

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

Tuesday, August 22, 2017

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, Marcus Tageant

ELECTED OFFICIALS ABSENT: Councilmember Kathy Holder

STAFF MEMBERS PRESENT: City Administrator Gene Brazel, Finance Director/City Clerk Barb Stevens, Community Development Director Russ Wright, Police Chief John Dyer, Human Resources Director Teri Wright, Senior Engineer Cory Nau, Communications Coordinator Beth Braun, Deputy City Clerk Kathy Pugh, City Attorney Grant Weed,

OTHERS: Shaelynn Charvet Bates, Library Board, Gayle McCurdy and Melissa Ballou, Veterans Commission Appointees

Pledge of Allegiance: Council President Kurt Hilt introduced Charlotte Lamb, a fifth grader at Mt. Pilchuck Elementary, who led the Pledge of Allegiance.

Roll Call: Moved by Councilmember McDaniel, seconded by Councilmember Welch, to excuse Councilmember Holder from the meeting. On vote the motion carried (6-0-0-1).

Approval of Agenda: Council President Hilt said that Action Item G, Approve Interlocal Agreement with Snohomish County re Cavelero Park, is being removed from the agenda at Staff's request. Also, Washington Department of Transportation requested at the Workshop meeting just concluded that the City Council formally endorse the preferred alternative E2B Version 4, so this will be added to the agenda.

Mayor Spencer requested that the Preferred Alternative endorsement be considered ahead of the Consent Agenda.

MOTION: Moved by Councilmember Tageant, seconded by Councilmember Daughtry, to approve the agenda as amended. On vote the motion carried (6-0-0-1).

Guest Business/Citizen Comments:

Shaelynn Charvet Bates, Chairperson of the Library Board, spoke on behalf of the Library Board, to convey to the Council that the Board believes a new library facility is desperately needed. She referenced her letter, sent to the Council on behalf of the board, endorsing a new library facility and said it is the Library Board's hope that the City Council will partner with the Library Board and others to promote the need for a new facility.

Sally Jo Sebring, 1023 99th Avenue SE, read a letter that she previously sent to the Lake Stevens Sewer District, stating that she cannot support unification of the Sewer District and City at this time.

Dick Todd, 825 99th Avenue SE, said he is following up on Ms. Sebring's comments and asked what the City is going to do to protect him as a downstream property owner and also protect Stitch Creek.

Council Business:

- Councilmember Daughtry: Economic Development subcommittee, Air Force Band will be at Music on the Lake on July 7, 2018 with three bands.
- Councilmember Petershagen: Sewer District, Planning Commission, Parks subcommittee, ribbon cutting at Boys & Girls Club.
- Councilmember Hilt: Snohomish Health District.
- Councilmember Welch: Administration subcommittee, Library Board, Music on the Lake.
- Councilmember McDaniel: Administration subcommittee, Fire District Commission meeting.
- Councilmember Tageant: Sewer meeting, Boys & Girls Club ribbon cutting, Budget subcommittee, Highway 9/204 meeting.

Mayor's Business: SERS Panel; Trestle financing meetings; Snohomish County Tomorrow ("SCT") annual assembly coming up, all are encouraged to attend, SCT is co-sponsoring the annual assembly with Snohomish County Cities regarding growth management and related concerns.

City Department Report:

- City Administrator Gene Brazel: Thanked Police Department for their support at the Boys & Girls Club ribbon cutting; the Veterans Commission received a \$2,000 grant.
- Community Development Director Russ Wright: Continued project coordination with Public Works as City moves into the budget process and also regarding the new City Hall facility; coordination with Makers regarding Chapel Hill; city-wide Beautification Plan; Senior Planner interviews; Park Board meeting; SCT Planning Advisory Committee.
- Senior Engineer Cory Nau: 2017 Pavement Overlay project update; 24th Street and 91st Street extensions update; aerator removal bids in.
- Police Chief John Dyer: SnoPac/SnoCom consolidation; update on prospective lateral hires; Aquafest; National Night Out; Guns & Hoses Softball raised money for food bank and Police won the game.
- Human Resources Director Teri Smith: Recruitments; Personnel Policies; compensation structure review; Police Guild negotiations. Additionally, city-wide training related to Civility in the Workplace, is underway.
- Finance Director/City Clerk Barb Stevens: Budget; Enterprise Content Management (ECM).

Endorsement WSDOT Preferred Alternative for SR 9 / SR 204 Intersection Improvement:

MOTION: Moved by Councilmember Tageant, seconded by Councilmember McDaniel, to endorse Washington State Department of Transportation Preferred Alternative E2B Version 4 for the intersection improvement at Highway 9 / Highway 204. On vote the motion carried (6-0-0-1).

