

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

Tuesday, November 12, 2019
Lake Stevens School District Educational Service Center (Admin. Bldg.)
12309 22nd 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, 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, Public Works Director Eric Durpos, Police Chief John Dyer, Police Commander Ron Brooks, Interim Human Resources Director/Risk Manager Julie Good, City Clerk Kathy Pugh, City Attorney Greg Rubstello, Police Records Specialist Margaret Cooper and Assistant Planner Jillian Needham

OTHERS: Doug Levy, Outcomes by Levy

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

Roll Call: All present.

Approval of Agenda: Council President Petershagen requested that under Consent Agenda Item E, the portion relating to reappointments to the Veterans Commission, be removed from consideration until January, because one of the appointees will now be seated on the Council effective January 1st and would take one of the three positions that councilmembers can occupy.

Moved by Councilmember McDaniel, seconded by Councilmember Tageant, to approve the consent agenda with the amendment removing Veterans Commission reappointments from Item E on the consent agenda. On vote the motion carried (7-0-0-0).

Citizen Comments: None.

Guest Business: The City's contracted lobbyist, Doug Levy of Outcomes by Levy, reviewed the 2020 Legislative agenda, noting that top priority issues that impact Lake Stevens directly are Capital Budget/Quality of Life, Transportation Investments and Economic Development Tools. He commented that priorities include both state and federal priorities. He reminded that the Legislature does their operating transportation and capital year budgets on a two-year biennial basis and 2020 is an off year. With that in mind he is recommending that there may be a potential funding option for the Frontier Heights Park, and also said it is important to keep improvements to SR 9/SR 204/U.S. 2 Trestle on the forefront for improvements and future replacement of the Trestle. Mr. Levy commented on potential funding cuts which may result from the passage of Initiative 976. He then invited questions of Councilmembers.

Councilmember Welch prefers the city not participate in any option on utility tax increase as it appears to be an attempted workaround of Initiative 976.

Councilmember Gailey requested study money for the extension of SR 526 be added back into the legislative priorities.

Councilmember Daughtry said it is important that the SR 9/SR 204 projects be kept on the forefront of everyone's mind considering the passage of I-976 as these projects are ready to go.

Councilmember Tageant said it is important to keep the federal agenda moving forward with the loss of local funding.

Mr. Levy clarified the legislation that is being put together includes the utility tax, which may be an option that could be used for funding.

Councilmember Daughtry commented the utility tax is an option that could be used for projects, as is the TBD. At this point there is only one way to fund the TBD and that is by voting on it. Councilmember Daughtry added if the City does not back options for funding there will be less agreement amongst the legislators on providing options.

Councilmember Welch said given the discussion he can support the utility tax funding option.

Mayor Spencer confirmed the Council's direction to add support for a 526 feasibility study.

Councilmember Daughtry commented he does not mind supporting a 526 feasibility study, but he does not want to see anything impede funding for the Trestle. Councilmember Tageant agreed.

There was additional discussion on the importance of lobbying federal legislators and the status of the federal transportation budget.

New Employee Introductions: Police Chief John Dyer introduced the new Police Records Specialist, Margaret Cooper.

Director Russ Wright next introduced the new Assistant Planner, Jillian Needham.

Council Business:

- Councilmember Daughtry: Veterans Commission, Community Transit and Everett Transit, Harvest Fest.
- Councilmember Hilt: Snohomish Health District.
- Councilmember McDaniel: Complimented Public Works Director Durpos and the construction company on the South Lake Stevens Road improvement project.
- Councilmember Gailey: Harvest Fest.
- Councilmember Welch: Commented on the effects and fallout of irresponsible use of social media and noted that as the result of a recent Facebook post threats were made against City Hall. He encouraged that citizens contact councilmembers directly if they have concerns.
- Councilmember Tageant: Harvest Festival, Chamber of Commerce.

