

CITY OF LAKE STEVENS
CITY COUNCIL SPECIAL MEETING MINUTES
Wednesday, September 5, 2018
Lake Stevens Fire Conference Center
10518 – 18th Street SE, Lake Stevens

CALL TO ORDER: 9:33 a.m.

ELECTED OFFICIALS PRESENT: Mayor John Spencer, Councilmembers Kim Daughtry, Todd Welch, Rauchel McDaniel, Gary Petershagen, Brett Gailey, Kurt Hilt, Marcus Tageant

ELECTED OFFICIALS ABSENT: None.

STAFF MEMBERS PRESENT: City Administrator Gene Brazel, Finance Director Barb Stevens, Community Development Director Russ Wright, Public Works Director Eric Durpos, Police Chief John Dyer, Human Resources Director Teri Smith, Human Resources/Executive Assistant Julie Good, City Clerk Kathy Pugh, City Attorney Grant Weed, IT Manager Troy Stevens (10:19 a.m.)

Mayor Spencer called the meeting to order at 9:33 a.m. and turned the meeting over to Council President Marcus Tageant for opening comments.

Council President Tageant said that the purpose of the meeting is to ensure the City is on track with the 2018 identified objectives. He commented he wants an efficient meeting but also wants to allow enough time for concerns to be brought forward.

2018 Goals & Objectives Review:

City Administrator Brazel referenced the handout listing projects and items and said items 1 through 8 are “Communication Improvements” identified at the January 2018 retreat, and the following items 1 through 18 are “Council Asks”, the remaining items 1 through 5 are “Possibilities”. Administrator Brazel reviewed the status of each item and discussion ensued.

• **Communication Improvements:**

Councilmember Gailey requested under Item 1 regarding adding projects to the web site and Facebook, that a colored dashboard would be more visual to the average consumer, and also believes these should be pinned higher on the page.

Councilmember Welch asked where people new to Lake Stevens can locate city services. Administrator Brazel responded the City does have a welcome packet for new residents which was recently updated. Adding welcome information to the web page will be explored.

• **Historical Society**

Administrator Brazel said the lease with the Historical Society is updated, signed and that the Historical Society has met the lease requirements, including providing financial information. A website has been built out for the Historical Society and they need to fine-tune it before it goes live. One remaining point is they would like control over scheduling use of the Reading Room, and the City is prepared to allow that.

Discussion ensued and Administrator Brazel said in response to Councilmember Tageant's question that the museum has been open three days a week during the summer, and will revert to two days a week during the winter; the museum will also be open for special events. Responding to Councilmember Petershagen's question, Administrator Brazel said the Historical Society is financially healthy.

Councilmember McDaniel commented on the problems of the Museum being open more frequently is that Historical Society lacks members who are willing and physically able to accommodate more hours. There was discussion that they need more diverse volunteers or that perhaps they could hire a docent.

Administrator Brazel commented he is receiving regular updates from the Historical Society and that he shares those with Council.

Mayor Spencer suggested working with some of the service clubs, such as the Senior Center, who might be able to assist with docent services for the Museum.

- **SR 2 Corridor Improvements**

Administrator Brazel said he reached out to neighboring cities regarding joint effort and collaboration in support of improvements to SR 2 and the Trestle, and everyone is on board to work together for improvements. He has had some discussions with sharing the cost of lobbying services at the federal level for improvements. He believes there may be some interest down the road from the cities of Sultan and Gold Bar also share in federal lobbying services.

- **US 2/Trestle Meetings**

Administrator Brazel said Council has been invited to all meetings, and that right now things are quiet.

Mayor Spencer updated on a telephone call he recently received from Roger Millar, Secretary of Transportation with Washington State Department of Transportation (WSDOT). Mr. Millar said WSDOT does not support privatization of the trestle improvement project and that there is nothing in state law that would support that course. Mayor Spencer said his goal is to get the Trestle fixed and at this point it is important to keep all options on the table; the City will accept a phased approach to fix the east bound access, west bound access, and then the middle. This approach would include a 20th Street NE flyover in the first phase. Mayor Spencer reported that Mr. Millar was generally supportive of a phased approach and that tolls were not discussed.

