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CITY OF SEDRO-WOOLLEY  
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Regular Meeting of the City Council  
November 12, 2014 – 7:00 P.M. – Council Chambers

ROLL CALL: Present: Mayor Mike Anderson, Councilmembers: Kevin Loy, Germaine Kornegay, Brenda Kinzer (Late), Keith Wagoner, Hugh Galbraith, Rick Lemley and Brett Sandström. Staff: Recorder Brue, Finance Director Nelson, City Supervisor/Attorney Berg, Planning Director Coleman and Police Chief Tucker.

Pledge of Allegiance

Consent Calendar

- Approval of Agenda
- Minutes from Previous Meeting (Including November 5, 2014 Worksession)
- Finance
  - Claim Checks #180282 – 180427 in the amount of \$665,122.10
  - Payroll Checks #58341 to #58361 Plus EFT's in the amount of \$260,328.84
- Final Acceptance – Contract 2013-PW-03 2014 Thirst Street Sidewalk and Pavement Improvements Project – Strider Construction, Inc.
- Interlocal Agreement with Skagit County – Provision of Community Services for 2015
- Setting Public Hearing – 2015 Budget Ordinance
- Use of MRSC's Statewide Vendor Roster – Approving the MRSC Small Works, Consultant and Vendor Roster Contract and Ordinance 1798-14 Establishing Procedures Relating to Purchasing and Establishing a Vendor List Process for the Purchasing of Supplies, Materials and Equipment

Councilmember Galbraith moved to approve the consent calendar A through G. Seconded by Councilmember Kornegay. Motion carried (6-0).

Councilmember Kinzer arrived at 7:03 P.M.

Public Comment

No comments received.

**PUBLIC HEARING**

Property Tax Levy Ordinances

Finance Director Nelson reviewed the voter approved bond tax revenues for the Public Safety Building and the General Property Tax. She also reviewed three ordinances for 1% increase, 0% increase and the maximum 2.44% increase and addressed past banking of tax, noting that November 30<sup>th</sup> is the deadline for submitting to Skagit County. She

reported on the Upper Skagit Indian withdrawal of tax exempt status for 2015 as well as the new development with Skagit Valley Medical's request for tax exempt status and the impact it will have on the City budget due to a refund of property taxes the hospital has paid within the past four years of approximately \$44,000. Finance Director Nelson recommended the public hearing be held but postpone any vote until the next meeting to give time for more definitive and a better understanding of the consequences on the budget as well as the taxpayers of the city.

A discussion ensued regarding providing services not being paid for, history of the request, discussion with hospital administrators and lease excise tax.

Councilmember Galbraith moved to open the public hearing and vote on the property tax levy at the next meeting. Seconded by Councilmember Kornegay. Motion carried (7-0).

The Mayor opened the public hearing at 7:14 P.M.

Howard Green – 309 Reed Street, spoke in opposition of any tax increase. He noted he was on a fixed income and stated to cut budgets like he has to.

Mayor Anderson closed the public hearing at 7:15 P.M.

Councilmember Loy clarified the deadline date.

City Supervisor/Attorney Berg spoke on the impact of the tax exempt status to a 0% tax increase.

#### Ordinance Increasing Utility Rates by the Consumer Price Index (CPI)

- a. *Sewer*
- b. *Storm Drainage*
- c. *Solid Waste*

City Supervisor/Attorney Berg introduced Utility Rate Increases for Sewer, Storm Drainage and Solid Waste by the Consumer Price Index. He spoke of a tight budget for uncontrolled costs such as PERS contribution, Unemployment, L&I rates and medical rates as part of a bargaining unit contract. Berg noted the amount of the CPI does not fully fund the utilities without having to subsidize and next year Council will not have this option.

Discussion was held regarding future rate increases and the pilot project for Solid Waste.

Mayor Anderson opened the public hearing on Sewer, Storm Drainage and Solid Waste at 7:22 P.M.

Howard Green – 309 Reed St., addressed the Council again in opposition of any increases and inquired about the cost of medical insurance for City employees.

Discussion ensued regarding the actual amount of the increase for each utility.

