

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

Tuesday, November 28, 2017

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

CALL TO ORDER: 7:04 p.m. by Mayor John Spencer

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

ELECTED OFFICIALS ABSENT: None.

STAFF MEMBERS PRESENT: City Administrator Gene Brazel, Finance Director/City Clerk Barb Stevens, Community Development Director Russ Wright, Public Works Director Eric Durpos, Police Chief John Dyer, Human Resources Director Teri Smith, Deputy City Clerk Kathy Pugh, City Attorney Grant Weed, Police Commander Ron Brooks; Economic Development Coordinator Jeanie Ashe; Senior Planner Josh Machen

OTHERS: Jeff Ketchel, Administrator, Snohomish Health District, Dr. Mark Beatty, Health Officer, Snohomish Health District, Shawn Frederick, Administrative Services Director, Snohomish Health District, and Kevin Plemel, Environmental Health Director, Snohomish Health District

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

Roll Call: All present.

Approval of Agenda: Moved by Councilmember Tageant, seconded by Councilmember Daughtry, to approve the agenda with the noted changes. On vote the motion carried (7-0-0-0).

Guest Business: Jeff Ketchel, Administrator of the Snohomish Health District, introduced the Snohomish Health District representatives in attendance with him. He then provided an overview of the Health District's programs that have been initiated in 2017, including Envision Connect, which allows for online access to Health District information and submittals of applications to the Health District. Mr. Ketchel reviewed this year has been a year in transition for the Health District, including selling of the Rucker building, and making an offer on a pair of buildings near the Xfinity Center. Also, there have been leadership changes through the year.

Turning to the opioid epidemic Mr. Ketchel shared that the Health District has supported needle exchange programs, adopted a new secure medicine return ordinance and continues to work on building healthy and resilient families. He also said the Health District has put together 1000 needle cleanup kits that are available to the public, and which was paid for by city contributions. Over half of the kits have been distributed throughout the county.

Mr. Ketchel said the Health District continues to work on data evaluation regarding the opioid epidemic and pointed to the one-week in time count, and said the Health District continues to seek ways to gather real time data. The Health District said it is also continuing to work with social marketing and has learned that there is not a one place stop for shopping for information about opioid overdose.

Dr. Beatty said that the Emergency Management Center has been partially activated by Snohomish County to help address the opioid crisis. Dr. Beatty is working more closely with physicians to monitor how closely opioid-based medications are prescribed, and this information will be used to educate physicians. There are also statewide and federal initiatives to develop more effective guidelines for physicians. Dr. Beatty noted there are different opioid-related problems for different age groups, and that the demographics for the different age groups are quite different, and the way these people access services will be quite different. Additionally, the Health District is working on preventive measures including education in the schools, working with seniors, talking to parents and providing information on social media sites.

Mr. Ketchel said another priority of Snohomish Health District is to encourage safe storage of medications in homes. He shared a Lock Bag that has been designed for storage of medications, which contains a lock and key. If someone unauthorized accesses a locked bag, it is easily seen.

Mr. Ketchel next reviewed the merger analysis that was done regarding the Health District merging with Snohomish County. Ultimately the Health District determined after reviewing the analysis that it would be in the best interests of Snohomish Health District to remain independent of the county, and that the Health District is effective as an independent agency, and avoids conflicts of interest that likely would arise. Also, there would be competition for funding, and costs would be higher if the county and Health District merged.

Mr. Ketchel reviewed that the Health District has changed its internal operations and is performing more effectively and efficiently. He added that software is being updated and the Snohomish Health District is working for accreditation, which it plans to achieve in 2019. Finally, Mr. Ketchel shared that the Health District is working to clarify its mission and to develop a new strategic plan. In closing, Mr. Ketchel requested that Lake Stevens renew its contract for 2018.

Councilmember Hilt commented that two Snohomish Health District employees are also members of the Veterans Commission.

Citizen Comments: None.

Council Business:

- Councilmember McDaniel: Planning Commission.
- Councilmember Holder: Winterfest.
- Councilmember Tageant: National League of Cities.

