

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

Tuesday, November 14, 2017

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

CALL TO ORDER: 7:01 p.m. by Mayor John Spencer

ELECTED OFFICIALS PRESENT: Councilmembers Kim Daughtry, Gary Petershagen, Kurt Hilt, Todd Welch, Rauchel McDaniel and Kathy Holder

ELECTED OFFICIALS ABSENT: Councilmember Marcus Tageant

STAFF MEMBERS PRESENT: Finance Director/City Clerk Barb Stevens, Community Development Director Russ Wright, Human Resources Director Teri Wright, Public Works Director Eric Durpos, Police Commander Jeff Beazizo, Deputy City Clerk Kathy Pugh, City Attorney Grant Weed, Economic Development Coordinator Jeanie Ashe, Commander Ron Brooks, Senior Engineer Cory Nau, Senior Planner Josh Machen

OTHERS: Kurt Mills, SnoPac Executive Director

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**Pledge of Allegiance:** Council President Kurt Hilt led the Pledge of Allegiance.

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

**Approval of Agenda:**

Moved by Councilmember Welch, seconded by Councilmember Daughtry, to approve the agenda as presented. On vote the motion carried (6-0-0-1).

**Citizen Comments:**

Lance Morehouse, Executive Director Sherwood Community Services, 402 901<sup>st</sup> Avenue NE, Lake Stevens, spoke in support of establishing specific human services funding in the budget. He suggested methods for identifying priorities and then designating funding for specific priorities. Mr. Morehouse suggested \$100,000 be included in the 2018 budget for human services.

**Council Business:**

- Councilmember Daughtry: Economic Development.
- Councilmember Petershagen: Sewer District, Parks subcommittee, Planning Commission.
- Councilmember Hilt: Fire Commissioner Meeting, State Board of Health, Snohomish Health District, thanked staff for the work they do.

- Councilmember Welch: Arts Commission.
- Councilmember McDaniel: Planning Commission, Historical Society, Economic Development, Admin. Subcommittee.
- Councilmember Holder: Economic Development and Parks subcommittees, tree lighting December 2<sup>nd</sup> with Santa.

**Mayor's Business:** Snohomish County Tomorrow, attended several meetings regarding U.S. 2 Trestle replacement, 2018 Legislative Agenda with Doug Levy at next Council meeting, Master Builders Legislative Agenda.

**City Department Report:**

- Community Development Director Wright: City does participate in Snohomish County Tomorrow and is on both the Steering and Advisory committees; he reviewed some of the recent SCT topics related to the UGA and the Vision 2040 strategy, Planning Commission, Winterfest, Beautification Plan, Planning Bootcamp on December 8.
- Public Works Director Durpos: Storm problems, work is targeted to get in front of issues and be self-sustainable.
- Police Commander Beazizo: Emergency Management Coordination Center with partner agencies, hiring update.
- Human Resources Director Smith: Open-enrollment with some significant benefit changes, Guild negotiations.
- Finance Director/City Clerk Stevens: Asked about the Council meeting scheduled on December 26, and there was consensus to cancel the meeting by motion on the November 28, 2017 consent agenda.

**Consent Agenda:**

**MOTION:** Moved by Councilmember Welch, seconded by Councilmember McDaniel, to approve (A) 2017 Vouchers [Payroll Direct Deposits of \$168,593.98, Payroll Checks 43780-43782 totaling \$5,343.90, Tax Deposits of \$65,522.61, Electronic Funds Transfers (ACH) of \$148,619.20, Claims Check Nos. 43777-43779, 43783-43916 totaling \$1,040,065.86, Void Check Nos. (None), Total Vouchers Approved: \$1,428,145.55], (B) City Council Workshop Meeting Minutes of October 24, 2017; (C) City Council Regular Meeting Minutes of October 24, 2017, and (D) Subscriber Agreement with Public Safety Testing. On vote the motion carried (6-0-0-1).

**Public Hearing:**

**First Reading of Ordinance No. 1005 Adopting 2018 Budget:** Mayor Spencer opened the Public Hearing. Finance Director Stevens presented the staff report and said this is a first reading of Ordinance 1005 adopting the 2018 Budget. The second reading is scheduled for the November 28, 2017 Council meeting. She reviewed the proposed 2018 budget, including projected revenues and expenditures, and changes made to it since the Council's workshop on October 24, 2017. She then responded to Councilmembers' questions.

