

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

Tuesday, October 9, 2018

Lake Stevens School District Educational Service Center (Admin. Bldg.)
12309 22nd Street N.E. Lake Stevens

CALL TO ORDER: 6:30 p.m. by Mayor John Spencer

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

ELECTED OFFICIALS ABSENT: None

STAFF MEMBERS PRESENT: City Administrator Gene Brazel, Finance Director Barb Stevens, Community Development Director Russ Wright, Police Chief John Dyer, Human Resources Director Teri Smith, Human Resources/Executive Assistant Julie Good, Deputy City Clerk Adri Crim, City Attorney Daniel Kenny

OTHERS:

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

Roll Call: All present.

Approval of Agenda: Moved by Councilmember Daughtry seconded by Councilmember Welch, to approve the agenda. On vote the motion carried (7-0-0-0).

Introduction: Mayor Spencer introduced Navy Captain Michael F. Davis, Commanding Officer at Naval Station Everett.

Recess: Mayor Spencer then called for a brief recess at 6:34 pm. to allow Councilmembers to personally meet Captain Davis.

The regular meeting of the City Council reconvened at 6:50 p.m.

Oath of Office: Mayor Spencer administered the oath of office to newly appointed Art Commissioners John Cronin and Navid Dadkhah-Nikoo.

Mayor Spencer introduced the new temporary City Attorney Daniel Kenny with Ogden Murphy Wallace.

Citizen Comments:

Michele Hampton, PO Box 596, Lake Stevens, said in regards to the Interlocal Agreement with Snohomish Health District, she has no objection generally but offered some wording change suggestions to help protect the City.

Council Business:

- Councilmember Hilt: Board of Health, Parks Board; recognized Veterans Commissioner Shawn Frederick in attendance tonight.
- Councilmember Petershagen: Bartell's grand opening.
- Councilmember Welch: Arts Commission, Navy Housing allowance.
- Councilmember McDaniel: Bartell's grand opening.
- Councilmember Gailey: Bartell's grand opening.
- Councilmember Daughtry: Bartell's grand opening, Veterans Commission, Community Transit, War Memorial, Chamber of Commerce meeting tomorrow.
- Councilmember Tageant: Veterans Commission, Bartell's grand opening.

Mayor's Business: Mayor Spencer said he will be attending a meeting tomorrow with mayors from the surrounding communities and the Secretary of the Navy to discuss the future of Naval Station Everett.

City Department Report:

- Community Development Director Russ Wright: Park Board, WRPA Parks Leadership Summit, Veterans Memorial Board, new Police Department.
- Human Resources Director Teri Smith: Salary Commission.
- Chief of Police John Dyer: Mill Creek canine presentation.

Consent Agenda:

MOTION: Moved by Councilmember Welch, seconded by Councilmember Hilt, to approve (A) 2018 Vouchers [Payroll Direct Deposits of \$203,369.55, Payroll Checks 46215, 46224 totaling \$3,111.38, Tax Deposits of \$72,565.23, Electronic Funds Transfers (ACH) of \$243,782.64, Claims Check Nos. 46214, 46216-46223, 46225-46304 totaling \$263,484.16, Total Vouchers Approved: \$786,312.96], (B) City Council Workshop Meeting Minutes of September 25, 2018, (C) City Council Regular Meeting Minutes of September 25, 2018, (D) City Council Workshop Meeting Minutes of October 2, 2018, (E) Interlocal Agreement with Snohomish Health District re 2018 Per Capita Funding (removed to Action Items), (F) Ordinance 1035 regarding Budget Amendment, (G) Changes to City Council Meeting Schedule.

Councilmember McDaniel expressed concerns with the Interlocal Agreement with Snohomish Health District and asked that this item be pulled from the Consent Agenda to make some clarifications.

MOTION TO AMEND THE MAIN MOTION: Moved by Councilmember McDaniel, seconded by Councilmember Gailey, to remove Item E, Interlocal Agreement with Snohomish Health District re 2018 Per Capita Funding from the Consent Agenda to Action Items.

VOTE: On vote the motion to amend the main motion carried (6-1-0-0).

