

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

April 8, 2025, at 6:00 p.m.

Hybrid Meeting - By Remote Participation via Zoom & in Person at The Mill Building

CALL TO ORDER: 6:00 p.m. Council President Ryan Donoghue

ELECTED OFFICIALS PRESENT: Council President Ryan Donoghue, Gary Petershagen, Kim Daughtry, Steve Ewing and Kymm Shipman.

ELECTED OFFICIALS ABSENT: Councilmembers Anji Jorstad and Marcus Tageant

Call to Order

Council President Donoghue called the meeting to order at 6:00 p.m.

Pledge of Allegiance

Council President Donoghue led the Pledge of Allegiance.

Roll Call

All Councilmembers were present except Councilmember Jorstad and Councilmember Tageant.

MOTION. Councilmember Ewing made a motion, seconded by Councilmember Daughtry, to excuse Councilmember Jorstad and Councilmember Tageant. The motion passed 5-0-0-2.

Approval of Agenda

City Clerk Chelin asked that the Executive Session be moved up on the agenda due to several staff members, along with the Mayor, that are at a conference and need to log off early from the meeting. It was also requested that the Community Transit Bus Stop Shelters Facility License Agreement be moved up so that Analyst Erickson is able to log off to attend an event at the conference.

MOTION. Councilmember Daughtry made a motion, seconded by Councilmember Ewing, to approve the agenda as requested. The motion passed 5-0-0-2.

Citizen Comments

There were no comments from citizens.

Executive Session

The meeting recessed to executive session at 6:03 p.m. to discuss Collective Bargaining for approximately 5 minutes (2 minutes to prep the room). There will be no action and the session will finish at 6:10 p.m.

The meeting returned to regular session at 6:10 p.m.

Action Items

Community Transit Bus Stop Shelters Facility License Agreement

Analyst Erickson explained that Community Transit is proposing a Facility License Agreement with the City for the installation and maintenance of two future bus stop shelters that can be expanded to other locations with a contract amendment. The agreement was developed collaboratively by Community Transit and the City's Public Works Department. Under this agreement, the City will benefit from cost-sharing on shelter installation, while Community Transit will assume responsibility for ongoing maintenance throughout the expected 10-year useful life of the structures.

Council and engaged in a discussion. This agreement will be brought back to the Council with more information.

Council Business

Consent Agenda

MOTION. Councilmember Ewing made a motion, seconded by Councilmember Shipman, to approve the consent agenda. The motion passed 5-0-0-2.

The consent agenda items were as follows:

- 2025 Vouchers
- City Council Meeting Minutes of March 18, 2025
- City Council Meeting Minutes of March 25, 2025
- SNO911 Interlocal Agreement Changes
- Appointment to Library Board

Action Item

Gambling Tax Interest Waiver

Finance Manager Heist explained that at the March 11 Council Meeting, Finance was authorized to waive interest for companies that filed their gambling taxes at the incorrect rate, but interest penalties were still applied to those who hadn't filed. Most companies missed one or two quarters, while Razzals NW hadn't filed at all during the three-year look-back period.

At the March 25 Council Meeting, Council approved waiving taxes for businesses that filed. Razzals NW acquired the Frontier Village location in 2022, where the previous owners had also failed to file taxes. Razzals NW claims they were unaware of the filing requirement but has since paid the back taxes. They are now requesting a waiver of the \$2,881 interest penalty.

MOTION. Councilmember Ewing made a motion, seconded by Councilmember Petershagen, to approve waiving the fees in the amount of \$2,881 for Razzals NW. The motion passed 4-1-0-2 with Councilmember Donoughe opposed.

Finance Purchase Cards

Finance Manager Heist explained that the Purchase Card program with US Bank is through the State Bid and there are no additional costs to the City. The Purchase Card program will allow the City to set up and manage cards for individuals and departments easily. This program is essentially a credit card program with more robust oversight and management. Staff will slowly phase out, or limit, other avenues. The program is not only free but also provides a flat rebate of 1.35% for all purchases. There is also a "Speed of Payment" incentive that is offered depending on how quickly staff can make payments for the outstanding statement balance, earning a potential of an additional 0.44%. Staff has also created a Purchasing Card policy that needs Council approval. This policy sets the processes and standards of the program and will help provide directions to staff on appropriate behaviors when using the cards.

MOTION. Councilmember Ewing made a motion, seconded by Councilmember Petershagen, to approve the Policy 303 Purchasing Cards and to authorize the Mayor to enter into the agreement and associated documents with US Bank. The motion passed 4-1-0-2 with Councilmember Donouge opposed.

Interlocal Agreement for 131st Ave NE Sewer Extension Developer Agreement

City Engineer Klinkers explained that the City is planning to construct a gravity sewer main extension along 131st Ave NE in 2025 to serve its Public Works Shop as well as nearby residences and businesses. Over the past year, the City has been working closely with the District to ensure the proposed plans are thoroughly reviewed and to address cost-sharing considerations.

MOTION. Councilmember Petershagen made a motion, seconded by Councilmember Daughtry, to authorize the Mayor to sign the Interlocal Agreement for 131st Ave NE Sewer Extension between the Lake Stevens Sewer District and the City of Lake Stevens in accordance with the Unified Sewer Services and Annexation Agreement dated May 23, 2005. The motion passed 5-0-0-2.

Discussion Items**Transportation Benefit Program (TBP) Implementation Plan**

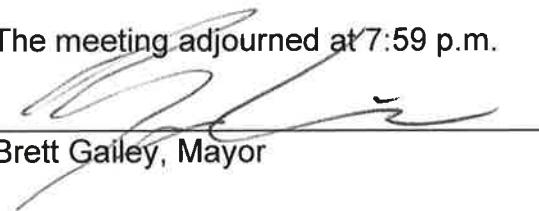
City Engineer Klinkers explained that the City of Lake Stevens established the Transportation Benefit District (TBD) to fund and deliver vital multimodal transportation improvements across the city. The TBD lacked an approved funding mechanism until 2022 when voters approved a 0.2% sales tax (Proposition 1) to support Transportation Benefit Program (TBP) projects over 10 years. This tax, projected to generate approximately \$1.5 million annually, began collection in April 2023. Funding priorities include new sidewalks and non-motorized improvements, complete street roadway upgrades and citywide pavement preservation. Council and staff engaged in a discussion.

Upcoming Council Agenda Items - City Clerk Chelin

Adjournment

MOTION. Councilmember Daughtry made a motion, seconded by Councilmember Petershagen, to adjourn the meeting. The motion passed 5-0-0-2.

The meeting adjourned at 7:59 p.m.


Brett Gailey, Mayor


Kelly M. Chelin, City Clerk