

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

December 2, 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. Mayor Brett Gailey

ELECTED OFFICIALS PRESENT: Council President Donoghue, Councilmembers Gary Petershagen, Kim Daughtry, Anji Jorstad, Kymm Shipman, Steve Ewing and Nathan Packard

Call to Order

Mayor Gailey called the meeting to order at 6:00 p.m.

Pledge of Allegiance

Roll Call

All Councilmembers were present with Councilmember Donoghue joining later via zoom.

Approval of Agenda

MOTION. Councilmember Daughtry made a motion, seconded by Councilmember Ewing, to approve the agenda with an Executive Session at the end of the meeting to discuss litigation for approximately 10 minutes. The motion passed 6-0-0-1.

Guest Business

2024 Annual Financial & Accountability Audit Exit Conference — WA State Auditor's Office

Citizen Comments

Sally Jo Sebring, Lake Stevens. Sally Jo spoke about the Ripperger Development Agreement.

Christine and Jeanne, Lake Stevens. Spoke about the festival of trees.

Council Business

Mayor's Business

City Department Report

Public Works Department Report

Director Halverson provided the Council with additional information related to the Street Fund appropriations.

Consent Agenda

MOTION. Councilmember Jorstad made a motion, seconded by Councilmember Daughtry, to approve the consent agenda. The motion passed 6-0-0-1.

The consent agenda included the following:

- Third Amendment to Interlocal Agreement for Jail Services

Public Hearing

STEP and Co-Living Housing Code Amendments

The Mayor opened the public hearing.

Principal Planner Levitan explained that the Council needs to hold a public hearing, take public testimony and consider the Planning Commission's recommendation on LUA2025-0182, a city-initiated land use code amendment to revise definitions, permissible uses, development standards and supplementary use regulations for STEP housing and co-living housing.

The staff recommendation is to approve Ordinance 1209, which includes minor revisions to the Planning Commission's recommendation to address comments received from the Washington State Department of Commerce regarding compliance with the Growth Management Act (GMA).

Councilmember Donoghue joined the meeting at 7:32 p.m.

The hearing was opened for public comments.

Tosha Edwards, Lake Stevens. Tosha spoke about transitional housing.

The Mayor closed the public hearing.

The Council discussed the Ordinance and asked staff to bring the Ordinance back with expanded language on transitional housing.

MOTION. Councilmember Jorstad made a motion, seconded by Councilmember Ewing, to continue the public hearing, and keep it open, to the next meeting on December 9, 2025. The motion passed 7-0-0-0.

Action Items

2026 Annual Budget Ordinance No. 1205

Finance Director Stevens explained that the City Council has conducted and closed three public hearings on the 2026 Proposed Annual Budget. Further discussion has been requested by the City Council prior to adopting Ordinance 1205 setting appropriations for the 2026 calendar year.

Council discussed the budget.

MOTION. Councilmember Petershagen made a motion, seconded by Councilmember Packard, to extend the meeting to 11:00 p.m. The motion passed 4-3-0-0 with Councilmember Ewing, Councilmember Shipman and Councilmember Donoghue opposed.

MOTION. Councilmember Jorstad made a motion, seconded by Councilmember Daughtry, to approve Ordinance 1205 approving the 2026 Annual Budget.

AMENDMENT TO THE MOTION. Councilmember Ewing made a motion for all non-represented employees to pay a portion of their medical costs as follows:
25% for over \$250,000 salary
20% for over \$200,000 salary
15% for over \$150,000 salary
10% for over \$100,000 salary
5% for under \$100,000 salary
And 15% for all dependents.

MOTION FAILED DUE TO LACK OF A SECOND.

Councilmember Ewing called for the vote on the original motion.

ORIGINAL MOTION VOTE. The motion passed 4-3-0-0 with Councilmember Packard, Councilmember Donoghue and Councilmember Shipman opposed.

The Council took a break from approximately 9:12 p.m. to 9:17 p.m.

Discussion Items

Director Stevens presented Ordinance 1204 Amending Budget Ordinance 1191 and 1198. Council discussed the Ordinance. This item will come back for approval at the December 9, 2025 meeting.

Councilmember Ewing left the meeting at 9:28 p.m.

Ripperger Development Agreement Discussion

Principal Planner Levitan asked Council for feedback on the updated terms of the proposed development agreement (DA), which was originally discussed with the City Council at their July 15, 2025 meeting. Staff is planning to schedule a public hearing for the DA on December 16, 2025.

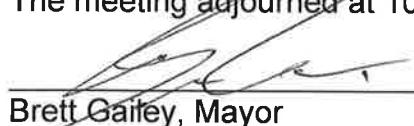
Executive Session

The meeting recessed to executive session to discuss litigation for approximately 10 minutes. There will be no action and the Council will come back to regular session at 10:10 p.m.

Adjournment

MOTION. Councilmember Jorstad made a motion, seconded by Councilmember Shipman, to adjourn the meeting. The motion passed 6-0-0-1.

The meeting adjourned at 10:10 p.m.


Brett Gailey, Mayor


Kelly M. Chelin, City Clerk