Mayor's Business: A proposed agenda for the retreat was provided and input is requested.

Arts Commission Appointments: Mayor Spencer introduced Sara Brown and Katherine Wyant, and said that following interviews of four candidates by himself, Parks & Recreation

Coordinator Jim Haugen and Arts Commission chair Steve Apodaca, there was agreement that nominees would provide a nice complement of skills to the Arts Commission. Mayor Spencer requested that his nomination of Ms. Brown and Ms. Wyant to fill two unexpired terms on the Arts Commission be confirmed and that they be appointed to the commission for terms expiring December 31, 2020.

MOTION: Moved by Councilmember Holder, seconded by Councilmember Welch, to appoint Sara Brown and Katherine Wyant to the Arts Commission for terms expiring December 31, 2020. On vote the motion carried (7-0-0-0).

Mayor Spencer administered the oath of office to Ms. Brown and Ms. Wyant.

City Department Report.

- City Administrator Gene Brazel: Consultant Agreement with Stowe Development & Strategies was terminated.
- Community Development Director Russ Wright: Beautification Plan Open House, Interviews for Lundeen Park consultants; ESA, consultant for downtown plan on site Thursday doing environmental inventory of critical areas; public hearings scheduled at the December 12 Council meeting regarding marijuana interim regulations and the interim safe injection site regulations; Stormwater and Land Disturbance codes; Planning Commission is holding a hearing on the 2017 Comprehensive Plan.
- Public Works Director Eric Durpos: Winterfest.
- Human Resources Director Teri Smith: Open enrollment, Guild negotiations.
- Chief of Police John Dyer: Awards Dinner.
- Finance Director/City Clerk Barb Stevens: Auditor update.

Consent Agenda:

MOTION: Moved by Councilmember Welch, seconded by Councilmember Petershagen, to approve (A) 2017 Vouchers [Payroll Direct Deposits of \$185,344.54, Payroll Checks 43917-43919 totaling \$4,211.84, Tax Deposits of \$76,345.06, Electronic Funds Transfers (ACH) of \$99,655.10, Claims Check Nos. 43920-44025 totaling \$384,006.20, Void Check Nos. 43485 and 43787 totaling \$1,390.00, Total Vouchers Approved: \$748,172.74], (B) City Council Workshop Meeting Minutes of November 14, 2017, (C) City Council Regular Meeting Minutes of November 14, 2017, and (D) Cancellation of December 26, 2017 City Council Meeting. On vote the motion carried (7-0-0-0).

Public Hearing:

Mayor Spencer opened the public hearing.

Public Hearing and Second Reading and Adoption of Ordinance No. 1005 Adopting 2018

Budget: Finance Director Stevens said this is the second and final hearing for the proposed 2018 budget. She then presented the staff report, reviewed executive priorities and changes to the proposed 2018 budget. Director Stevens next discussed the three options for Human Services funding and requested Council input.

Mayor Spencer invited public comment and there was none. Mayor Spencer then closed the public comment portion of the hearing.

Regarding the Human Services Funding, Mayor Spencer suggested Council consider inviting him to return to Council in January with a program for administering the Human Services funding if the Council determines to add additional funding to this budget item. This might include how funding is designated to specific organizations or whether it is available as grant funding, and also would include metrics for identifying how the funding is used. Mayor Spencer is not proposing any changes to what is already in the budget.

Councilmember Hilt concurred with Mayor Spencer's comments regarding Human Services funding. He believes there is potential but it is not ripe at this time. He added that because there is an unsettled labor contract that will have budget implications, and secondly, there is not a plan to administer additional Human Services funding at this time. This could be revisited in 2018.

Councilmember Tageant supports moving this discussion to January.

Councilmember Daughtry asked whether the Senior Center will be in the 2019 budget, and Mayor Spencer responded that there is not a decision at this time. He added that the goal is to make the Senior Center self-sufficient.