- **Improved Communications with Councilmembers**

Administrator Brazel said that the staff has reviewed various options and that SharePoint still appears to be the best option. Calendars are reviewed weekly and issues are being addressed.

- **City Website Update**

The website has been updated and cleaned up.

- **City Calendar Update**

The calendar has been updated and cleaned up. Reminders for events are being sent to Council by email.

- **Councilmember Participation on Board and Commission Interviews**

Administrator Brazel said that Council Rules of Procedure were amended to provide for greater Council participation at board and commission interviews, and this is taking place.

Council Asks:

- **Include SR 204 and 91st Street in 2018 Capital Budget**

This is complete.

- **4th Street NE Intersection Improvement**

Public Works Director Durpos said the design for this improvement is complete and the project will hopefully go out for bid this week. Mayor Spencer added that WSDOT did not respond favorably to the City's request for funding assistance with this project. The City does not want to be in the position of being denied funding reimbursement for a project that has already been completed, especially since this project supports the WSDOT SR 9/SR 204 intersection improvement. Mayor Spencer is elevating this funding request at WSDOT and noted the State Legislature has been clear that WSDOT has an obligation to assist communities to build revenues that will support WSDOT projects.

Discussion ensued and Councilmember McDaniel expressed concern that businesses are being contacted, particularly along the frontage road, and told that road will be a cul-de-sac, when in fact that is not the case under the current design. There was concern that WSDOT may change the design plan. Mayor Spencer said the funding is secure for the project as designed until 2020 or 2021, and that he is working with Senators Hobbs and King. Senator King is very supportive of this project. Director Durpos commented that in general project costs have risen 20-30%.

- **Public Works Standards re Overlays Due to Utilities Work in Roadway**

This is ongoing, and updates will come forward this winter regarding the Public Works Guidelines.

- **Cavelero Park**

Administrator Brazel said the permit has been issued and this is going out to bid in early 2019. The bid opening is being delayed in hopes of getting better pricing and lower construction costs. This does not change the timeline on the project. Director Wright commented the land use review is complete and the construction plans are now under review. There was discussion about the possibility of extending 79th as part of the project.

- **Interconnected Powerline Trails**

Administrator Brazel said he has reached out several times to Marysville for further discussion and hasn't received any response. Discussion ensued with Councilmember Hilt commenting it is important to think about Lake Stevens' next steps and that he prefers to push thoughtfully forward. Currently Soper Hill is untenable at times. Mayor Spencer said he will contact Mayor Nehring. Councilmember Tageant is concerned that Marysville is moving forward with a large amount of new residential development that will have a direct impact on Lake Stevens roads, and the City is not prepared to handle that. Traffic volumes and safety issues were discussed and it was suggested to make the

intersection at Soper Hill onto SR 9 a right turn only intersection to help reroute some of the traffic volumes.

- **Design Review Board**

Administrator Brazel and Director Wright said this has been internally discussed and suggested redirecting the Design Review Board to review only commercial and industrial projects. In response to Councilmember Welch's question, Director Wright said that the Planning Commission looks at zoning and regulations, and the Design Review Board looks at design aesthetics and makes recommendations. Discussion ensued and Director Wright noted that utilizing the Design Review Board is an avenue to provide the public an opportunity to engage in the process. If staff takes on the role of design review the process becomes more prescriptive; Director Wright added that if staff assumes design review the public could be offered an opportunity to comment if projects are brought in as Type II land use action. There was consensus to move forward with dissolution of the Design Review Board.

- **Stormwater Rate Comparison**

Administrator Brazel referenced the recent approval of Ordinance 1032 adopting stormwater rates at a Level of Service (LOS) 3 and that LOS 5 will be brought forward at a later date.

- **Sidewalk Program**

Director Durpos updated that the City is actively involved in a sidewalk program and has acquired some of the necessary equipment to install sidewalks in the City, with over 400 feet of new sidewalk installed to date. The biggest challenge to this program is having the manpower to install sidewalks while at the same time managing all of the other public works projects and maintenance. Discussion ensued, and Councilmember Gailey suggested prioritizing sidewalk installation to provide safe walking routes for students to schools. Councilmember Hilt requested a summary of both sidewalks and parks, with a visual.