Councilmember Holder asked about the Information Technology Network/Security Analyst position, and Director Stevens responded this is not a new full time employee (FTE), but a reclassification of the current IT Specialist who is already doing this work. Other employee reclassifications include the Assistant Planner to Associate Planner and the Deputy City Clerk to

City Clerk. The .6 FTE is the Senior Planner position that was just recently approved by Council and was filled by an existing Senior Planner who wished to move to part time from full time.

Councilmember Hilt commented on the forecast model, noting there are no new large revenue sources, such as retailers or commercial development, and that the budget is based on the current population, and Director Stevens confirmed this.

Responding to Councilmember Holder's question regarding assumptions related to surface water treatment regarding the phosphorus and alum treatments and how annexations will affect these assumptions, Director Stevens said these annexations do not have a big impact.

Councilmember Petershagen asked how the public will find the actual lists of capital projects related to traffic and pedestrian projects. Director Stevens advised that staff is currently updating the lists related to the Capital Improvement Projects (CIP). She reviewed that what is in the 2018 budget only represents a small number of the CIP projects.

Mayor Spencer responded to Councilmember Petershagen's question as to what streets will be overlaid in 2018, saying that as far as sidewalks are concerned the budget reflects a placeholder and no decisions have been made on which sidewalks will be done. City Administrator Brazel is working with Public Works Director Durpos on an idea of using not only the WSDOT funds for safe sidewalks to schools, but also looking at the feasibility of the City purchasing its own forms and establishing its own crews to put sidewalks in more quickly and a lower cost. Mayor Spencer commented on the Street Fund saying that there are a number of roundabouts and other improvements that are identified. Other street work has not yet been identified. Regarding the roundabouts, specifically the one planned for Market and 91<sup>st</sup> will be constructed. There is still a list of sidewalks that was developed about five years ago that will be used as a start point to identify sidewalk improvements.

Director Durpos added that the City is working with WSDOT on the roundabout at 91<sup>st</sup> and Market, and it looks like it will work.

Mayor Spencer said the City needs to address the horrible conditions on 20<sup>th</sup> Street SE, and the resultant problems with the feeder streets, and there are some improvements that can be made that will provide some relief.

Mayor Spencer invited public comment.

Anne Anderson, Executive Director of the Lake Stevens Community Food Bank Director, 2111 117<sup>th</sup> Avenue NE, Lake Stevens, supports Human Services Funding to benefit many of the charities in Lake Stevens.

Mayor Spencer asked for additional public comment and there was none. He then closed the public comment portion of the Public Hearing, and asked for any additional questions by Council.

Responding to Councilmember Daughtry's question regarding funding for human services, Director Stevens said that the budget includes funding for the Senior Center at \$40,000 and \$30,000 for the Snohomish Health District. Also, there is funding for consultants for the Veterans Commission. All three of these items of which have a human services focus. Director Stevens asked if Council is looking to move the budget to \$100,000 from where it is now, or if

another \$100,000 is being requested for human services. Moving the budget to \$100,000 would have minimal impact.

Mayor Spencer suggested moving the budget up to \$100,000. He said he looks at the budget in terms of how do upward adjustments to the budget affect the City's reserves.

Councilmember Daughtry would like to see an additional \$100,000 added to the budget.

Councilmember Holder reminded at one time the City did have specific Human Services Funding.

Councilmember Daughtry recalled the problem with this budget item was that recipients of human services funding did not report back on how the funds were spent.

Councilmember Hilt asked that Director Stevens show the budget impact of both adding an additional \$100,000 and increasing the budget to \$100,000 for human services funding.

Mayor Spencer invited additional comments from Council and there were none, so he then closed the Public Hearing.

**MOTION:** Moved by Councilmember Welch, seconded by Councilmember Daughtry to hold the first reading of Ordinance No. 1005 adopting a 2018 Budget. On vote the motion carried (6-0-0-1).

**Action Items:**

**Admin/Budget Subcommittee:** Councilmember McDaniel reported that the subcommittee was updated on the property tax levy ordinance, and also on the change in insurance. Directors Stevens and Smith will provide detail with their staff reports.

**Approve Ordinance No. 1006 Levying Taxes Upon All Real Property-Real, Personal and Utility:** Director Stevens presented the Staff Report and said that Snohomish County requires all cities to submit an ordinance to them by November 30 of each year authorizing the County to collect taxes on behalf of the city. This year's increase would be a 1% increase. Director Stevens then invited Councilmembers' questions and there were none.