Harold Beitler – 1017 Wicker Road, addressed the Council regarding volume based billing for sewer. He noted it has been discussed numerous times over the years.

Discussion ensued regarding software programs between the City and PUD not aligned, rate analysis review within the 2015 budget, summer water use and rainwater collection.

Mayor Anderson closed the public hearing at 7:35 P.M.

*a. Sewer*

Councilmember Wagoner moved to approve Ordinance No. 1799-14 An Ordinance Increasing the Fees and Charges for Use of the City of Sedro-Woolley Sanitary Sewer System by the Consumer Price Index. Seconded by Councilmember Kornegay. Motion carried (6-1, Councilmember Loy opposed).

*b. Stormwater*

Councilmember Wagoner moved to approve Ordinance No. 1800-14 An Ordinance Amending the Fees and Charges for Use of the City of Sedro-Woolley Storm and Surface Water Utility System by the Amount of the Consumer Price Index. Seconded by Councilmember Kornegay. Motion carried (6-1, Councilmember Loy opposed).

*c. Solid Waste*

Councilmember Wagoner moved to approve Ordinance No. 1801-14 An Ordinance Amending Section 8.04.075 of the Sedro-Woolley Municipal Code to Increase Solid Waste Utility Rates and Charges by the Consumer Price Index. Seconded by Councilmember Kornegay. Discussion held. Motion carried (6-1, Councilmember Loy opposed).

Ordinance Amending SWMC 5.06.020 Imposing the City Utility Tax on Domestic Water

City Supervisor/Attorney Berg reviewed the *Wenatchee v. Chelan County PUD* case and reviewed the proposal to implement a city tax on water with a portion of the proceeds to pay down the refunded bonds for city hall. The recommendation for the remaining funds would be to place it in a council-restricted reserve fund for critical infrastructure which could include infrastructure to support economic development and job creation, be match for a state or federally funded infrastructure project, or to address failing infrastructure that could result in liability for the taxpayers.

Mayor Anderson opened the public hearing at 7:47 P.M.

Harold Green – expressed opposition to the tax.

George Wolner – Hwy 9, commented on the effect of increases on the senior citizens and inquired if there was a way of giving relief to lower income seniors.

It was noted that the City of Sedro-Woolley does have an exemption for qualified seniors for their City utilities.

Bob Powell – PUD General Manager noted that PUD's do have the ability to offer a senior exemption but the currently do not offer such an exemption.

Discussion ensued regarding determination of the 7.5%, utility rate on other utilities, and neighboring cities tax rate.

Tina Wolner – 1641 State Route 9, questioned PUD General Manager Powell regarding the ability for a senior exemption.

Mayor Anderson closed the public hearing at 7:55 P.M.

Council discussion ensued regarding use of the tax to save money, user tax, remainder into a designated fund and the average water billing for a family of 4.

Bob Powell – PUD General Manager addressed the Council regarding looking at the percentage figure in actual dollars and cents based on the bill. He noted PUD is neutral on the tax and it would be handled as a pass through line item.

Council discussion continued regarding not being the highest and current utility tax rates.

Councilmember Galbraith moved to approve Ordinance 1802-14 An Ordinance Amending SWMC 5.06.020 to Impose the City Utility Tax on Domestic Water at 6%. Motion carried (6-1, Councilmember Loy opposed).

## **UNFINISHED BUSINESS**

### Ordinances Amending SWMC 9.42.010 and SWMC 9.46.020 Regarding Disorderly Conduct

City Supervisor/Attorney Berg reviewed the second reading of a request from the City Prosecutor. Berg reviewed the changes to specific codes in order to address noise violations within residential neighborhoods from 10:00 P.M. to 6:00 A.M.

Discussion ensued regarding what brought on the requested change,

George Wolner – addressed offensive language and politically correct language becoming a cultural matter and limits to the ordinance.

Councilmember Sandström moved to approve Ordinance 1803-14 An Ordinance of the City of Sedro-Woolley Amending Sedro-Woolley Municipal Code 9.46.020. Councilmember Kornegay seconded. Motion carried (7-0).

