

**CITY OF LAKE STEVENS  
CITY COUNCIL REGULAR MEETING MINUTES**

Tuesday, January 10, 2017  
Lake Stevens School District Educational Service Center (Admin. Bldg.)  
12309 22<sup>nd</sup> Street N.E. Lake Stevens

CALL TO ORDER: 7:00 p.m. by Mayor John Spencer

ELECTED OFFICIALS PRESENT: Councilmembers Kim Daughtry, Gary Petershagen, Kurt Hilt, Todd Welch, Rauchel McDaniel, Kathy Holder, Marcus Tageant

ELECTED OFFICIALS ABSENT: None

STAFF MEMBERS PRESENT: City Administrator Gene Brazel, Finance Director/City Clerk Barb Stevens, Community Development Director Russ Wright, Public Works Director Mick Monken, Police Chief John Dyer, Human Resources Director Steve Edin, Deputy City Clerk Kathy Pugh, City Attorney Grant Weed, Senior Planner Stacie Pratschner, Economic Development Coordinator Jeanie Ashe, Senior Engineer Adam Emerson, Building Official Mark Sniffen, Sgt. Ron Brooks

OTHERS: Fire Marshal Mike Messer, Fire Chief Kevin O'Brien

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**Pledge of Allegiance:** Mayor Spencer led the Pledge of Allegiance.

**Roll Call:** All present.

**New Councilmember Oath of Office:** Mayor Spencer said that Councilmember Petershagen was administered the oath of office on December 22, 2016, but tonight is an opportunity for Councilmember Petershagen to be publicly sworn into office. City Attorney Grant Weed administered the Oath of Office to incoming Councilmember Gary Petershagen.

**Recognitions:** Mayor Spencer recognized former City Councilmember Sam Low who resigned his City Council position after being elected to the Snohomish County Council.

Mayor Spencer next recognized outgoing Board and Commission members. Commission and board members recognized were Jennifer Oldenburg – 8 years on the Arts Commission, Danny Pitocco – 6 years on the Civil Service Commission, Tom Matlack – 3 years on the Planning Commission, Jim Kelley – 3 years on the Park Board, and LeeAnn Balbirona – 1 year on the Library Board. Only Kelly DuByne, who served on the Design Review Board for six years, was in attendance and received her Certificate of Appreciation.

Mayor Spencer announced a brief at 7:09 p.m. The meeting was reconvened at 7:17 p.m.

**Approval of Agenda:** Council President Todd Welch said that the recognition of Interim City Administrator Mary Swenson will be rescheduled as she is not able to attend this evening. Additional changes to the agenda include removing (A) Vouchers, (C) City Council Workshop Meeting Minutes of December 13, 2016, and (J) Commercial Broker Agreement from the

Consent Agenda to Action Items; The Public Hearing and Adoption of Ordinance 972 re International Building Code will be a First Reading, and an Executive Session for real property with no action to follow is being added to the agenda. Also Employee Recognitions are being rescheduled to the January 24, 2017 meeting.

Moved by Councilmember Daughtry, seconded by Councilmember Welch, to approve the agenda with the noted changes. On vote the motion carried (7-0-0-0).

**Guest Business:**

Cindy Whitsell Frazier, 1407 Mitchell Drive, Lake Stevens, expressed the Historical Society's concern that the Museum may be torn down. She noted that the Historical Society has received no notice regarding this potential event. The Historical Society believes it can be a vital part of the change that is coming to the downtown area. She referred to an article distributed to Council earlier and read selected portions of it.

David Gross, 8510 152<sup>nd</sup> Avenue NE, Lake Stevens, spoke of the legacy left by Jim Mitchell teaching the community's history to the children. The children learn the history of the community by visiting the Museum. If the Museum is relocated it will be very difficult to reach Lake Stevens children of all ages, the community at large and visitors. He supports preserving the history provided by the museum for not only the past, the present, but also the future.

Karen Wolff, 1411 128<sup>th</sup> Drive NE, Lake Stevens, commented that Mayor Spencer has worked hard at bringing about transparency and trust to the community. This included retaining a consultant to assist with looking at the town and community and provide input as to how the City can better redesign the downtown area while maintaining the spirit of the community. Citizens were invited to participate and provide input in the fall meetings, but since approximately the end of October there has been no activity. She expressed concern that since those last meetings, it appears that City Hall may move the site of the new building from the downtown and possibly share a building with the new library. She said there is good space available downtown that could be used for a new City Hall. Ms. Wolff said it appears decisions are being made but the public is not being kept informed.