**MOTION:** Moved by Councilmember Daughtry, seconded by Councilmember Welch, to adopt Ordinance No. 1006, authorizing the collection of property tax levy for 2018 and setting the property tax levy. On vote the motion carried (6-0-0-1).

**Approve Agreement with New York Life re Life Insurance:** Human Resources Director Teri Smith presented the staff report and said that moving to New York Life to administer the employer-paid life insurance, accidental death and dismemberment, and long term disability insurance, will provide a significant savings in rates that allows the City to select better benefit options, and in some cases provides a significant increase to employee benefits. Director Smith then responded to Councilmembers' questions.

**MOTION:** Moved by Councilmember Hilt, seconded by Councilmember McDaniel, to authorize the Mayor to sign an Agreement between New York Life and City of Lake Stevens for life insurance. On vote the motion carried (6-0-0-1).

**Approve Non-Represented Employee Pay Scale:** Director Smith presented the Staff Report and said that the last salary schedule was approved in 2014. She reviewed the process for arriving at the proposed non-represented employee pay scale. With approval of the proposed non-represented employee pay scale, Council will also be approving a defined methodology for calculating the salary ranges and steps within each range for non-exempt and exempt non-represented positions. Director Smith explained that with the cost-savings in changing medical plans in 2018, there will be little cost impact to move to the proposed pay scale. Director Smith then responded to Councilmembers' questions.

Councilmember McDaniel commented that the subcommittee spent a lot of time on this, including scrutiny of the comparable cities. The result is a very clean and transparent process. She added that a review process will be implemented, and allowances will be put in place for long-term employees, which will benefit the City.

Mayor Spencer added that the City Administrator is asking all department directors to set goals for the year. The goals will be used to assess performance expectations and help ensure the City maintains high quality employees.

Responding to Councilmember Daughtry's question regarding comparable cities. Director Smith said represented employees look at their comparables a little differently. This year the single list worked for both represented nonrepresented employees.

**MOTION:** Moved by Councilmember Welch, seconded by Councilmember Hilt, to incorporate a new salary schedule for non-represented employees with the 2018 Budget. On vote the motion carried (6-0-0-1).

**Economic Development Subcommittee:** Councilmember Daughtry reported the subcommittee met today and discussed the resolutions for the Pellerin and Rhodora annexations. This included information that was presented about a potential new zoning designation that would reduce lot sizes but not as significantly as a High Urban Residential designation. Council will need to review to review this, and for now it is a placeholder. Councilmember Daughtry also provided a Visitor Information Center and Chamber update.

**Approve Resolution 2017-18 re Pellerin Annexation:** Senior Planner Josh Machen presented the Staff Report and reviewed the history of this annexation petition. The proposed annexation is located just south and east of the Lake Stevens city limits, just across South Lake Stevens Road, and is approximately 64 acres. Planner Machen said he did receive a letter from the petitioner indicating they would like to modify the boundary on the annexation to remove eight properties at the eastern side of the annexation. He then reviewed the history of the Council's annexation plan, beginning in 2016 with the passage of Resolution 2016-21.

Mayor Spencer asked that Planner Machen present the Staff Report for the Rhodora Annexation as well.

**Approve Resolution 2017-19 re Rhodora Annexation:** Planner Machen presented the Staff Report and reviewed the history of this annexation petition. The proposed annexation is located

at the northeast corner of South Lake Stevens Road and Machias Cutoff Road and extending north along the lake. The area is currently a mix of zoning areas in Snohomish County. There are several developments that are built out in this proposed annexation, and also an undeveloped area that is ripe for development. The undeveloped area was also discussed by the subcommittee as potentially being zoned in a new Compact Residential zoning. Before Compact Residential zoning could be approved it would have to go through the public process beginning with the Planning Commission, and final approval by the City Council.

Planner Machen then responded to Councilmembers' questions regarding both proposed annexations. There was discussion as to whether removing the eight properties on the east side of the Pellerin annexation would create an island. Planner Machen related his understanding is that these eight properties have already received approval from the County for subdivision and construction is scheduled to go forward next spring.

David Toyer of Toyer Strategic Consulting, 3705 Colby, Everett, said he has been working with property owners of both annexations and helped put together the 10% petitions. Speaking to the Rhodora Annexation he reviewed that three of the eastern property owners requested to be removed from the boundary, and he believes this makes sense because the eastern boundary will then be the Machias Cutoff Road, which is a cleaner boundary.