Consent Agenda:

MOTION: Moved by Councilmember Hilt, seconded by Councilmember Welch, to approve (A) 2017 Vouchers [Payroll Direct Deposits [7/14/17, 7/28/17 and 8/15/17] of \$567,915.89, Payroll Checks 43022-43025 [7/14/17], 43058-43060 [7/28/17] and 43189-43191 [8/15/17] totaling \$15,609.28, Tax Deposits [7/12/17, 7/28/17, 8/15/17] of \$236,865.14, Electronic Funds Transfers (ACH) of \$272,289.36, Claims Check Nos. 43026-43057, 43061-43188, 43192-43305 totaling \$1,040,779.06, Void Check Nos. 43018 and 43028 totaling \$3,396.23, Total Vouchers Approved: \$2,130,062.50], (B) City Council Regular Meeting Minutes of July 11, 2017, (C) City Council Special Meeting Minutes of July 27, 2017, (D) City Council Special Meeting/Retreat Meeting Minutes of July 27, 2017, (E) Interlocal Agreement with Lake Stevens School District re School Resource Officer, (F) Interlocal Agreement with Snohomish County re Drug and Gang Task Force, and (G) Amendment No. 1 to Interlocal Agreement with City of Everett re Police In-Service Training. On vote the motion carried (6-0-0-1).

Action Items:

Confirm Nomination of Gayle McCurdy to Veterans Commission; Administer Oath of Office to Gayle McCurdy and Melissa Ballou: Mayor Spencer said that Ms. McCurdy was previously interviewed for appointment to the Veterans Commission, and reminded that her appointment to the commission was deferred until receipt of her application. The City has now received Ms. McCurdy's application and Mayor Spencer requested that Council confirm Ms. McCurdy's nomination to the Veterans Commission and that she be appointed for a term expiring December 18, 2018.

MOTION: Moved by Councilmember Tageant, seconded by Councilmember Welch, to appoint Gayle McCurdy to the Veterans Commission for a term expiring December 31, 2018. On vote the motion carried (6-0-0-1).

Mayor Spencer then administered the oath of office to Gayle McCurdy, and to Melissa Ballou, who was appointed to the Veterans Commission at the July 11, 2017, but was not able to attend that meeting.

Appoint Councilmember Representatives to Veterans Commission: Council President Hilt said he has heard from Councilmembers Tageant and Daughtry that they are interested in serving an initial one-year term on the Veterans Commission, and he is also interested in an appointment to the Veterans Commission. His recommendation is that he, and Councilmembers Tageant and Daughtry be appointed to the Veterans Commission. These terms would expire December 31, 2017.

MOTION: Moved by Councilmember Welch, seconded by Councilmember McDaniel, to appoint Councilmembers Tageant, Daughtry and Hilt to the Veterans Commission for terms expiring December 31, 2017. On vote the motion carried (6-0-0-1).

Approve Order for Internet and Phone Services for Police Department with WAVE Business Solutions, LLC:

Approve Dark Fiber Order for Police and Public Works Departments with WAVE Business Solutions, LLC:

IT Manager Troy Stevens presented the staff reports and said that these two items are interconnected. Council's approval of these two orders will allow for WAVE to complete the

fiber build out to the Public Works Shop and provide a new dark fiber connection from the Lake Stevens Police Department which will also be carried over to the remodeled Public Works facility. Approval of these two orders now will allow WAVE to begin the buildout of these services for installation in 2018. He then invited Councilmembers' questions and there were none.

MOTION: Moved by Councilmember Daughtry, seconded by Councilmember Welch, to approve the order for Internet Phone Services for Police Department with WAVE Business Solutions, LLC. On vote the motion carried (6-0-0-1).

MOTION: Moved by Councilmember Daughtry, seconded by Councilmember Welch, to approve the new lease agreement between the City of Lake Stevens and Wave Broadband for a 36-month term. On vote the motion carried (6-0-0-1).

Approve Resolution 2017-13 Authorizing Purchase of Three Public Works Vehicles Under Special Market Conditions: Senior Engineer Cory Nau presented the staff report and said with the increased staffing levels in Public Works there was a need for additional vehicles. Snohomish County PUD surplussed three vehicles that the City was able to purchase for very favorable prices. Because these vehicles were purchased under special market conditions, the Council is required to approve their purchase by resolution. He then responded to Councilmembers' questions.