Mayor Spencer clarified this is a motion to amend an ILA that was previously authorized by Council.

VOTE ON MAIN MOTION: On vote the motion to approve the Consent Agenda as amended carried (6-1-0-0).

Action Item:

Interlocal Agreement with Snohomish Health District regarding 2018 Per Capita Funding:

Mayor Spencer said there was a citizen suggestion to further clarify and make changes to the terms and scope of services on this agreement.

City Administrator Brazel clarified the changes suggested by Ms. Hampton were to clean up the language in the terms, and to create and Item B. and move the existing Item B. to Item C. in the scope of services to clarify how it only applies for a one year period.

Councilmember McDaniel also clarified it should include language to be approved and reviewed annually by the City Council and be for one calendar year.

MOTION: Moved by Councilmember McDaniel, seconded by Councilmember Gailey, to approve Interlocal Agreement with Snohomish Health District regarding 2018 Per Capita Funding as amended. On vote the motion carried (7-0-0-0).

Discussion Items:

2019 Budget: Finance Director Stevens presented a PowerPoint presentation and summarized the proposed 2019 Budget.

Responding to Councilmember Petershagen's question, Mayor Spencer said the storm water rates were falling and did not cover expenses and were substantially lower than any of the neighboring communities, so new storm water rates were enacted. He also said Lake Stevens is the only city in the County that does not currently apply a utility tax to storm water and the City's growth is equal to or greater than surrounding communities.

Councilmember Welch asked why the City charges utility taxes if they are not directly providing the services for the residents. Mayor Spencer responded the reason cities use utility taxes is to fund all the operations that the city has such as running the Police and Public Works Departments.

Councilmember Tageant commented even though the City does not directly provide the garbage service, the roads that the garbage trucks drive on are maintained by the City. He also mentioned there are unfunded mandates issued by the State that require the City to upgrade different systems to have certain level of water quality.

City Administrator Brazel said there are heavy trucks that drive on city roads to maintain utilities and are a burden on the roads so the utility taxes go towards street maintenance which alleviates the burden on the general fund.

Councilmember Daughtry asked if the utility companies are collecting the tax and passing it on to the City, are they also collecting a fee from the City to collect the tax. Director Stevens responded there is not a fee to collect the tax. She said staff previously reached out to AT&T and Verizon for clarification on the tax line items on bills and there is only one City tax.

Councilmember Tageant asked staff to reach out again and get clarification on the taxes from the cell phone companies.

Mayor Spencer commented the 79th Street project is to support the construction of Cavelero Park, and regarding the Trestle HOV, the City has an agreement through the last legislative session that the \$1.8 million can be used on 20th Street SE to create a dedicated lane for Community Transit buses to get from Highway 9 to just past the Trestle Station during peak traffic hours.

Finance Director Stevens said the Ordinance for utility tax will need to be done before mid-November to get on the County tax roll for 2019.

Responding to Mayor Spencer's questions, Chief Dyer explained a code enforcement position is needed, but the proposed IT position is critical to the everyday operations of the Police Department.

Director Stevens said the next discussion meeting for the 2019 Budget is set for November 6, 2018 and she does not anticipate any changes needing to be made, other than estimated endings.

Councilmember Tageant requested there be discussion on the Chamber of Commerce line item during the next budget discussion.

Councilmember Hilt requested there be additional discussion on the stormwater and utility taxes at the next Council meeting.

Executive Session: At 7:55 p.m. Mayor Spencer announced an executive session beginning in 5 minutes to last 15 minutes to discuss potential litigation, with no action to follow.

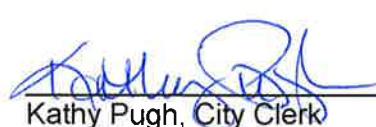
At 8:15 p.m. City Administrator Brazel announced the executive session is extended 15 minutes.

At 8:30 p.m. the regular meeting of the City Council reconvened.

Adjourn:

Moved by Councilmember Tageant, seconded by Councilmember Gailey, to adjourn the meeting at 8:31 p.m. On vote the motion carried (7-0-0-0).


John Spencer, Mayor


Kathy Pugh, City Clerk