Councilmember Welch commented that the funding for the Senior Center was discussed and noted that the funding was designed to be temporary funding while the Senior Center organizes itself. Councilmember Welch does not support additional funding to Human Services as this is being charitable with other people's money.

Councilmember McDaniel supports waiting until January and would like a very clear outline of the requirements to receive funding. She added the requirements need to be the same for everyone.

Councilmember Holder commented a grant program needs to be clearly developed, including metrics, before more funding is committed.

Councilmember Daughtry agreed with the comments made and supports putting this discussion over to 2018.

Councilmember Tageant suggested setting aside some criteria at the retreat that can be built on.

Mayor closed the public hearing.

MOTION: Moved by Councilmember Daughtry, seconded by Councilmember Welch, to have the second reading and approve Ordinance No. 1005 adopting the 2018 Budget as presented. On vote the motion carried (7-0-0-0).

Action Items:

Reconsideration of Resolution 2017-18 re Pellerin Annexation: Director Wright clarified that this agenda item is a reconsideration of both Resolution 2017-18 re Pellerin Annexation and Resolution 2017-19 re Rhodora Annexation.

Senior Planner Josh Machen presented the staff report and said there have been requests by the applicants to revise Resolution 2017-18 regarding the Pellerin Annexation to provide for an annexation area of 35 acres rather than the 67 acres originally proposed and to retain the High Urban Residential (HUR) zoning. Subsequently a request to revise Resolution 2017-19 regarding the Rhodora Annexation was also received requesting HUR zoning. Staff is seeking Council direction on how to proceed.

Planner Machen reviewed three options for proceeding: (1) affirm acceptance of the 10% annexation petitions and authorize the circulation of the 60% petition for both the Pellerin and Rhodora annexations with a different zoning classification, which could be the HUR and Waterfront Residential zoning as applicable; (2) direct staff to prepare revised resolutions affirming the 10% annexations as originally submitted, but only authorizing circulation of the 60% petitions after the City Council has adopted the Compact Residential (CR) zoning; and (3) rescind Resolutions 2017-18 and 2017-19 until such time as the City has reviewed the zoning and Comprehensive Plan in 2018.

Senior Planner Machen added that staff reviewed the proposed modification of the boundary, and due to irregularities of the boundary and limited connection to the existing City boundary, staff recommends that boundary change not be approved.

Councilmember Petershagen asked if the resolutions could be rescinded without conditions. He added that it was not that long ago that the City adopted an annexation plan that addressed this area and intended to proceed with annexation later in the annexation plan. He is concerned that petitioners based their petition on criteria established in 2016.

Planner Machen responded that because these petitions are citizen initiated, the City needs to consider these petitions at this time, before the zoning is solidified.

Director Wright clarified that option (1) allows the Council to direct staff to bring back a revised resolution to designate the areas in both annexations with current city zoning, like HUR. Option (3) is a rescind and wait until zoning is confirmed. As Councilmember Petershagen suggested, Council could rescind the resolutions entirely, which would terminate the annexation petitions with no further action.

Councilmember Daughtry asked if the City could take a different option of returning to the HUR designation as it was in the previous resolution and modifying the boundary as requested, as requested by proponents.

David Toyer of Toyer Strategic Consulting, 3705 Colby Avenue, Suite 1, Everett, WA, said he has been working with landowners in both of the annexation areas to gather signatures for the 10% petitions, and he is also retained by some landowners to move forward with the 60% petitions. Mr. Toyer commented that the City determined in Resolution 2016-021 that it would not move forward with annexation until a later date, possibly under an election method. Mr. Toyer said the timing element is a challenge; if this process takes time it is difficult to keep the process moving forward. He added that petition signatures expire after a certain time or

become invalid for a variety of reasons. Also there is concern about moving forward with a zoning designation that is not yet established.