MOTION: Moved by Councilmember Daughtry, seconded by Councilmember Welch, to approve Resolution 2017-13 Authorizing the Purchase of Three Used Vehicles from Snohomish County Public Utility District Under Special Market Conditions. On vote the motion carried (6-0-0-1).

Authorize Supplemental Agreement No. 1 with AquaTechnex for Aluminum Sulfate Treatment Program: Engineer Nau presented the staff report and said that in 2016 the City awarded a four-year contract to AquaTechnex for the treatment of aluminum sulfate in the lake. This is the second year of the contract and Council approval of Supplemental Agreement No. 1 is required. Previous treatments and outreach by AquaTechnex have been very successful. He then invited Councilmembers' questions.

Responding to Councilmember Petershagen's question, Engineer Nau said that Snohomish County contributes the sampling and monitoring of the application, and Director Stevens added that Snohomish County does contribute financially and it is invoiced at 12.8%, which is the County's percentage of the shoreline.

MOTION: Moved by Councilmember Tageant, seconded by Councilmember Daughtry, to authorize the Mayor to sign Supplemental Agreement No. 1 with AquaTechnex for the Aluminum Sulfate Treatment Program for an amount of \$92,300.00 and authorize a management reserve of \$3,000.00. On vote the motion carried (6-0-0-1).

Approve Ordinance No. 1000, Amending Lake Stevens Municipal Code Section 10.03 re Vaping: Community Development Director Russ Wright presented the staff report and said that LSMC 10.03.155 already prohibits smoking in public parks, and that approval of Ordinance No. 1000 will extend that prohibition to vaping and vapor products. Snohomish Health District recently adopted a similar ordinance, and works to enforce smoking regulations throughout the county. The Health District has reached out to the cities to do the same. He then invited Councilmembers' questions and there were none.

MOTION: Moved by Councilmember Tageant, seconded by Councilmember McDaniel, to approve Ordinance No. 1000 amending LSMC 10.03.020 entitled "Definitions," adding a new section 10.03.157 entitled "Vaping Prohibited," establish an effective date, providing for summary publication and providing severability. On vote the motion carried (6-0-0-1).

Approve (Supplemental) Resolution 2017-14 re Nourse Development Agreement No. 2:

Director Wright presented the staff report and said that after Council's action approving Amendment No. 2, but prior to recording of the Development Agreement Amendment, KR9-N9, LLC became the sole owner of the property. The Lake Stevens Municipal Code provides that minor changes to development agreements may be approved administratively. Because KR9-N9 had an ownership interest at the time Amendment No. 2 to the Development Agreement was approved, and now has sole ownership of the properties, it has been determined that this is a minor modification that does not require reprocessing or a new action. There are no other changes to the Development Agreement. Director Wright then invited Councilmembers' questions and there were none.

MOTION: Moved by Councilmember Welch, seconded by Councilmember Hilt, to adopt Supplemental Resolution 2017-14 related to the Nourse Development Agreement Amendment No. 2 (LUA2017-0096) to recognize current ownership. On vote the motion carried (6-0-0-1).

Approve Resolution 2017-15 Acknowledging Receipt of a Letter of Intent to Proceed with Proposed Annexation Commonly Known as the Machias Industrial Annexation:

Director Wright presented the staff report and said that approval of this resolution will set the process for the pursuit of a 60% petition for annexation of the area known as the Machias Road Industrial area. This area is part of the City's previously approved annexation strategy. He then invited Councilmembers' questions and there were none.

MOTION: Moved by Councilmember Daughtry, seconded by Councilmember Welch, to accept the 10 percent annexation petition and authorize the pursuit of a 60 percent petition for the Machias Road Industrial Annexation pursuant to Resolution 2017-15, and further recommend that the City require the simultaneous adoption of land use and zoning designations and require the simultaneous assumption of all existing City indebtedness. On vote the motion carried (6-0-0-1).

Approve Ordinance 999 Amending 2017 Budget: Finance Director Stevens presented the staff report. She said this is the second reading of this ordinance, which was first read on July 11, 2017. She reviewed the changes made to the proposed amendment since the first reading and then invited Councilmembers' questions. There were no questions.

MOTION: Moved by Councilmember Hilt, seconded by Councilmember Welch, to approve Ordinance No. 999 Amending Budget Ordinance Nos. 975 and 988, and including changes to organizational chart. On vote the motion carried (6-0-0-1).

Approve Utility Agreement with Snohomish County PUD: City Administrator Gene Brazel presented the staff report and said this agreement sets standards for signage that can be hung on PUD utility poles. There is no additional cost associated with this agreement. He then invited Councilmembers' questions and there were none.

