
CITY OF SEDRO-WOOLLEY

Regular Meeting of the City Council
February 27, 2002 – Community Center – 7:00 P.M.

The Meeting was called to order at 7:00 P.M.

Pledge of Allegiance

Honoring SWHS Wrestling Team

Mayor Dillon honored the Sedro-Woolley High School Wrestling Team for their TEAM effort in winning the 3A State Championship. Mayor Dillon expressed how proud she was of their effort on behalf of the community.

Coach Breckenridge introduced the wrestlers, Freshman: Nathan Decker, Ethan Sandalin, Sophomores: Devin Knight, Tanner McCoy, Juniors: State Champion Jonny Wicker, Jacob Evans, Ryan Ringhouse, Jerha Moore, TJ Morris and Seniors: Andy Andrews and Jonathan Decker. Breckenridge stated the kids did a great job this year and brought the tradition back to Sedro-Woolley. He noted that with so many returning sophomores, juniors and freshman they plan to keep the State Title.

Breckenridge also noted next Thursday at Cascade Middle School an awards banquet will be held for the team and cheerleaders. This event is open to the public and Breckenridge encouraged everyone to attend.

Mayor Dillon also announced a parade through town honoring the Wrestling Team and the Ocean Bowl Sciences Team to be held on Thursday. Cake and coffee was served in honor of the wrestlers.

Councilmember Anderson requested Public Comment be held prior to Executive Session.

Public Comment

Louie Requa – Chair of the Northern State Recreation Task Force, presented an update on the progress of the Task Force. Requa noted plans are in place for a ballfield complex to be located at Helmick Road. It will be a 10 field lighted complex with 5 Softball fields, 4 Little League fields and 1 90-foot Baseball field. Requa noted that three projects will be done at the same time. The projects are Hansen Creek/Red Creek Fish Enhancement/Flood Damage Prevention project, Ballfields and Helmick Road Improvements. The target date for the project is Spring, 2003.

Vern Sims – 23245 Bassett Rd., congratulated the Coach of the wrestling team and commended the work of the Steelclaw Wrestling club for early efforts of developing good tough boys. Sims

expressed concern to the Council over the public comment given at the Public Hearing at the last meeting. Sims noted he felt the Council did not hear what the people were saying and disputed cost estimates that were presented. He also addressed the tax base of the City buildings, effective use of the ball field and the Northern State project. Sims firmly stated that the City ball field is where City Hall should go and requested Council to reconsider their decision of going out for bond for the US Forest Service building.

Maggie Franulovich – Curtis Street, questioned the requirement of hooking up to sewer once the sewer line is installed along Curtis Street. Franulovich also questioned the hook up fee.

Nick Evans – Curtis Street, expressed concern of the sewer line being forced on them for the benefit of the Mill. He noted the street needs to be blacktopped but they did not need a sewer line.

Ron Norris – Curtis Street, requested a copy of the statute of the law for the sewer line.

Engineer Barnet noted that a copy of the ordinance was included with the letters that went out and he noted he would get Norris a copy of the ordinance.

Discussion ensued between Norris and Barnet of the costs of the hook up fees. Councilmember Anderson spoke of his support for the previous ordinance which postponed hookup. Barnet offered to meet with those Curtis Street residents to further discuss their concerns while the Council was in Executive Session.

Craig Cole – General Delivery, questioned the return of property confiscated by the Police Department. Cole also addressed the vocal minority.

Police Chief Cooper introduced the newest Police Officer, Kerig Holmberg to the Council and audience members. He stated Holmberg recently graduated from the Police Academy and is now undergoing his field officer training.

EXECUTIVE SESSION

Councilmember Miller moved to adjourn to Executive Session for the purpose of personnel. Seconded by Councilmember Meamber.

The meeting adjourned to Executive Session at 7:42 P.M.

The meeting reconvened at 8:36 P.M.

ROLL CALL

Present: Mayor Dillon, Councilmembers Meamber, Miller, Storrs, Lemley, Warner and Anderson. Staff Members: City Attorney Hayden, Clerk/Treasurer Nelson, Planner Hallberg, Engineer Barnet, Police Chief Cooper and Fire Chief Klinger.

Consent Calendar

- Minutes from Previous Meeting
- Finance
 - Claim Vouchers #44927 to #45021 for \$105,105.96
 - Payroll Warrants #28411 to #28495 for \$132,164.71
- Out of State Travel Request for Officer Wallis
- Waiver of Fees – Community Center
- Waiver of Fees – Community Center
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Councilmember Warner moved to accept the consent calendar A through F. Seconded by Councilmember Miller. Motion carried.