- **Chamber Lease**

Administrator Brazel said the City is continually working with the Chamber on improved communications, with some success. Mayor Spencer added that he has met with the Chamber President regarding the lease and the City's long-term plan for the building; this discussion is ongoing. Internally there have been discussions regarding a higher and better use for this facility, including as meeting space and the Chamber has been advised of this. Councilmember McDaniel commented it is difficult to provide funding to the Chamber to assist with staffing the VIC, and to not provide funding to the Historical Society and Family Center to assist them with better meeting their staffing needs.

- **Visitor Information Center Possible Uses and Revenue**

Administrator Brazel said the City is looking at the aeration house and considering the possibility of remodeling it for use as a public facility.

- **Rowing Club Lease**

Administrator Brazel said the lease is drafted and has been provided to the Rowing Club. He is meeting with their representative later today.

- **Civic Center Grants**

Director Wright said this is an ongoing process and currently the City has a grant request in for \$1.5 million for civic center design.

- **Subcommittees**

Administrator Brazel said per Council direction the subcommittees have been disbanded and noted that Council has moved to holding a regular workshop on the first and third Monday of each month.

- **Council President Term**

The Council Rules of Procedure were amended to provide that the Council President will be elected at the first meeting in January of each year and will serve a term of one consecutive year.

- **Board and Commission Attendance**

Council approved Ordinance 1029 at the last Council meeting which provides an attendance requirement and that board and commission members may be removed for three unexecuted absences.

- **Council Liaisons**

Administrator Brazel said an amendment is being brought forward at the next Council meeting which clarifies the role of the Council liaisons. Councilmember McDaniel said she had reviewed the proposed language and is concerned about liaisons inadvertently misrepresenting individual councilmembers points of view. Also, it was suggested to add language that the liaison provides input on actions and activities of the board or commission.

- **Buildable Lands Inventory**

Administrator Brazel updated that staff will be doing a request for qualifications this fall for a consultant to undertake the buildable lands inventory.

- **Annexation by Election**

Administrator Brazel said this will be brought forward with a recommendation to Council this fall.

Possibilities:

- **Proposed Regional Stormwater Pond at 20th Street SE**

Director Wright said this is the nursery property and the design is completed, but otherwise the project is on hold. Director Wright provided a brief update on the status of donation of the property.

- **Maintenance of Private Stormwater Systems (HOA's)**

This is scheduled for discussion on today's agenda.

- **Take Home Vehicle Policy**

Administrator Brazel said this has been briefly discussed and staff determined there is no benefit to this policy. Finance Director Stevens added that the guidelines are set by the Internal Revenue Service and there are some tax implications. Directors Stevens and Durpos clarified that the on-call public works staff person takes home a vehicle as do certain public safety officers.

- **Chapel Hill Library Multi-Use for Meeting Rooms**

Administrator Brazel said this discussion is on hold due to the library bond failing, and that staff is looking at including a public meeting room at the new police department building. Mayor Spencer added that the outgoing Snolsle Library executive director deferred discussion of this to the incoming

executive director. He added that the new executive director appears to be very forward thinking and he is looking forward to working with the new executive director.

- Parks & Recreation Department

Director Wright said this is included as a topic in today's agenda.

Density:

Director Wright said there is a need to look at zoning in general and perhaps move to a net density standard rather than a gross density standard. The current standard does not consider roads and other necessary infrastructure. In moving to a net density standard there may be options such as adding a lot depth requirement and tweaking the side setbacks, etc., that will make a difference in the overall look of a plat development. Included in this suggestion is to look at a more hybrid approach to development with enough prescriptive standards, that also includes flexibility for innovation as the City moves forward. Another concern is how to retain what is known as the "missing middle", i.e., people who were raised in Lake Stevens and cannot afford to move back into the community as young adults, and seniors who cannot afford to stay in the community. One way to address this would be by providing smaller housing, such as neighborhoods that include a mix of townhomes that integrate into single-family neighborhoods. Director Wright proposed a task force comprised of industry experts and community members to study this issue and make recommendations. He has shared this idea with the Planning Commission and will provide additional information to Council.