Mayor Spencer responded to the concerns of the Historical Society and said that their concerns are being heard. From his standpoint the Historical Society will not be left behind. Mayor Spencer said the opportunity for people to learn about the history of the City will continue to be available, although the exact design of how that will be done has not yet been determined. Lake Stevens will have a historical museum.

Regarding the consultant for the downtown plan Mayor Spencer said that is continuing and on January 25, 2017 public meetings will begin again. Mayor Spencer said that no decision has been made on whether City Hall will stay downtown or be located on the property next to where the library will go. That will come out of the downtown planning process. Mayor Spencer further commented it is important for the City Council to have a dialogue regarding location of a new City Hall and to understand the pros and cons of any potential siting of a new city hall. Mayor Spencer said that the City will not build a city hall that is part of the library. Snolsle intends to build a stand-alone library that will serve the community for the next 20-30 years.

**Council Business:**

- Councilmember Daughtry: Boy Scout troop presentation, Public Works and Economic Development Subcommittees, Snohomish County Committee for Improved Transportation (SCCIT).
- Gary Petershagen: no report.
- Councilmember Hilt: reported that in 2016 the Snohomish Health District attempted to reorganize and "right size" itself; the last piece of that is to relocate to a smaller building that better suits its needs in terms of the smaller number of employees. The current building is much larger than needed and the solution is to sell the building. The current building was purchased by contributions from Snohomish County and member cities and that clouds the title. Member organizations will be asked to relinquish their proportionate share of the title to the building to the Health District so that a sale can be moved forward. City Attorney Weed further explained the history of the building purchase and the process needed to sell the building. Councilmember Hilt added there will be a question and answer opportunity next month and he will advise of that date, and that he believes the City's contribution was about \$20,000, but that will be confirmed.
- Councilmember Welch: Legislative Agenda for Snohomish County Cites breakfast, Parks Subcommittee.
- Councilmember McDaniel: Fire Commission meeting.
- Councilmember Holder: Parks Subcommittee, Park Board Meeting and parks update, Family Center, Economic Development Subcommittee.
- Marcus Tageant: Economic Development Subcommittee, Lake Stevens Chamber of Commerce Board meeting, Legislative Agenda for Snohomish County Cites breakfast, Public Works Subcommittee.

#### **Election of Officers:**

**MOTION:** Moved by Councilmember Tageant, seconded by Councilmember Daughtry, to nominate Councilmember Hilt as President. There were no other nominations. On vote the motion carried and Councilmember Hilt was elected President (7-0-0-0).

**MOTION:** Moved by Councilmember Daughtry, seconded by Councilmember Hilt, to nominate Councilmember Tageant as Vice President. There were no other nominations. On vote the motion carried and Councilmember Tageant was elected Vice President (7-0-0-0).

#### **Boards and Commissions Liaisons:**

Councilmember Hilt distributed proposed assignments for liaisons for Boards and Commissions. He reviewed that he added NLC to the bottom of the list with AWC and said that Councilmember McDaniel would like to participate on the Economic Development/Chamber subcommittee.

Councilmember McDaniel suggested it would be good to have a liaison to the Historical Society/Museum meetings.

**MOTION:** Councilmember Tageant moved, Councilmember Daughtry seconded, to approve the Council liaison assignments as proposed. On vote the motion carried (7-0-0-0).

There was consensus to make any additional changes at the upcoming retreat.

**Mayor's Business:** Mayor Spencer introduced and welcomed Gene Brazel, the City's new City Administrator. Mayor Spencer next congratulated the Finance Department on a successful audit, with no exceptions given. Mayor Spencer reported on a meeting he attended with a representative from the Lutheran Children's Services about the Lake Stevens Family Center. Also, he attended the Lake Stevens Chamber meeting today, as well as the Snohomish County Tomorrow Executive Staff meeting. Mayor Spencer updated that he is in the process of preparing a draft agenda for the upcoming retreat, which will be circulated to Council for review and input.

