screening process for eligibility. VOA offered to administer the program and to provide the screening process for the City's utility payment assistance program.

The City can set up a separate account at Coastal Bank to allow residents to make direct donations to the account and customers would also be able to make a donation with their monthly utility payment. Coastal Bank needs an official action (included in the resolution) by the Council to authorize staff to establish the bank account.

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Resolution 09-13: On a motion by Councilmember Blair, seconded by Councilmember Flower, the Council adopted Resolution 09-13 establishing guidelines for the Utility Payment Assistance Program and authorized staff to establishment of a bank account to accept donations. All ayes.

Ordinance 1053-09 Budget Amendments

The issue before the Council is the adoption of Ordinance 1053-09 to amend the 2009 Budget. The Council held a public hearing on July 9, 2009 for the purpose of amending the 2009 Budget and discussed the following recommendations for amendments to the budget.

The City applied for and received a Justice Assistance Grant in the amount of \$9,999 on June 25, 2009. The amount needs to be included in the budget amendment in order for staff to move forward with purchase of equipment funded under the grant. The grant funded the Police bike patrol, Safe Stop program and Community Block Watch.

Ordinance 1053-09 has been amended to include the JAG grant under fund 109 Community Improvement Fund.

On a motion by Councilmember Flower, seconded by Councilmember Davenport-Smith, Ordinance 1053-09 amending the 2009 Budget was adopted. All ayes except Councilmember Champeaux who voted nay.

Resolution 09-12 Small Works Roster:

The issue before the Council is the adoption of Resolution 09-12 which increases the allowed amounts for use of the Small Works Roster under the MRSC (Municipal Research Service Center) Shared Roster program.

Effective July 26, 2009, Governor Gregoire signed HB 1196 raising the maximum dollar amount allowed for use of a small works roster process from \$200,000 to \$300,000. In addition the dollar amount requiring notification of all contractors on the roster was changed from between \$100,000 and \$200,000 to between \$150,000 and \$200,000.

Resolution 09-12 has been revised to incorporate the revised amounts in accordance with HB 1196.

On a motion by Councilmember Davenport-Smith, seconded by Councilmember Flower, the Mayor was authorized to sign Resolution 09-12 to participate in the MRSC Small Works and Consultant Roster program. All ayes.

Ordinance 1054-09 Bond Register

The issue before the City Council is the introduction of Ordinance 1054-09 to amend Title 3.64, Registration of Bonds and Obligations. This is a part of the code scrub project for SMC Title 3.

The City has the authority to issue General Obligation and Revenue Bonds for capital projects and equipment. The bonds are issued with a schedule of annual payments for principal and interest amounts. All bonds issued are required to be registered with a fiscal agent.

The State of Washington contracts for the services of a Fiscal Agent (currently the Bank of New York) to register bonds (required), process redemption calls and to make payments to bond holders. The City Treasurer used to be responsible for those tasks.

Ordinance 1054-09 provides for the designation of a fiscal agent pursuant to RCW 43.80 and designation of a Cremation agent for the destruction of paid and canceled bonds and coupons in accordance with RCW 43.80.130.

On a motion by Councilmember Beeler, seconded by Councilmember Davenport-Smith, Ordinance 1054-09 was introduced and passed on to a second reading. All ayes.

CITY OF SULTAN COUNCIL MEETING – July 23, 2009**DISCUSSION ITEMS:****Water General Facility Charge**

The issue before the City Council is to discuss the methodology used to set the water general facility charge adopted on June 25, 2009 by Ordinance No. 1043-09. Following First Reading of Ordinance No. 1043-09 on June 11, 2009, the City Council directed staff to return to Council for a discussion of the methodology used to set the water general facilities charge (GFC).

There is a \$10 error in the amount stated in the ordinance and council could request the ordinance be amended.

The City used a very standard method of calculating the general facility charge. This is the same methodology used by Brown and Caldwell and Katy Isaksen to develop the GFC adopted in 2004.

The inventory of the Sultan water system shows the total system value of \$18.8 million as inventoried since 1960. These historic costs were tabulated by project for the actual year of construction. Water system historical costs include the distribution system, watershed, dam, water treatment plant, two reservoirs and pump station.

The applicable interest rate was assigned for the year of construction taken from the Index of General Obligation Bond Interest Rates and computed up to 10-years of simple interest charged against the principal. Interest is charged as the opportunity cost of money. Existing users invested in the system. New users have to pay today's costs which are calculated as interest.