Discussion ensued, and Councilmember Gailey commented he likes the idea of a task force and wondered if it makes sense to do this in conjunction with the buildable lands study. Director Wright responded this does make sense but it does not change the requirement that the City complete a buildable lands report under the requirements of the GMA. Also, Snohomish County Tomorrow is updating their buildable lands analysis and looking at Vision 2050. It will be important to look at the timing for this project and what elements the City wants to get out of the buildable lands study.

Councilmember McDaniel supports a task force but urged that task force members need to be educated at the first meeting as to the requirements of the GMA.

Director Wright shared a slide show and reviewed the current land use standards; he then shared a chart with proposed residential zoning changes if the City moves to net density. By making dimensional changes there would be more space between properties and also more on-street parking, as well as other benefits.

Responding to Councilmember Welch's question regarding code requirements for fire safety, Director Wright said that the City's code requirements meet the public safety requirements, and the biggest conversation with Lake Stevens Fire revolves around road width standards. The City's current road standards meet fire department requirements. If changes are made to road width standards there are other concerns that need to be addressed, such as surface water management.

Councilmember Hilt commented communities need to be designed for the benefit of the community and that public safety is a piece of that consideration.

Councilmember Welch suggested the public needs to be better educated on building standards and traffic impacts.

A question arose as to whether the dense housing contributed to the house fires over the 4th of July, and Councilmember Hilt commented building materials are different and improved since when these two houses were built. He added that home fires are a west coast phenomena and that the east coast which is highly dense has very little in the way of house structure fires, and when there is a fire the response is larger.

In response to Councilmember Welch's question, Director Wright said the legislature is not tackling the Growth Management Act. The next items on their agenda are the buildable lands inventory and Vision 2050. Also, Department of Ecology has made changes to Critical Areas requirements and this will be brought to Council over the winter.

Annexation:

Director Wright updated that the Pellerin annexation is completed and the Rhodora Heights annexation is in process. The Rhodora Heights annexation was challenged and the Boundary Review Board (BRB) jurisdiction will hold a hearing. The BRB has the authority to expand the annexation boundary lines and approve the annexation; City Council has the final opportunity to review the annexation.

Discussion ensued and Director Wright commented that assumptions are made by the public that taxes will go up immediately, and there is a perceived change in lifestyles from rural to urban. City Attorney Weed added that where a previous property owner signed a no protest agreement, the current property owner believes he did not get a voice. Historically courts have upheld no protest agreements and they run with the land.

Director Wright said that an interlocal agreement can be used to annex islands. Regarding what is referred to as the Northeast Island and Southwest Island annexations, staff is prepared to move forward with negotiations and recommends that the zoning be kept as close to what the current zoning is, and then review the zoning in conjunction with comprehensive plan amendments that will be brought forward next year.

Director Wright suggested consideration in the fall of annexing the remaining areas by election. He reviewed the considerations of moving forward with an election method of annexation and recommended bringing in a consultant to provide the public education piece. If Council determines to move forward with the petition method a consultant could be used to assist with signature gathering.

Mayor Spencer commented the petition method is a more aggressive approach than an election method, and that people do not really understand the benefits of being in the city. Also, there is a negative public perception if the election method fails and the city turns to the petition method of annexation. The approach needs to be carefully considered.

Discussion ensued and Director Wright closed by saying the petition method provides a check and balance; people who feel disenfranchised have an option for a hearing before the BRB.

Mayor Spencer requested, and there was consensus agreement, to add an executive session to the agenda to discuss a real property matter.

Financial Strategies:

Director Stevens reviewed and commented on the 2019 draft budget. The various revenue sources including property tax, storm and surface water management fees, sales tax, utility sales tax, permit and land use revenues were reviewed and discussed. Expenditures were also reviewed and Director Stevens commented the City has 23 new full time employees since 2015 and that the levels of services and efficiencies in departments have increased. Also, the population has increased from approximately 30,000 in 2015 to 33,000 today.

Director Stevens said the baseline budget reflects moderate increases in utilities, fuel and salaries, with cost of living adjustments between 2% and 3%. Also, there is an estimated benefit increase of 5%. The baseline budget does not include any new programs or staffing from unrestricted funds. There will be a request for permit and stormwater staff, and equipment, from the Surface Water Management revenue, which is restricted funding. Capital priorities will be brought forward in workshops. The new Police Department debt service is expected to begin in 2019.