PUBLIC HEARINGS

None

OLD BUSINESS

Attorney Hayden noted the three items under Old Business are meant to be a package. Hayden arranged for a short presentation of the bond process for the Council.

Attorney Hayden introduced Cynthia Weed of Preston, Gates & Ellis (who along with Nancy Nerass) are Bond Council and Lindsay Sovje of Seattle Northwest Securities (who handled the last bond issue for the sewer plant). They presented to the Council an overview of voter approved bonds and how the process works assuming voter approval. The information reviewed included current market rate, summary of debt capacity, bond election requirements, costs to the taxpayers, offering document, process for selling bonds, bond rating vs. bond insurance, statement distribution, interest rate pricing, adoption of bond ordinance, closing documents and funding.

Councilmember Anderson questioned bond refinancing and at what rate it makes sense.

Sovje noted a 1% difference on bonds is usually the marker.

Cynthia Weed of Preston, Gates and Ellis who acts as legal counsel to the City in connection with long-term financing. Weed noted that the term “bonds” is a term for long-term debt. She said the reasons for using long-term debt is because of a large capital project that is expected to last for at least 20 years and it makes sense to allow people to pay for it over a long term and to use future rate payers and future tax payers to pay the cost over the life of the project. She noted that the bonds being considered are General Obligation Bonds.

Attorney Hayden reviewed the three steps. The first is an Eminent Domain Ordinance and is done for the convenience of the seller. He stated there are major tax advantages to the seller if the property is acquired under the threat of eminent domain. It is generally accepted in situations like this that we will exercise eminent domain and negotiate a sale in that context. That does not

mean we are taking the property against the will of the seller. It is a necessary component of the negotiated agreement because it affects the tax cost of the sale to the property owner.

Hayden reviewed the second document, the Option Agreement, authorizing the Mayor to execute this agreement on behalf of the City. Hayden noted the document before the Council has some changes that have been verbally approved by the seller.

The third matter would be the Municipal Bond Ordinance. Hayden noted a change made from the one presented in Council packets. He stated at the request of the Mayor it was rewritten to list the address of the property within the ballot title. He noted the first ordinance listed the address in the ordinance which would have bound the City to use the funds specifically for that property.

Councilmember Anderson addressed wording in the proposed ordinance for Municipal Bond Election and Levy. Anderson expressed concern over the use of Capital Improvements.

Weed explained the process of Capital Improvements and noted that after the complete project is over, should there be remaining funds the Council has the option of utilizing the funds for approved capital projects, or to use the funds for the redemption of the bonds, at the discretion of the City Council. Weed also noted that it gives practicality of being able to use it for projects slightly outside the boundaries to complete the project.

Attorney Hayden stated that there may be some issues relating to access that could be addressed with the funding but the ordinance as it's written is clear that the funds shall be used to acquire and remodel the building on the site. Hayden recommended leaving the ordinance as written.

Councilmember Anderson questioned any environmental studies in relationship with the property.

Councilmember Miller questioned a rumored rodent problem. Mayor Dillon responded that no evidence of rodents had been found by inspectors.

Attorney Hayden noted that there is a \$100.00 Option agreement fee. No earnest money is required. If the bond levy passes the City is committed to purchasing the building. If the bond should fail the option automatically terminates.

Councilmember Miller noted the building had been built on a swamp and questioned settling of the building.

Ardell McCombs, Building Official stated that he and Attorney Hayden had inspected the site and said that the drainage system looked good and no evidence appears on the outside that the building is settling.

Councilmember Meamber questioned the roof.

Mayor Dillon noted that the Court had initially requested a portion of the roof be raised for the Judges bench. She stated the expense is not warranted and would not be done.

Ordinance – Eminent Domain for USFS Property

Councilmember Storrs moved to pass Ordinance #1420-02 An Ordinance Authorizing the Mayor for the City of Sedro-Woolley to Acquire by Negotiation and/or to Prosecute an Action in the Superior Court of the State of Washington in and for Skagit County Under the Right of Eminent Domain for Acquisition of Certain Real Estate for the Purpose of A City Hall and Other City Buildings, and for the Taking and/or Damaging of Said Lands Consistent with These Purposes; and Declaring the Taking of Said Land, Properties, Interests, and Rights Herein Described to be for a Public Purpose and Use. Seconded by Councilmember Lemley.

Roll Call Vote: Councilmember Meamber – Yes, Miller – No, Storrs – Yes, Lemley – Yes, Warner – No, Anderson – No. Motion denied 3-3.