Councilmember Sandström moved to approve Ordinance No. 1804-14 An Ordinance of the city of Sedro-Woolley Amending Sedro-Woolley Municipal Code 9.42.010 to Protect Free Speech. Seconded by Councilmember Galbraith. Motion carried (7-0).

Ordinance Adding a New Section to SWMC 10.44 Regarding No Parking on Grass in City Rights-of-Way and Unattended Trailers

City Supervisor/Attorney Berg reviewed the second reading of the proposed ordinance regarding no parking on grass in City Rights-of-Way and Unattended Trailers.

Council discussion took place to include the penalty, notification period and visitors overstaying the 72 hours. Police Chief Tucker noted the penalty would be a parking ticket and there would be a period of time to notify offenders.

Councilmember Wagoner moved to approve Ordinance No. 1805-14 An Ordinance Adding a New Section to SWMC 10.44 Regarding No Parking on Grass in City Rights-of-Way and Unattended Trailers. Councilmember Galbraith seconded. Motion carried (7-0).

**NEW BUSINESS**

Ordinance to Consider Forming a Transportation Benefit District (TBD) for Street Maintenance and Improvement Projects within the City

City Supervisor/Attorney Berg reviewed the draft ordinance for consideration of a Transportation Benefit District (TBD). He noted a public hearing has been scheduled for November 25<sup>th</sup>. Berg listed the improvement projects the city has completed over the past seven years. The purpose of the TBD would be to fund street maintenance and improvement projects within the city. He also pointed out the downfall of not having funds for grant match.

Council discussion was held regarding Transportation Improvement Board projects and funding and the pitfalls of turning a project away.

Tony Splane – 714 Sapp Road, addressed Council noting he has a family car that is seldom used and noted there should be an exemption for seldom used cars or cars of certain age.

City Supervisor/Attorney Berg read a listing of vehicles that would be considered exempt.

A discussion was held on round about designs.

2015 Budget

Finance Director Nelson reviewed the proposed budget ordinance which details each fund as presented and discussed at the November worksession. She noted all funds were balanced prior to notification of the refund due to Skagit Valley Hospital and utility tax on water. Minor changes will have to be made to the budget to include these items.

City Supervisor/Attorney Berg requested any Council changes in the next draft. Discussion ensued regarding the amount budgeted for the Riverfront Caretakers Cottage,

crew time being a premium, amount for budget, fence at Bingham Park and the purpose of the repair and maintenance fund.

## **COMMITTEE REPORTS AND REPORTS FROM OFFICERS**

Police Chief Tucker – reported on the completion of oral boards for new hires. He also presented a timeline of officers with fully functioning officers by September/October of next year and noted there are some good candidates. He also reported that Officer Vollans will be leaving for the Secret Service and stated he looks forward to his success. Tucker stated he will be working again at The Place. He feels the more focus to the kids the less problems there are.

Planning Director Coleman – reported they are gearing up for a big year in planning with some big land use issues. The Building Department has also been very busy up at Sauk Mountain View Estates. Six houses currently in process with more to start.

City Supervisor/Attorney Berg – stated the agenda for the next meeting included a first read on the pedestrian interference ordinance. He also requested Council action for the State of Washington Amendment 1, for fire service provided to the North Cascades Gateway Center.

Councilmember Wagoner moved to authorize the Mayor to sign an amendment to the State of Washington Contract No. 2009-NCG-001. Seconded by Councilmember Galbraith. Motion carried (7-0).

Councilmember Loy – questioned the number of officers needing to be hired.

Councilmember Wagoner – announced the upcoming playoff game for the Sedro-Woolley Cubs on Friday night.

Councilmember Sandström – addressed a letter received regarding empty buildings that are doing the City a disservice. He referred to a program on code enforcement to go after some of these buildings.

Harold Beitler – told the Council some history of the Police Department budget from 1955. He noted the police budget was \$35,000 with 4 members of the department and 1 radio.

Councilmember Lemley moved to adjourn. Seconded by Councilmember Galbraith. Motion carried (7-0).

The meeting adjourned at 9:12 P.M.