Director Stevens next reviewed untapped revenue sources and what additional revenues might be realized. These included electric, gas, telephone, water, garbage sewer and stormwater. Regarding stormwater, Director Stevens also noted that the school district is exempt from stormwater fees in the municipal code, but that a number of cities are removing that exemption with a multi-year notice.

Discussion turned to the options for forming a Transportation Benefit District. A regional TBD could be formed, which would include surrounding communities, to help pay for costs associated with the Trestle improvements. Alternatively, the City could form its own TBD which would focus on local roads and sidewalks, including maintenance of the existing structure, and potentially put aside a portion of the revenues to put toward a future solution to the Trestle. One funding strategy is a \$20 vehicle tab fee which does not require a vote, another is raising the sales tax .01 or .02 percent which does require a vote. An option would be to increase the vehicle tab fees until an increased sales tax is voted for.

Mayor Spencer pointed out that Legislators always ask if cities are using their available resources to assist with unfunded mandates. He encouraged a robust community process related to an increase in vehicle tab fees to get the public's priorities as to what needs to be done and how funds should be utilized or set aside.

Councilmember Welch commented Lake Stevens is the only city in the county that does not have a TBD. Councilmember Tageant supports either method, and Councilmember Gailey commented that a .02 percent sales tax increase is needed to overcome the deficit.

Director Durpos commented the streets are in poor repair and that there has been little to no routine maintenance such as crack sealing, pothole repair and attention to other maintenance needs. Snohomish County has done some maintenance but are cutting back. Director Durpos said that high costs are looming and Director Stevens said the City does not have enough operating revenues to maintain streets.

There was discussion as to the pros and cons of starting with an increase in vehicle tab fees and then moving to a voted upon increased sales tax.

Mayor Spencer commented that if the City went with a .02 sales tax increase, the City could try to leverage additional funding with bonds. He wants to engage the community so that they can

understand what the City's capital needs are, understand the costs, and assist with prioritizing those needs.

Discussion ensued with comments being made, that things need to happen quickly if this is to go to a vote in the fall of 2019, and that the citizen review needs to be completed by the end of May. City Attorney Weed explained the process for forming TBDs, including what the requirements are.

Stormwater Management:

Director Durpos said that the LOS 5 is being put back into the stormwater report. He added that with adoption of LOS 3 the City is still addressing HOA pond issues, and will now be able to inspect HOA ponds, advise of deficiencies and facilitate maintenance. A formal plan will be developed to move forward with HOAs.

Councilmember Tageant suggested building a website page so that HOAs can update their status and the update will automatically update the city records. The City can then build relationships with HOAs that are not logging in and updating their status.

Director Durpos updated that an inspection of the lake for milfoil was completed on August 29th and there is no milfoil in the lake. The vegetation that is visible now is other, native aquatic plants that are not considered invasive, and the lake is very healthy. The City will treat for this new vegetation around the docks, with written notice provided to those people living around the lake. There was discussion regarding maintaining a healthy balance of native species, and how to monitor boats brought into the lake so that they do not bring in new contaminants.

Executive Session: Council moved into executive session as 12:11 p.m. for ten minutes to discuss a real property matter. The executive session adjourned at 12:21 p.m., followed by a short recess.

The meeting reconvened at 12:34 p.m.

Outcomes by Levy Scope of Services:

Administrator Brazel said if Council wishes to continue with Outcomes by Levy for lobbying services a scope of services needs to be approved. The proposed scope of services discusses funding in general and does not take into consideration funding sources for transportation projects, including tolls.

Councilmember Welch is concerned that if all revenue is on the table it suggests that the City supports a toll.

Discussion ensued and Mayor Spencer encouraged it is better to keep all funding options on the table at this point. If one funding option is removed the City loses its negotiating ability and the funding will go elsewhere.

Councilmember Welch commented the City is doing its part by undertaking and completing road improvements that will improve the final overall project, and Councilmember Hilt said the reality is that cities must come up with local funding.

Councilmember Gailey believes funding sources will be more impressed with a TBD, and noted the people do not support a toll. He also commented that other alternatives for east-west connections need to be considered, particularly the SR 526 option, and he does not believe Outcomes by Levy supports this option.