Mr. Toyer commented that the reconsideration request was made based on the inconsistency in zoning designation between Resolution 2016-21 providing for HUR zoning and Resolution 2017-18/Pellerin with the CR zoning. The expectation was that the HUR zoning would be available. Also regarding the Pellerin annexation, there is some growing resistance, which is why the request was made to remove properties at the previous Council meeting. Boundary shrinkage is requested because it addresses issues with some of the landowners not wanting to be annexed, and also because with the smaller boundary area he is confident they can deliver a 60% petition. Mr. Toyer next commented on the reduced Pellerin boundaries, and how they fit with the city's current boundaries. Ultimately the Boundary Review Board makes the determination as to whether boundaries are irregular.

Mr. Toyer next commented on the Rhodora annexation, and said they would like to move this forward and to be clear moving forward it would be good to use existing city HUR zoning. He suggested development could be addressed through development agreements with bigger perimeter lots and smaller internal lots, rather than waiting on a code amendment. He reminded that the petition signatures are only valid for six months and that is a concern.

Patrick McCourt, 10515 20th Street SE, Lake Stevens, believes the cost of infrastructure is a paramount issue for the community. Mr. McCourt commented on the Sewer District's debt, and said that higher density is the only way that rate revenue and general facility charges are going to resolve the debt. He said it is important for the city to look at their projected growth targets and buildable lands inventory. He supports the petitioners' recommendation of Option No. 1, and that petitioners be allowed to reduce their boundary. Mr. McCourt also supports the HUR zone with larger periphery lots and smaller interior lots, and this provides a buffer with other neighborhoods. He is willing to work with staff to prepare an agreement regarding the Rhodora Heights property.

Responding to Councilmember Tageant's question regarding sewer infrastructure, Mr. McCourt said that the Rhodora Heights annexation requires the construction of a regional sewer facility and an additional lift state at an estimated at \$7.3 million in 2016 dollars.

Attorney Weed clarified that tonight's action is a two-step process to (1) entertain a motion to reconsider, and (2) a motion on how to change the previously approved resolutions.

MOTION: Moved by Councilmember Petershagen, seconded by Councilmember Tageant, to reconsider Resolutions 2017-18 and 2017-19 regarding the Pellerin and Rhodora annexations. On vote the motion carried (7-0-0-0).

Councilmember Hilt commented on density and said he is concerned about limiting options if the Council approves these 10% petitions with an HUR zoning designation and then determines in 2018 to change the zoning designation.

Councilmember McDaniel commented the CR zoning designation is not clear and is not fair to property owners in the area because it creates an ambiguity.

Attorney Weed explained the annexation statutes allow the Council to do three things when considering a 10% annexation petition: (1) set an annexation boundary, (2) set proposed

zoning, and (3) address existing City indebtedness. If a 60% petition with proposed zoning is circulated, the City can still consider an amendment to the Comprehensive Plan and zoning. He believes the concern is allowing a 60% petition with a yet-to-be defined zoning.

Responding to Mayor Spencer's request, Director Wright said that he has had discussions with the developer about having a continuum of housing types within a single neighborhood, which would allow for some larger lots and some compact development. The Council could use a development agreement to help craft the neighborhood to look like a neighborhood they would find more desirable and still meet the applicant's intent to maximize density and pay for the infrastructure. The developer is not obligated to bring forward a development agreement.

Councilmember Tageant agreed with Councilmember Hilt's comments on density and believes it would be helpful to have a buildable lands report, which staff is working on. Once that report is available that would be a good time to discuss density. Councilmember Tageant supports rescinding Council's previous actions.

Councilmember Daughtry commented the City has history with working with the proponent on development agreement in the past and changing things to produce a better development from the city's point of view, and that shows this developer is willing to be flexible, and he appreciates this.

Mayor Spencer reviewed the options for moving forward including (1) direct staff to prepare resolutions affirming acceptance of the 10% petitions and proceed with 60% petitions based upon the HUR zoning, (2) directing staff to prepare revised resolutions confirming acceptance of the 10% petitions as originally submitted but only authorizing circulation of the 60% petitions after a CR zoning designation is adopted by Council, and (3) to rescind the resolutions and accepting the 10% petitions until the Council adopts a complete review of the Comprehensive Plan and zoning designations. Mayor Spencer also said another option with any of the three options listed is to accept the amended boundaries.