Mayor's Business: Mayor Spencer commented on the 2020 budget that will be submitted this evening, saying it protects the general fund reserve at 10% and also protects the city out to 2025, as well as proposing some critical new positions for 2020. He noted proposed funding in 2020 includes better roads, sidewalks and a vibrant downtown.

Mayor Spencer next referenced the Shane McDaniel code enforcement action and said the fine is at \$7,500 and that is where it stands. He noted that staff has followed the adopted code in addressing the code enforcement concerns.

Councilmember McDaniel commented that the property currently owned by Shane McDaniel was previously offered to the city for beachfront by her late husband Frank McDaniel and her father-in-law Gary McDaniel. Mayor Spencer added that the property was offered a second time by Gary McDaniel's widow. Councilmember McDaniel said the property was offered to the city because both Gary McDaniel and Frank McDaniel had a great love for the community and wanted the community to have more access to the lake. She added there is a lot of giving to the community by the McDaniel family.

Chief Dyer clarified that two people were contacted regarding Facebook threats and following each contact those threats were determined to not be creditable, and the people who were contacted were very sorry.

City Department Report:

- Community Development Director Russ Wright: Harvest Fest; contract building official hired for one day a week; \$30,000 Commerce grant to help pay for some of the long range planning work done this year and into next year.
- Public Works Director Eric Durpos: Pavilion update; sidewalk update including there will be continuous sidewalk from the high school to Lundein Park, additionally next year there will be continuous sidewalk from the high school to North Cove Park.
- Interim Human Resources Director/Risk Manager Julie Good: Washington Cities Insurance Authority annual audit.
- Chief of Police John Dyer: Update on police services in September; new building update; commented on importance of partnerships with other law enforcement agencies.
- Finance Director Barb Stevens: Audit update.

Consent Agenda:

MOTION: Moved by Councilmember Tageant, seconded by Councilmember Welch, to approve the consent agenda as amended:

- A. 2019 Vouchers [Payroll Direct Deposits of \$211,326.91, Payroll Check Nos. 48946-48947 totaling \$3,213.78, Electronic Funds Transfers (ACH) of \$177,834.84, Claims Check Nos. 48948-49059 totaling \$1,216,788.37, Void Check No. 48849 in the amount of \$23.00, Total Vouchers Approved: \$1,609,140.90];
- B. City Council Workshop Meeting Minutes of October 15, 2019;
- C. City Council Workshop Minutes of October 22, 2019, 2019;
- D. City Council Regular Meeting Minutes of October 22, 2019;
- E. Board and Commission Reappointments (as amended);
- F. Appointments to Library Board;
- G. Resolution 2019-15 Declaring Intent to Adopt Legislation re Authorizing a Sales and Use Tax for Affordable Housing; and

H. Ordinance No. 1070 re Interim Sign Regulations.

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

Public Hearing:

Comprehensive Plan Update: Mayor Spencer opened the public hearing.

Director Wright presented the staff report and a PowerPoint and said tonight's hearing is to obtain citizen comment regarding city-initiated proposed changes to the comprehensive plan text and map amendments and addenda to the Lake Stevens Center and 20th Street SE subareas and associated rezones. Director Wright reviewed the public process including review by the Planning Commission, and commented that Ordinance 1073 amends the Comprehensive Plan, Ordinance 1074 amends the zoning map, concurrent with the Comprehensive Plan Update, and Ordinance 1075 revises the planned action ordinance for the 20th Street SE Corridor Subarea.

Director Wright reviewed the proposed changes to 20th Street SE from Neighborhood Business to Commercial.

Councilmember Daughtry asked about the Neighborhood Business zone located to the east side of the Commercial zoning and Director Wright responded these areas were kept as Neighborhood Business as they abut residential neighborhoods. He said that late in the process there was a request to change this Neighborhood Business to Commercial, but that the Planning Commission opted not to recommend changing it at this time due to the lack of time to study impacts and meet noticing requirements.