Turning to the Pellerin Annexation, Mr. Toyer confirmed that he was contacted this afternoon by several property owners in the northeast portion of the proposed annexation area, requesting that they be removed for the reason that they already have approved subdivision plans from the County.

Mr. Toyer said that in both the Pellerin and Rhodora proposed annexations, the property owners believe that the zoning identified in Resolution 2016-21 is appropriate. If Council approves these two 10% petitions it will allow both areas to move forward with 60% petitions.

PELLERIN ANNEXATION MOTION: Moved by Councilmember McDaniel, seconded by Councilmember Petershagen, to accept the 10 percent annexation petition and authorize the circulation of a 60 percent petition for the Pellerin Annexation, as amended, pursuant to Resolution 2017-18, and further recommend the City require the simultaneous adoption of land use and zoning designations and require the assumption of all existing City indebtedness.

Mayor Spencer invited Council discussion.

Councilmember Hilt said he would prefer to continue this to the next meeting, and said he is concerned about the Compact Residential zoning designation.

Councilmember Daughtry said his concern is more to the petitioner, in that they assumed their zoning designation would be High Urban Residential, and the subcommittee decided they would prefer a Compact Residential zoning at their meeting this afternoon.

Councilmember Petershagen commented it's only a 10% petition and there is a lot of process to go through before the annexation will be completed.

City Attorney Weed summarized the annexation process, including the timeline and required review by the Boundary Review Board. Attorney Weed said that authorization of circulation of a

60% petition starts the process over. He also noted the City can designate the zoning at annexation, but that is not cast in stone and rezones do happen.

Councilmember McDaniel commented the zoning was discussed extensively at the subcommittee meeting this afternoon, and approval of the resolution this evening give the petitioner the ability to move forward.

Mr. Toyer commented that the citizens in the Pellerin annexation area have the understanding that the zoning will be as identified in Resolution 2016-21, and what is being discussed tonight as far as zoning is new.

Councilmember Daughtry commented that throughout the recent election campaign, he and his opponent consistently heard from voters that they are concerned about rapid development and are looking for density relief.

Councilmember Holder also expressed concern about the impacts of annexation and potential increased development to the integrity of South Lake Stevens Road.

Councilmember McDaniel believed that annexation would give the City better control over how the roadway is maintained and improved.

Mayor Spencer reminded that Council was looking at a design to put a sidewalk in on South Lake Stevens Road, and ultimately it was determined it would be better to include sidewalks as part of a major improvement to that road.

VOTE: On vote the motion to approve Resolution 2017-18, regarding the Pellerin Annexation, as amended, carried (6-0-0-1).

RHODORA ANNEXATION MOTION: Moved by Councilmember Welch, seconded by Councilmember Daughtry, to accept the 10 percent annexation petition and authorize the circulation of 60 percent petition for the Rhodora Annexation pursuant to Resolution 2017-19, and further recommend the City require the simultaneous adoption of land use and zoning designations and require the assumption of all existing City indebtedness.

Councilmember McDaniel said that she attended the public meeting on the Rhodora Annexation.

Mayor Spencer stated that the motion is made with the understanding that staff will also be coming back with a recommendation for Compact Residential zoning for this area as well.

VOTE: On vote the motion to approve Resolution 2017-19, regarding the Rhodora Annexation, carried (6-0-0-1).

Public Safety Subcommittee: Councilmember Rauchel briefly reviewed the history of the effort to consolidate SnoPac and SnoCom, and said the new agency Snohomish County 911 will be in service effective January 1, 2018, and that all agencies wishing to receive dispatch services after this consolidation will have to sign the Interlocal Agreement being presented this event. It is staff's recommendation that Council approve this requested action.

**Approve Ordinance No. 1007 re Interlocal Agreement Creating a New Emergency**

**Communications Agency:** Commander Beazizo introduced SnoPac Executive Director Kurt Mills and said he will present the staff report and respond to any questions Council may have. Also, Attorney Weed is available to respond to questions.

Mr. Mills reviewed history of the two emergency dispatch centers, and bringing them together is a service enhancement, particularly because the need to transfer calls will be eliminated. The transition will take a year and will be smooth and transparent to community. Community members should not see any changes or interruptions to their service, except for those citizens whose emergency calls were transferred; the plan is to eliminate those transfer calls immediately.

Attorney Weed commented that because the City is a direct provider of law enforcement services it has the opportunity to join the new entity Snohomish County 911 as a "principal agency," which means it is a direct participant and will participate in a caucus that selects the governing board members.