**City Department Report.** None.

**Consent Agenda:**

**MOTION:** Moved by Councilmember Hilt, seconded by Councilmember Welch, to approve the amended Consent Agenda. On vote the motion carried (7-0-0-0).

**MOTION:** Councilmember Tageant moved, Councilmember Welch seconded, to approve the Amended Consent Agenda: (A) [Removed to Action Items]; (B) City Council-Joint Planning Commission Meeting Minutes of December 13, 2016; (C) [Removed to Action Items]; (D) City Council Regular Meeting Minutes of December 13, 2016; (E) City Council Special Meeting Minutes of December 20, 2016; (F) Resolution 2017-01 Accepting a Cash Donation from Anonymous Donor; (G) Interlocal Agreement with Grant County for Cooperative Purchasing; (H) Resolution 2017-02 Authorizing Purchase Under Special Market Conditions; (I) Interlocal Agreement with Snohomish Health District re Funding; and (J) [Removed to Action Items]. On vote the motion carried (7-0-0-0).

**Public Hearing:**

**Building & Construction and Fire Code Amendments, and First Reading of Ordinance**

**No. 972:** Deputy City Clerk Kathy Pugh opened the Public Hearing and read the rules of procedure for the record.

Senior Planner Stacie Pratschner presented the staff report and said this is the first reading and public hearing of the proposed amendments to LSCM Sections 14.80 and 1481, and when adopted these amendments will bring the Lake Stevens Municipal Code Sections 14.80 and 14.84 into compliance with the 2015 International Building Code. Staff recommends Council leave the public hearing open to allow additional comments as this is a First Reading of Ordinance 972, and that a second reading of Ordinance 972 be held at the January 24, 2017 Council meeting. Planner Pratschner then responded to Councilmembers' questions regarding process.

Community Director Wright commented that the State Code Council makes recommendations for which specific appendices jurisdictions do adopt, but each city has discretion to look at each individual element of both the building and fire codes and make a decision as to whether they want to do some local amendments. In this case the City has requested some local amendments to the fire code appendices.

Building Official Mark Sniffen commented he made no significant changes to the building code, with the exception of adding the International Property Maintenance Code, to LSCM Section 14.80; this is a tool the code enforcement officers will be able to use. He then commented on

adoption of the Energy Code and changes to it, as well as other changes that were made. Building Official Sniffen then responded to Councilmembers' questions, and said the City does not have a choice on adoption of the International Energy Code as it is mandated by the State.

Fire Marshall Mike Messer reviewed the amendments to LSMC 14.84. The International Fire Code (IFC) 2015 is required by the State to be used since July 2015. The City has been using that code since that date. The City can make minor amendments to the IFC so long as those amendments serve to strengthen the code. Fire Marshall Messer distributed a handout prepared for the Board of Fire Commissioners, which outlined the proposed code changes. Fire Marshall Messer commented the City has outgrown the fire code as it is presently written. Proposed amendments to Appendix C relating to hydrant placement clarify what is already in City code. He cited examples of the amendments and why they are being recommended. He then responded to Councilmembers' questions, and discussion ensued as to the language utilized and how the code would be interpreted and applied.

Mayor Spencer invited public comment.

Patrick McCourt, 10515 20<sup>th</sup> St SE, Lake Stevens, commended Fire Marshal Messer for cooperatively working with him so he could work on his developments; cost is driven by the need to comply with city codes that are established on an international basis, and there is not a lot of flexibility. Mr. McCourt commented the topography of the area creates unique challenges due to the lake and drainage into the lake. Mr. McCourt complimented both the Building Department and the Fire Marshal, saying they have excellent staff to work with. Mr. McCourt supports the proposed amendments and also Councilmember Tageant's concerns regarding "strict interpretation" in the fire code.

Mayor Spencer invited additional public comment and there was none. Mayor Spencer then closed both the Public Comments and the Public Hearing.

There was Council direction for staff to work with both the Council and stakeholders, including Master Builders, to further refine the language keeping in mind tonight's public comment and Council's questions this evening.

**MOTION:** Councilmember Hilt moved, Councilmember Welch seconded, to complete the first reading of Ordinance 972 amending LSMC Sections 14.80 Building & Construction Code and 14.84 Fire Code. On vote the motion carried (7-0-0-0).