Councilmember Daughtry requested the noticing for these parcels be completed and that they be changed to Commercial. He clarified that everything that is Neighborhood Business be changed to Commercial.

Director Wright clarified the noticing requirements under the Municipal Code.

Councilmember Tageant asked why lots on the north side of 20th SE were not changed to Commercial. Director Wright responded that as the plan evolved the goal was to change properties abutting 20th SE to Commercial, but there was also consideration given as to how a change to Commercial would affect residential properties that abut Commercial zoning, so the thought was to have less intensive commercial use against abutting residential properties. He added that properties on the north side of 20th SE appear to have a greater value continuing as they are and are not likely to redevelop in the near future.

Discussion ensued with Councilmember Tageant commenting there are a number of lots on the north side of 20th SE that can be developed commercially and there is a need for that.

Councilmember Petershagen agreed with Councilmember Tageant's comments and added that 20th Street SE is going to be a 5-lane arterial. Councilmember Petershagen encouraged leaving it to the market to determine what happens in this area.

Director Wright next reviewed the text changes, most of which are housekeeping measures that include updating language, land use tables and maps to maintain consistency between the documents. He added that net and gross density language has been removed from the

Comprehensive Plan to keep it a higher-level document. The Planning Commission recommends dealing with density in the Zoning Code as an implementation tool.

Director Wright then reviewed updates to the Parks section based on community feedback given to the Park Board. Moving to the Capital Facilities section, Director Wright noted that both the Sewer District and School District have updated their capital facilities plans and the proposed changes to the Public Services section reflect these changes. Looking at Capital Facilities, the 20-year vision was reviewed and updated, as well as the 6-year capital facilities plan. There are also general administrative updates.

Director Wright said the subareas were reviewed and noted that Lake Stevens is experiencing some significant commercial growth. Looking specifically at 20th Street SE, there is a greater focus on retail. Also proposed is exploring alternative road networks to access some of the properties on the south side of 20th Street SE. Director Wright said 500,000 square feet are proposed for both retail and office, and the effort is to align the city with the regional market trends.

Turning to Lake Stevens Center, the effort is to remove some of the barriers that are not working in that subarea. Next year some of the development regulations and uses will be studied with recommendations coming forward at that time.

Director Wright next reviewed the process for making these recommendations review by the Department of Commerce and preparation of SEPA documents for review and comment. He added there were targeted meetings earlier in the year to residents in the UGA areas.

Responding to Councilmember Petershagen's question, Director Wright said that Local Commercial, such as retail, local restaurants and smaller retail, is still planned in the UGA area on the east end of 20th Street SE. He added there are encumbrances that will have to be worked with.

Mayor Spencer then opened the public comment portion of the public hearing.

David Toyer with Toyer Strategic Planning, 3705 Colby Avenue, Suite 1, Everett, said he supports the removal of references to net and gross density and also some additional flexibility for waterfront residential zoning. He next referenced his earlier comment letters regarding Neighborhood Business zoning on the east end of 20th Street SE and said he supports changing that to Commercial.

Dylan Sluder, Snohomish County manager of Master Builders Association, supports the flexibility added with the waterfront residential and the recommendation to remove gross and net density requirements from the Comprehensive Plan. Mr. Sluder commented on the process and encouraged the Council to look at the proposed zoning changes before the end of the year.

Sally Jo Sebring, 1023 – 99th Avenue SE, Lake Stevens, commented on the idea of expanding into more Commercial along 20th SE as discussed this evening. She commented the subarea plan allows for residential and she does not understand allowing commercial development against residential.

Sue Fernalld, 8430 – 15th Place SE, Lake Stevens, said there are homes in her neighborhood that are encroaching on the 20th Street SE park and is concerned that typical notices do not reach senior residents. She encouraged more direct outreach.

Dan Meyers, 3313 – 127th Avenue NE, Lake Stevens, agreed with Ms. Fernalld's comments and encouraged more outreach from the city.