Mr. Mills added that Lake Stevens would be the largest city in what is the "small police" caucus. Board representation is from of a group of nine agencies. It will change to eight agencies with three votes and is almost identical to what is in place today.

Councilmember Hilt commented this is a good thing.

Attorney Weed noted a correction in the action. Council will be approving a resolution and not an ordinance. Deputy Clerk Pugh said the resolution number is 2017-20.

**MOTION:** Moved by Councilmember Welch, seconded by Councilmember Holder, to approve Resolution 2017-20 authorizing the Mayor to enter into an Interlocal Agreement creating a new regional emergency communications services agency. On vote the motion carried (6-0-0-1).

**Public Works Subcommittee:** Councilmember Petershagen introduced the next action item and said that Director Durpos will provide details. He added that because there was not a Public Works Subcommittee meeting, this was not reviewed by the subcommittee.

**Award Bid and Approve Public Works Contract re Callow Road Frontage Improvements:**

Public Works Director Durpos presented the Staff Report and reviewed the scope of the frontage improvements scheduled for Callow Road. Director Durpos noted the original idea was that the road improvements would be part of the mitigation completed by the developer for the Nourse property, but that is not a legal process, and because of this projects importance the City determined to take over the project. He reviewed the history of the request for bid and noted that fourteen bids were received and said that SRV Construction was the lowest responsive bidder. He then responded to Councilmembers' questions.

**MOTION:** Moved by Councilmember Daughtry, seconded by Councilmember Petershagen, to award the Callow Road Improvements Lundeen Parkway to Oak Road project to SRV Construction and authorize the Mayor to enter into a Public Works Contract in the amount of \$538,195.18, with an authorized administrative contingency of \$107,639.04. On vote the motion carried (6-0-0-1).



**Approve Reimbursement of Attorney Fees to Frontier Heights Homeowners Association re Frontier Heights Park Property Transfer:**

**Parks Subcommittee:** Councilmember Holder said that the payment of the Frontier Heights Homeowners Association attorney fees is a nominal fee in the grand scheme of the cost of acquiring park property, and the City taking over this park will ultimately increase the value of the neighborhood homes and provide additional park services to the community.

**MOTION:** Moved by Councilmember Hilt, seconded by Councilmember Daughtry, to authorize the Mayor to sign the Agreement to Pay Attorneys Fees of the Frontier Heights Homeowners Association related to transfer of the Frontier Heights Park to the City of Lake Stevens. On vote the motion carried (6-0-0-1).

**Discussion Items:**

**Update on Interlocal Agreement with Snohomish County re Cavelero Park:** Kathy Holder said this has been a very long process, and if the interlocal agreement is ready it is time to move forward.

Community Development Director Russ Wright commented the delay has been in the negotiation of the interlocal agreement. The City has provided comments and the County has been slower in returning documents. Final items to be resolved include what happens to the City's resources and financial contributions to the park if the County decides in the future to sell the park. If this were to occur the City believes the County should convey the park to the City or that the City should have a first right of refusal to purchase the park.

There was consensus to continue the meeting past 9:00 p.m.

**Comprehensive Plan Briefing:** Director Wright reminded Council of the docket set for 2017 for the Comprehensive Plan. Because we are close to the end of the year this will be pushed out for adoption in January 2018. The proposed changes to this year's comprehensive plan include two land use changes, one to Eagle Ridge Park, and the other the proposed civic campus at Chapel Hill and 99<sup>th</sup>. Other main changes include updates to the parks element and the capital facilities element. Director Wright said that moving forward, there are some new zones that might be brought to Council, and a big focus will be on how to connect the Capital Facilities Plan to the Land Use and Housing element a little more closely.

Director Wright then responded to Councilmember Welch's question regarding the timing for possible zoning changes, and said the 2017 Comprehensive Plan Docket would not affect any future development. Director Wright said that the City has achieved about 50% of its growth target since 2012 under the Buildable Lands Report and is on track to meet its growth targets under the zoning established at that time. Director Wright said there are also some areas where zoning can be modified to speed up the process, but this will be dependent on Council direction following its retreat in January.

**Executive Session:** None.

**Adjourn:**

Moved by Councilmember Daughtry, seconded by Councilmember Hilt, to adjourn the meeting at 9:05 p.m. On vote the motion carried (6-0-0-1).

  
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John Spencer, Mayor

  
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Kathy Pugh, Deputy City Clerk