**Action Items:**

**Authorize Mayor to Enter Into Professional Services Agreement with Mary Swenson for Consultant Services:** Mayor Spencer said approval of the Professional Services Agreement with Mary Swenson will assist the City in achieving its identified goals and facilitate a smooth transition as new City Administration Gene Brazel takes over. Ms. Swenson has made key legislative and congressional contacts and will continue to be an asset to the City as it moves forward.

**MOTION:** Moved by Councilmember Tageant, seconded by Councilmember Hilt, to authorize the Mayor to enter into a Professional Services Agreement with Mary Swenson for Consultant Services.

Councilmember Holder clarified that Ms. Swenson's services will be more legislative in nature. Mayor Spencer confirmed this with the exception of preparing and briefing Council on personnel compensation comparables.

VOTE: On vote the motion carried (7-0-0-0).

**2016 Vouchers:** Councilmember McDaniel requested clarification on the voucher payable to the Lake Stevens Chamber of Commerce in the total of \$746.20.

Finance Director Stevens replied that voucher has been pulled and will be brought back once additional backup documentation is located. The voucher was for the catering following the dedications of the Visitor Information Center and the Fish Roundabout art last summer.

**MOTION:** Councilmember Welch moved, Councilmember Tageant, to approve the 2016 Vouchers (Payroll Direct Deposits of \$313,092.32, Payroll Checks 41620-41621, 41646-41647 totaling \$9,680.93, Tax Deposits of \$121,488.69, Electronic Funds Transfers [ACH] of \$94,629.97, Claims Check Nos 41622-41645 and 41648-41694 and 41696-41725 totaling \$249,177.60, Void Check No. 41609 in the amount of \$9,433.02, Total Vouchers Approved: \$778,636.49On vote the motion carried (7-0-0-0).

**December 13, 2016 City Council Workshop Minutes:** Councilmember McDaniel requested amendments to the minutes to reflect more accurately what was discussed.

Mayor Spencer said he understood Councilmember McDaniel's concerns are that the workshop meeting minutes reflect her comments that the City is moving a little fast on the location of a new City Hall, that it is the consultant's recommendation that the new city hall be located in the downtown area and that this is not reflected in staff's analysis that was presented.

Councilmember McDaniel added that many people cannot attend the Council meetings and it is important the minutes be an accurate reflection of what is said and by whom. She would like to see more detail in the comments.

Mayor Spencer responded that going forward workshop meetings will be recorded so that there is no question of accuracy.

Councilmember McDaniel thought that workshop meeting minutes are electronically recorded; Deputy Clerk Pugh responded that historically Lake Stevens has not recorded its workshop meetings.

Councilmember Tageant said that going forward the City can record workshop meetings.

Councilmember Hilt recalled this was discussed at the 2016 Retreat and said he believes it is important to have an accurate record of what is discussed vs. a complete transcript.

Mayor Spencer asked Councilmember McDaniel asked if she is comfortable with the amendments to the December 13, 2016 minutes in the form he proposed.

Councilmember McDaniel agreed with those amendments and also requested the minutes reflect that the City has spent \$250,000 on the downtown consultant, and additionally that there

was discussion that the City is contemplating locating at Chapel Hill in part as a show of support for the Library's two bond issues scheduled for the February ballot.

Councilmember Holder said she does not recall discussing the actual price paid to the consultant, but that she does recall discussing the consultant's recommendation that the city hall be located in the downtown area.

Councilmember Hilt suggested the minutes be reviewed by staff and made more robust, and that they be brought back for consideration at the January 24, 2017 meeting.

**MOTION:** Moved by Councilmember Daughtry, seconded by Councilmember Tageant, that the minutes of the December 13, 2016 City Council Workshop Minutes be referred to the Clerk for clarification. On vote the motion carried (7-0-0-0).