Mayor Spencer closed the public comment portion of the public hearing and then closed the public hearing. Mayor Spencer then confirmed Council's requests for changes to Land Use and Zoning designations be brought back to the next meeting.

MOTION: Moved by Councilmember Daughtry, seconded by Councilmember Welch, to hold the first reading of Ordinance 1073 updating the Comprehensive Plan, Ordinance 1074, updating the Zoning Map concurrently with the Comprehensive Plan, and Ordinance 1075 updated the planned action ordinance for the 20th Street SE Corridor Subarea, and that staff bring back Council-requested changes to the Land Use and Zoning designations to the second public hearing. On vote the motion carried (7-0-0-0).

Ordinance 1071 Adopting 2020 Budget-First Reading: Mayor Spencer opened the public hearing.

Director Stevens presented the staff report and said tonight's requested action is to hold a public hearing and first reading of Ordinance 1071 adopting the 2020 Budget. Director Stevens reviewed the budget process and key initiatives which are similar to last year's, including continuing with the revitalization of downtown, continue toward funding of a Parks and Recreation division, maintaining a high level of public safety, continue investing in infrastructure to encourage economic development, transportation funding and acquire needed public works equipment. Director Stevens reviewed the various fund types, including what is coming in and what is being spent.

Responding to Councilmember McDaniel's question, Director Stevens explained that there are funds left in the 540 Funds-Aerator under the ILA with Snohomish County, and after discussion the county and city agreed to use those remaining funds for alum treatment.

Director Stevens next reviewed revenues including property tax and sales tax, followed by review of the major operating expenditures by department. She then reviewed the proposed changes to staffing and responded to Councilmembers' questions.

Mayor Spencer opened the public comment portion of the hearing.

Sue Fernalld, 8430 – 15th Place SE, Lake Stevens, referenced the 2020 Proposed Budget slide, and commented the public needs to understand what is being spent.

Mayor Spencer closed the comment portion of the hearing and then closed the Public Hearing.

MOTION: Moved by Councilmember Daughtry, seconded by Councilmember Tageant, to approve the first reading of Ordinance 1071 adopting a Budget for 2020. On vote the motion carried (7-0-0-0).

Action Items:

Ordinance 1072 Levying Taxes Upon All Real Property and Setting Levy Rate: Director Stevens presented the staff report and said that Snohomish County collects taxes on behalf of

the city. She reviewed the proposed property tax increase. The total levy amount is estimated to be at \$5,054 million. She then invited questions of Councilmembers and there were none.

MOTION: Moved by Councilmember Welch, seconded by Councilmember Hilt, to approve Ordinance No. 1072 authorizing collection of property tax levy for 2020 and setting the property tax levy. On vote the motion carried (7-0-0-0).

Discussion Items: None.

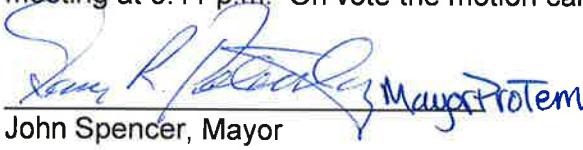
Executive Session: At 8:50 p.m. Mayor Spencer announced an executive session beginning in 5 minutes to last 20 minutes to discuss sewer bonds, a property easement and two property acquisitions, with action to follow.

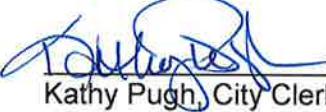
At 9:10 p.m. the regular meeting of the City Council reconvened.

MOTION: Moved by Councilmember Tageant, seconded by Councilmember Welch, to enter into a six-month temporary easement with the owner of property located at Frontier Village Way as discussed in executive session. On vote the motion carried (7-0-0-0).

Adjourn:

Moved by Councilmember Daughtry, seconded by Councilmember Welch, to adjourn the meeting at 9:11 p.m. On vote the motion carried (7-0-0-0).


John Spencer, Mayor


Kathy Pugh, City Clerk