MOTION: Moved by Councilmember Daughtry, seconded by Councilmember Tageant, to repeal Resolution 2017-18 accepting the Pellerin 10% annexation petition and Resolution 2017-19 accepting the Rhodora 10% annexation, and directing staff to return to Council with new resolutions accepting the 10% petitions and authorizing the circulation of the 60% petitions for both proposed annexations, with a different zoning classification of HUR and Waterfront Residential zoning as applicable, and accepting the reduced boundaries

Mayor Spencer appreciated Council's discussion of this matter and noted he is aware of Council's interest in revisiting a number of topics including density, zoning, infrastructure and mitigation funds. Mayor Spencer supports this motion. He noted the City's funding mechanisms for paying debt incurred due to construction of infrastructure is different than funding mechanisms available to the sewer district for infrastructure.

Mayor Spencer addressed the developers and said he would like to see the developers bring forward a different development product, and said he is willing to work with developers to reduce infrastructure costs so that the City will get better communities.

Councilmember Hilt agreed with Mayor Spencer's comments and supports the motion.

Councilmember Holder also agreed with Mayor Spencer's comments and said that people need livable communities.

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

Public Safety Committee:

Approve Ordinance No. 1007 Prohibiting Use of Compression Braking: Chief Dyer presented the staff report and said that prohibiting compression braking was previously considered by the Council in 2008. At that time, Council held a first and second reading of Ordinance No. 767. The second reading was continued to allow the then Police Chief to bring back information regarding public education about compression braking. Staff has not located any record that Ordinance No. 767 was ever brought back to Council. Recently there have been renewed complaints about compression braking along SR 92 in the same area. Chief Dyer reviewed the various ways to move forward. He added that he has completed a lot of research on compression braking and supports a prohibition of unmuffled compression brakes. He is requesting direction from Council.

Discussion ensued, and Councilmember Holder commented she thought Council had previously prohibited compression braking.

Responding to Councilmember Daughtry's question, Chief Dyer said that although the state does not allow compression braking, if the City has its own prohibition, it allows the City to handle any offenses.

Attorney Weed added that to enforce prohibitions on compression braking off the state highway, and within the city, the City needs its own code.

Following additional discussion, Council supported an ordinance prohibiting all compression braking. This will be brought back to Council for approval at a future meeting.

Approve Contract with Snohomish County Human Services re First Responder Flex Fund: Chief Dyer presented the staff report and said that Snohomish County Human Services started a pilot project called First Responder Flex Fund to make funding available to first responders to be used to fill short term gaps in services to highly vulnerable community residents. In October of this year Snohomish County notified the city of this program and invited the city to participate through 2018. The City would receive \$3,561 under this program, which would be used for transportation and shelter,

MOTION: Moved by Councilmember Tageant, seconded by Councilmember Holder, to authorize the Mayor to enter into a contract with Snohomish County Human Services in the amount of \$3,561 for the First Responder Flex Fund. On vote the motion carried (7-0-0-0).

MOTION: Moved by Councilmember Daughtry, seconded by Councilmember Welch, to extend the meeting beyond 9:00 p.m. On vote the motion carried (7-0-0-0).

Approve Ordinance No. 1008 re 20th Street SE Property Condemnations: City Attorney Grant Weed presented the staff report and said that Council is being asked to approve condemnation of the noted properties along 20th Street SE so that the city can continue with the right-of-way acquisitions and subsequent road-widening improvements for that roadway. While

the City has obtained right-of-way from most of the property owners, in some instances the City has not been able to complete this process due to either a property owner or more commonly, lien holders, being responsive. Attorney Weed explained the condemnation process and said this will allow City to move forward to acquire the right-of-ways for the road widening project.

MOTION: Moved by Councilmember Hilt, seconded by Councilmember Petershagen, to approve Ordinance No. 1008 authorizing the condemnation of strip parcels required for 20th Street SE improvements. On vote the motion carried (7-0-0-0).