Mayor Spencer said the instruction will be to look at all options.

Councilmember Tageant said people do not realize how far out this project this is. Saying no to options means the trestle will not be fixed. He suggested if there is a toll it could be user-based.

Councilmember McDaniel could support a toll if the bridge was new, and commented if the Trestle is not improved Lake Stevens is at high risk to lose industrial opportunities.

Councilmember Petershagen agrees philosophically with the conversation thus far, but asked if the dynamics of King County and the state legislature can be changed. If Lake Stevens wants to fix the Trestle, reality needs to be faced.

Mayor Spencer encouraged tolls not be taken off the table. He envisions 100% funding from a combination of a TBD, and federal and state contributions to fix the east and west ends of the trestle, and that tolls not be considered until the bridge span is fixed. Changing the conversation to toll or no toll versus fixing the problem will divert the money to other projects.

Councilmember Tageant suggested a survey be conducted. It could include feedback such as toll/no toll/small toll/ and other revenue sources such as a TBD, with timelines. A survey would provide a venue for people to express their opinions.

Mayor Spencer said the City is looking at continuing with Strategies 360 for federal lobbying and possibly sharing the cost with City of Monroe.

Discussion turned to the benefits of attending the annual NLC conference in Washington, DC. Councilmember Gailey suggested instead of attending NLC, host an event with our neighboring cities for federal elected officials. Councilmember Tageant commented cities that attend NLC receive funding, but he would like to change the timing of any visit to Washington, DC.

Councilmember Hilt commented the NLC conference is valuable, but the city strategy is incomplete and needs to be fleshed out, and there needs to be a specific purpose when lobbying at these types of events.

City Attorney RFP:

Administrator Brazel said the Council needs to determine it wants to continue obtaining legal services from its current legal provider, or if it wants to explore other legal representation options through a request for qualifications. Discussion ensued, and there was consensus to pursue a request for qualifications.

Parks Depart Timeline:

Director Wright said the City has a complete park plan based on community preferences in 2013. The City will go through the same process in 2019 to recertify the plan. He next reviewed the programming, goals and accomplishments under the current plan.

Director Wright then reviewed the proposed transition timeline to the City having its own Parks Department, which would be separate from Planning and Community Development. Under the proposed timeline, a fully independent Parks Department would be realized within the next 3-5 years and would include the following components: (1) Director with administrative support, (2) Park Planner, (3) Recreation Planner (4) Staff, etc., and (5) Parks Maintenance.

Responding to Councilmember Tageant's question, Director Smith said that the Parks Planning & Development Coordinator position would be responsible for seeking revenue through grant writing. Director Wright added that an allowable use of REET funding is to support parks so some of that funding could be re-directed into park development. Director Stevens confirmed that some REET funding is already being used in support of parks and that the funding source is allocated amongst several other uses.

Councilmember Daughtry commented he is more concerned about maintaining the parks that we do have before adding more functions. Director Wright responded, saying he envisions 2-3 dedicated personnel and a park lead to maintain parks, with additional seasonal support in the summer.

Discussion ensued about the possibility of using volunteers to maintain parks.

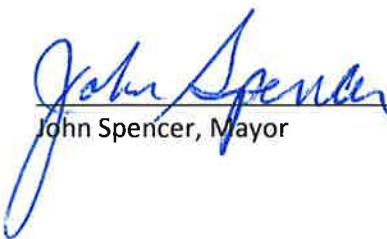
Administrator Brazel said until more funding resources are tapped, the City is looking at 2021 for a Parks Department. More seasonals will be needed for mowing, and this will require an additional lead to supervise their work. He added that the City has not tapped into a majority of its revenue sources that could be used to fund some of this cost.

Councilmember Hilt agreed with Councilmember Daughtry's concerns, but also commented there is a need to move forward.

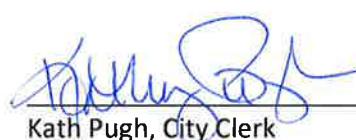
Responding to Councilmember Gailey's question, Director Wright provided a brief update on the Costco project and said that all signs are positive for moving forward.

Adjourn:

There being no further business, the meeting adjourned at 1:42 p.m.



John Spencer, Mayor



Kath Pugh, City Clerk