Grants, developer contributions to the water system and debt service not paid for by GFC revenues are deducted to get a total cost basis.

The council can decide to lower the charge, but to cover the cost someone will have to pay. The current rate payers will have to pay; if not be able to cover costs and will need a moratorium until funds are available.

Discussion was held regarding the impact of the additional \$10 per connection on developers; using the same percentage increase for monthly rates and the general facility charge; amount of work to correct the ordinance (minimal); last rate increase was five years ago; the need to cover city costs; effective date of the ordinance and the need to address approved developments.

Staff was directed to prepare and amendment to the ordinance to reduce the General Facility Charge for water by \$10.

Water/Sewer Connection Policy

The city council considered this issue on June 9, 2009. Staff provided a draft Water/Sewer Availability Procedure to the council for review and discussion. The council discussed the water sewer availability procedures and directed staff to return with a final procedure for council approval. The city does not have a written policy or procedure defining when the general facility charge must be paid. Currently, the city collects the water and sewer general facility charge anytime from preliminary plat approval up to certificate of occupancy. This approach creates a problem for the city in two ways.

First, general facility charge payments needed to serve new growth are delayed putting a greater burden on current customers to cover the cost of debt service for improvements that serve both current and future customers. The city is currently experiencing a cash flow problem. New improvements are needed at the waste water treatment plant to serve future growth, but there are no revenues coming to the city to pay for the needed improvements. Under the current procedures, payment of the general facilities charge could be delayed until building occupancy 15 or more years from now.

Second, because at final plat the systems are in place at the building lot, home builders frequently access the water and sewer services without the city's knowledge. The trigger for creating a utility account is payment of the general facility charge. When the general facility charge isn't collected until certificate of occupancy the city often is unaware that services are being used without billing.

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The proposed procedures are intended to collect the general facility charge early enough in the process to help pay for needed improvements to serve growth and trigger creation of a utility account for new building lots.

The issues for the consideration are timing for the payment of fees; life of the availability certificates and sunset of certificates. Staff does not agree with the Planning Board that this is a policy issue they need to work on; the city council understands and has spent a lot of time on this issue. The Council needs to provide direction to staff on how to proceed.

Keith Arndt, Planning Board member, advised that he disagrees with staff; it is a policy issue and coincides with what the Planning Board is working on. There are legal issues to resolve and the Board would like the opportunity to review the matter. Frank Linth, Planning Board, agreed that they should have an opportunity to look into the policy and determine how it impacts the comp plan and city code.

Discussion was held regarding 1) not having people who have a personal interest or financial interest to be involved in the decision process; 2) defining the life of the certificate; 3) capacity of the water and sewer plants; 4) providing notice to existing plats and developers of proposed policy change. The City Attorney advised that a certificate of availability is a certificate for this point in time and is no guarantee that water will be available when they go to connect. If one developer is ready to go and other is not, there must be a first come first serve policy. The costs must be factored into the cost of the development. If they want the security that the connections are available, they can pay the connection fee.

Staff was directed to define a scope of work for the Planning Board to review the policy.

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

Sultan Champion Sign:

The issue before the Council is to discuss setting a policy regarding the Sultan Champion sign that is located on US 2 honoring Sultan State Champions. Brief discussion was held regarding including academic awards; cost share; which teams should be included. The matter was referred back to the sub-committee for further discussion.

Garbage Day Change:

The economic downturn in the Region and Snohomish County has created a need to reduce the work force in Snohomish County Public Works. There is still the same amount of garbage just fewer staff to operate the drop boxes. Snohomish County has downsized in several departments which is changing the services provided to city and county residents. Recently Snohomish County has reduced hours of operation at the drop boxes and have closed several locations. The City had contact with the County staff and County staff thought they had picked days that Sultan ran garbage collection service.

As a result of the reduced operations, the City will need to change garbage pickup from Tuesday to Thursday. Staff will begin notifying residents that the change will occur in September.

PUBLIC COMMENTS

Steve Harris: The builders and banks are strapped now and the Council needs to consider the impact of expired plats and water/sewer certificates. The city knows how much water and sewer capacity there is and they can calculate how many units are available and how much they need to charge for a monthly fee. This is a cost of doing business.

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Adjournment: On a motion by Councilmember Blair, seconded by Councilmember Davenport-Smith., the meeting adjourned at 10:20 PM.

Carolyn Eslick, Mayor

Laura J. Koenig, City Clerk