**Approve Commercial Broker Agreement:** Mayor Spencer said this item was removed from the Consent Agenda because Property No. 2 in the agreement is a property that an adjacent property owner has been talking with the City about purchasing for quite some time. This is the property that is slated in part for a regional Stormwater facility, and is located on 20<sup>th</sup> Street SE, close to 79<sup>th</sup>. Mayor Spencer invited a motion approving the Commercial Broker Agreement, either with that piece of property removed from the agreement, or that the Mayor have the authority to remove it from the Agreement. Mayor Spencer asked Economic Development Coordinator Ashe if this property is something that is part of the agreement, or does it have to be removed by Council action tonight?

Economic Development Coordinator Ashe responded the City has as an option to remove that property listing at any time from the Commercial Broker Agreement.

Mayor Spencer invited a motion to remove that piece of property from the Commercial Property Agreement and to authorize the Mayor to proceed with negotiation with the adjacent property owner, based upon appraisal of the property for the purpose of purchase and sale.

Councilmember Daughtry confirmed that portions of the property would continue to be used as a retention pond.

**MOTION:** Moved by Councilmember Daughtry, seconded by Councilmember Holder, to allow the Mayor to make decisions on which parcels go into the Commercial Property Agreement, and more specifically to remove the parcel in question, and to move ahead with allowing the Mayor to enter into an agreement with the commercial broker for taking care of those parcels of property. On vote the motion carried (7-0-0-0).

Councilmember Tageant expressed his concern that the City should negotiate a better than 6% commission on this agreement, especially in light of the amount of money spent for advertising on the 20<sup>th</sup> Street SE corridor.

Ms. Ashe responded that she did not try to negotiate a lower commission due to the difficulty in assembling properties. She added this is not just marketing, it includes creating a communication strategy with the City to approach homeowners about entering into an agreement to sell their property. She noted this is a two-fold benefit in that the City gets to create the vision it has for the 20<sup>th</sup> Street SE corridor by assembling the properties so that they have value and also it helps to sell the property. The City's properties alone do not have any

value because of their size and zoning. They will bring a higher value to the City from the development point of view when they are assembled. She clarified that the properties do have value but as they sit they are zoned Light Manufacturing and Commercial Retail/Professional Services and all of the City-owned properties are half an acre or less in size. Each property by itself will not accommodate a significant development.

Mayor Spencer clarified that the City is asking each neighboring parcel owner to sell their property so that multiple properties can be assembled together and then sold to a developer as part of a large bundle.

Director Wright responded to Councilmember Petershagen's question as to who determines what is an acceptable sales price, saying that the land would be valued based upon an appraisal, and that the City cannot sell for less than market value except in limited circumstances.

Councilmember McDaniel expressed concern that if the vacant houses on the city-owned property remain vacant, or in some cases torn down but the debris remains, they pose public safety issues and are an eyesore.

Mayor Spencer assured that the City will address this concern.

**Discussion Item:**

**Grade Road Development Agreement:** Planning and Community Development Director Russ Wright presented the staff report and said this information is brought forward at this time for Council's information. Council previously approved a resolution to surplus the Grade Road site, which is comprised of approximately 22 acres. A potential purchaser has come forward, but is interested in entering into a development agreement with the City, which would phase in the project. The proposed project is being proposed in three phases: (1) construction of an assisted living facility and a memory care center, (2) construction of a commercial medical office space of up to 30,000 square feet in size, and (3) construction of approximately 150 additional residential units. Developer Wright reviewed the purpose of a development agreement is to give certainty to the buyer and/or potential developer in the future as to phasing in the regulations that are in effect at the time their application is made, including any fee sharing obligations for public improvements. The proponent's concerns include pending changes with the City's code, including the land disturbance, critical areas and stormwater codes, and they are hoping to vest their project to the codes that are currently in effect. Director Wright said that there are three tools, under both state and case law, that will vest a project to the rules that are in effect at the time of application, including a development agreement, a building permit or a subdivision. Director Wright also added there is new case law that may affect how Stormwater regulations will vest to projects; staff is working with legal counsel on this.

**Executive Session:** Mayor Spencer announced an executive session to discuss real property, with no action to follow, beginning at 9:08 for 15 minutes.

The regular meeting reconvened at 9:24

**Adjourn:**

Moved by Councilmember Tageant, seconded by Councilmember Welch to adjourn the meeting at 9:24 p.m. On vote the motion carried (7-0-0-0).

  
John Spencer, Mayor

  
Kathy Pugh, Deputy City Clerk