Accept Letter of Intent and Authorize Appraisal of Nursery Property: Director Wright presented the staff report and said that the city has received a letter of intent to purchase a parcel located at 801 20th Street SE, next to Trestle Station. In order to move forward, the City must accept the letter of intent, obtain an appraisal, establish a boundary of property to be sold, process a boundary-line adjustment and create a wetland mitigation plan. He then responded to Councilmembers' questions.

MOTION: Moved by Councilmember Daughtry, seconded by Councilmember Welch, to accept the letter of intent and authorize an appraisal of property commonly known as the Nursery Property, and generally located at 801 20th Street SE. On vote the motion carried (7-0-0-0).

Discussion Items:

Ordinance No. 1002 re Traffic Impact Fee Adjustment re Employment: Jeanie Ashe, Economic Development Coordinator, presented the staff report and said that originally this traffic impact fee adjustment was adopted by resolution, which is sunsetting on December 8, 2017. Based on discussion between staff and the City Attorney, it was determined this incentive should be adopted by ordinance and codified. The incentive is intended to attract and reward businesses for job creation by reducing the cost of entry into the Lake Stevens market through a rebate of traffic impact fees. While the incentive has not been used to date, potential developers have been made aware of it. If Council is in support of moving forward with Ordinance No. 1002 it will be brought back for vote on the Consent Agenda at the next Council meeting.

Soper Hill Road Interlocal Agreement: Director Wright presented the staff report and reviewed the history of working with Marysville to develop an interlocal agreement that would allow Marysville to improve two intersections onto Soper Hill Road. This would allow for development proposed in Marysville that will have a direct impact on Lake Stevens. Permitting issues are resolved. The remaining issue is traffic impact from new development on the Marysville side, and Lake Stevens may receive 40% of impact. Options for moving forward are Marysville sharing traffic mitigation fees with Lake Stevens or some other form of payment to Lake Stevens for the impacts. Staff is requesting direction from Council

Mayor Spencer commented the impacts on the city's roads will be calculated and presented to Marysville, and Marysville will be asked to either share mitigation fees or pay Lake Stevens directly.

Councilmember Hilt said it is important to be flexible as to what type of compensation is agreed upon.

Councilmember Tageant said Lake Stevens will bear the biggest burden from new development and that Lake Stevens schools and roads will be directly affected as well as receiving other impacts, including long term impacts such as stormwater.

Councilmember Holder commented the Whiskey Ridge acquisition is a bad deal all around and it is important to ensure that Lake Stevens is compensated for all the impacts it will have.

Councilmember Hilt asked about a previous staff recommendation that planning on the east side of Highway 9 be a joint planning process so that the City can have a voice in what happens to that intersection. Director Wright responded the developers on both sides of the highway have been asked to work together with their traffic consultants to deliver an intersection alignment that makes sense and does not create more problems; WSDOT would be the lead agency on intersection improvements.

Responding to Councilmember Petershagen's question, Director Wright said the area of influence identified in previous negotiations extends to about 64th and down the corridor of 83rd/87th, and is truly the Whiskey Ridge area including the residential areas.

Study Session: None.

Executive Session:

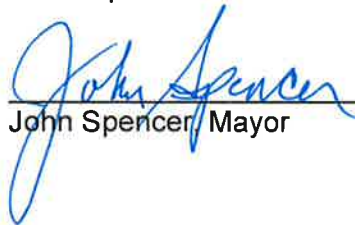
MOTION: Moved by Councilmember McDaniel, seconded by Councilmember Holder, to move into executive session lasting 15 minutes, for the purpose of discussing a collective bargaining matter, with no action to follow. On vote the motion carried (7-0-0-0).

Council moved to executive beginning at 9:17 p.m.

At 9:36 p.m. the regular meeting of the City Council was reconvened.

Adjourn:

Moved by Councilmember Hilt, seconded by Councilmember McDaniel to adjourn the meeting at 9:36 p.m. On vote the motion carried (7-0-0-0).



John Spencer, Mayor



Kathy Pugh, Deputy City Clerk