MOTION: Moved by Councilmember Welch, seconded by Councilmember McDaniel, to authorize the Mayor to enter into the Municipality Street Lighting Contract with Snohomish County Public Utility District. On vote the motion carried (6-0-0-1).

Approve Resolution 2017-12 re Sewer District Unification: Administrator Brazel presented the staff report and said approval of this resolution begins the process of unifying City and Sewer District services by setting out the initial steps and timeline to begin the process. This was previously discussed by Council in January 2017, and Lake Stevens Sewer District adopted a similar resolution at their July 13, 2107 meeting.

Mayor Spencer briefly reviewed the process and invited Council discussion.

In response to Councilmember Welch's question as to why the long five to seven year timeline, Mayor Spencer responded that the proposed timeline provides time for both the City and District to deal with necessary changes that will need to occur, and also it meets citizens' comfort levels. This unification is a matter of governance and not something that needs to be rushed into.

Councilmember Tageant commented the timeframe for unification could be accelerated if both sides are agreeable.

MOTION: Moved by Councilmember Welch, seconded by Councilmember Hilt, to approve Resolution 2017-12, a resolution of the City of Lake Stevens, Washington, identifying certain steps to be undertaken between Lake Stevens Sewer District and the City of Lake Stevens related to the Unified Sewer Services and Annexation Agreement. On vote the motion carried (6-0-0-1).

Discussion Item:

Interlocal Agreement with Marysville re Soper Hill: Director Wright presented the staff report and reviewed that this proposal, by Marysville, is to open up two access roads onto Soper Hill Road, specifically 83rd and 87th. Discussions between Marysville and Lake Stevens have included the area of influence, preliminary design of the intersections, and cost sharing, construction and future maintenance responsibilities. The big points in the interlocal agreement that Marysville and Lake Stevens are close to agreeing on include setting the parameters and each city's designees for participation, the effective date, and what the project descriptions look like. Marysville will be the applicant for at least 83rd, and would like 87th to be built by a private developer at a future date when the need arises. Director Wright said that eventually the intersections would be turned over to Lake Stevens and become part of Lake Stevens' street network. Smaller issues still to be worked out include insurance and indemnification.

Director Wright commented that one of the big issues remaining is who is going to be the permitting authority. Marysville would like to be, but the Council has previously indicated Lake Stevens should retain its permitting authority. There is also a question of which City's design standards to use. Director Wright believes that as the affected city, Lake Stevens' standards and regulations should apply, as well as Lake Stevens being the SEPA lead.

Another pending large issue is whether impact fees should be assessed. Director Wright noted that under this agreement the City will be accepting additional traffic and a decision needs to be made as to whether the City wants to collect impact fees, or is the City okay not collecting impact fees, knowing that Marysville will also be accepting some additional traffic

Director Wright is requesting Council direction on whether they want Lake Stevens to retain the design and permitting authority, and whether Lake Stevens will assess any kind of impact fees.

Responding to Councilmember Tageant's question, Director Wright said that Marysville's and Lake Stevens' design standards are almost identical.

Councilmember Welch said that if Lake Stevens is ultimately responsible for the roads, then Lake Stevens standards should be utilized.

Councilmember Hilt agreed with Councilmember Welch's comments and noted that a lot of the area identifies with Lake Stevens; he believes Lake Stevens should retain full permitting authority and also ask for impact fees.

Councilmember Daughtry noted that development at 87th is being set up as commercial development and that any resulting sales tax will go directly to Marysville.

Mayor Spencer said that if Council has any additional thoughts to please communicate them to both himself and Director Wright.

Executive Session: Mayor Spencer announced an executive session beginning at 8:05 p.m. and lasting 25 minutes for the purpose of discussing collective bargaining negotiations and potential real estate sales, with no action to follow.

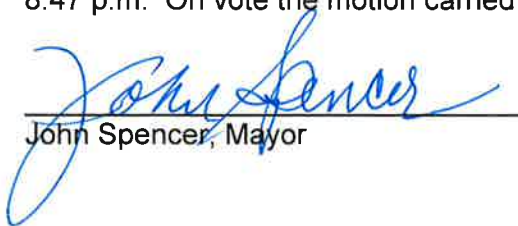
At 8:25 p.m. City Attorney Weed announced the executive session was being extended by 20 minutes and would end at 8:45 p.m.

At 8:47 p.m. the regular meeting of the City Council was reconvened.

Study Session: None.

Adjourn:

Moved by Councilmember Tageant, seconded by Councilmember Hilt to adjourn the meeting at 8:47 p.m. On vote the motion carried (6-0-0-1).



John Spencer, Mayor



Kathy Pugh, Deputy City Clerk