Option Agreement for Purchase of Property

Died for lack of Motion and Second.

Ordinance --- Municipal Bond Election & Levy

Died for lack of Motion and Second.

Attorney Hayden requested permission to talk with the sellers and to terminate their relationship with the City and be free to pursue their own interests. Hayden requested Council discuss and advise.

Discussion was held with Councilmember Miller expressing thoughts of exploring other options for locating a City Hall. Mayor Dillon strongly encouraged Council to make decisions for City Hall. Councilmember Storrs spoke in favor of the proposed option for the future of the City. Storrs also addressed the Council working together. Councilmember Anderson noted the present status of the downtown region and the need to keep City Hall located within the downtown region.

NEW BUSINESS

Proclamation – Bicentennial of the United States Military Academy

Mayor Dillon reviewed a Proclamation, declaring the period of February 1 – March 16, 2002 to celebrate the Bicentennial of the United States Military Academy in the City of Sedro-Woolley and urged all citizens to join in honoring West Point, its Graduates and Cadets.

New Engine Purchase

Councilmember Lemley stated the Police and Fire Committee met and reviewed the request for a new Fire Engine (Truck) and recommends Council approve the purchase and financing of the new engine.

Councilmember Lemley moved to authorized the Mayor to enter into contractual agreement with H & W Emergency Vehicles for the purchase and financing of the City's new fire engine. Seconded by Councilmember Warner. Motion carried.

Short Plats in the Unincorporated UGA

Planner Hallberg reviewed the current method of developing short plats in the unincorporated UGA. She stated the current method is costing the City money and eliminating long-term options for bringing urban services, such as sewer, to these areas. Hallberg estimated lost revenue and reviewed key points including the Interlocal Agreement with Skagit County, impact fees, permit fees, volume and waivers from the sewer requirement. Alternatives were presented to include a moratorium and/or ending the practice of granting waivers.

Mayor Dillon recommended that the Transportation and Land Use Committee review this topic and make a recommendation with a possible work session.

Councilmember Meamber expressed concern of making decisions for people who do not have a chance to vote on this, he thought the City may be over-stepping their bounds.

Engineer Barnet stated the County, by law is applying the City's development code. The request is not to change any of the rules that they are developing under, the development practices that we've been doing in the past are not working and is going to create a tremendous financial burden to future tax payers of the City. They are already living under the established rules, the discussion is how we are enforcing the rules.

Mayor Dillon referred the topic to the Transportation and Land Use Committee.

Louie Requa – noted that this will be the fourth time over the past twenty years that he has come to the Council to discuss this issue. Requa requested to be invited to the work session to allow the City Council to hear the full story of who's doing the developing and why it has been allowed in the past.

Business License

Mayor Dillon reviewed a memo regarding Business Licenses and the current structure. She noted in December the Council discussed requiring non-profit organizations to obtain a business license and to exempt them from the fee. Dillon requested Council review the memo and hold a work session in April on this topic.

COMMITTEE REPORTS AND REPORTS FROM OFFICERS

Councilmember Miller – noted a pothole on Highway 20 just beyond Les Schwab. Miller also noted fluorescent green graffiti on the train trestle on Highway 20.

Councilmember Storrs – noted a pothole at the corner of Puget and Northern and two new ones on Talcott.

Mayor Dillon stated “hot patch” has been difficult to get but the Street Department is trying to get the potholes fixed as “hot patch” is available.

Councilmember Meamber – noted the condition of the streets in the vicinity of 6th and 7th Streets. Meamber also congratulated the parties involved in the repair of the Ferry Street Railroad crossing.

Mayor Dillon noted that it was Engineer Barnet’s effort in following through with the repair status for the Railroad Crossing.

Engineer Barnet – noted that he spent time with the residents on Curtis Street while the Council was in Executive Session. He stated he answered their questions on the timeline and when the hook up fee would be due and noted for future project correspondence more information would be given. Barnet also stated the bid for Curtis Street is out, with the bid opening scheduled for two weeks.

Police Chief Cooper – stated the new jail van has arrived and will be put in service within the next couple of weeks. The van was purchase locally through Countryside Chevrolet by the terms of the state contract.

Fire Chief Klinger – announced the hiring of Derrick Youngquist as the new fire fighter. He will start March 18 and will be introduced to Council at the next meeting.

Councilmember Miller moved to adjourn. Seconded by Councilmember Warner. Motion carried.

The Meeting adjourned at 9:52 P.M.

ATTEST:

APPROVED:
