

**CITY OF LAKE STEVENS
CITY COUNCIL SPECIAL MEETING/RETREAT MINUTES
Tuesday, July 16, 2019
Brightwater Center
22505 SR 9 SE, Woodinville, WA**

CALL TO ORDER: 8:48 a.m. by Mayor John Spencer

ELECTED OFFICIALS PRESENT: Councilmembers Gary Petershagen, Todd Welch, Brett Gailey, Kim Daughtry, Marcus Tageant, Rauchel McDaniel

ELECTED OFFICIALS ABSENT: Councilmember Kurt Hilt

STAFF MEMBERS PRESENT: City Administrator Gene Brazel, Finance Director Barb Stevens, Human Resources Director Teri Smith, Public Works Director Eric Durpos, Police Commander Jeff Beazizo, IT Manager Troy Stevens, Capital Projects Coordinator Aaron Halverson and City Clerk Kathy Pugh

Mayor Spencer called the meeting to order at 8:48 a.m. for the purpose of conducting a special meeting/retreat to discuss city business as summarized below, with no action to be taken. He then turned the meeting over to Council President Petershagen.

January 18-19 Retreat Follow Up: City Administrator Gene Brazel reviewed the 2019 Retreat Takeaways. He commented the primary focus is North Cove Park and added that all items in the list compiled from the January 18-19, 2019 retreat are either in progress or completed. Administrator Brazel anticipated the acquisition of Sunset and Wyatt Parks from the county will be completed by the end of the year. Turning to economic development he said there is not a specific process in place but there have been lots of contacts and conversations from and to developers; Administrator Brazel also anticipated lots of commercial development along the 20th Street SE corridor and that development will be tied to Costco. He added that Fireworks can be placed on the November ballot for an advisory vote, and Councilmember Petershagen noted fireworks are scheduled for further discussion later in the agenda.

Responding to Councilmember Welch's question regarding sidewalks, Public Works Director Durpos said the direction from Council was to update the sidewalk policy as it relates to the construction of single family residences, and he does not believe this is completed yet. The update would be a fee in lieu of installation of sidewalks to avoid construction of sidewalks not connected to other sidewalks.

Mayor Spencer commented that Community Development and Planning Director Wright is working on updating the zoning code and this will be material to development along 20th Street NE. He said there is a tremendous amount of outgoing communication for 20th Street NE and suggested that more outreach needs to be directed to developers. Mayor Spencer commented the Downtown Plan is coming together and added there is a lot going on with affordable housing and that Snohomish County and Snohomish County Tomorrow very involved.

Councilmember McDaniel asked how the Sewer District fits in to the development plans for 20th Street SE and commented the city cannot grow economically if the Sewer District is only concerned with housing and not commercial development. Mayor Spencer suggested a strategy needs to be in place for moving forward with sewer installation and said that sewer is being discussed in conjunction with the 20th Street SE development.

Councilmember Gailey expressed concerns about the waterline and other infrastructure along 20th Street SE. Discussion ensued as to how those lines could be improved now so that development of infrastructure can move forward. Mayor Spencer said he is working with Everett Mayor Cassie Franklin to address concerns and calm the rhetoric. Mayor Spencer said Everett wants to be able to maintain access to the lines, to have assurances that waterlines are protected at North Cove Park, and that crossings are identified so that repairs can be made at these locations rather than repairing or replacing the entire waterline. Mayor Spencer reviewed different scenarios for addressing the waterline and said easements are problematic. He added that Costco has offered to share some of the cost and that there are different approaches to apportion cost to arrive at a fair amount.

Mayor Spencer then commented it is important to complete the development of 91st Street to provide better access and move forward with the righthand turn, and this in turn could stimulate development.

SCT Ad Hoc Committee Appointment: Councilmember Daughtry said he is not able to attend these meetings and suggested another councilmember be appointed. Following discussion there was general agreement to not refill the appointment.

Downtown Plan Status Updates including Relocation of Police Department, Library, Museum and North Cove Park Update: Administrator Brazel shared an abbreviated slideshow taken from the slideshow shared with the Legislators recently of the downtown improvements and said everything is well underway. Staff continues to look for additional downtown parking and has met with the property owner behind the Buzz Inn to see if that area could be developed as parking.

Director Durpos reviewed the schedule and said the Main Street improvements are at 30% design which allows for cost estimates and the ability to apply for grant funding. The emphasis is now directed to North Cove Park improvements, which are targeted to be completed by the end of the year. Director Durpos briefly reviewed the status of various elements of the park improvements including the War Memorial, construction of the Pavilion and the abatement and demolition of the Williams property structures to provide for build out of the park.

Discussion ensued on how to address the lack of parking at City Hall and generally in the downtown area and there was agreement that a long-term solution is needed for parking.

Director Durpos updated that the Police Department will likely move to its new site by April and that conversations with Sno Isle about moving the library to the old police department building are positive. The City will need to budget for improvements to make the building structurally sound. Other improvements include demolition of the current library location and construction of a festival street, both of which are not currently funded.

Mayor Spencer reminded the Historical Society will need to be relocated and commented on the Butler House which the city recently purchased. Discussion ensued as to where the Grimm

House will be relocated to, and Administrator Brazel said the current proposal is to relocate the Grimm House across the street from the museum, and this is a next step to be figured out.

Financial Forecast including all Capital Project Statuses / Transportation Benefit District

Update: Finance Director Barb Stevens presented a PowerPoint and provided a financial update and forecast, including reviewing the 2019 budget vs actual revenues and expenditures to date, and review of various forecasted scenarios including debt forecasting. She commented the city is may bond the purchase and improvements of the new police department building in its entirety, and said that in comparing 2019 expenditures to 2018, expenditures have increased approximately 24%.

Director Stevens updated that construction sales tax is high year to date, and that Permits and Park Mitigation are also up quite a bit. Looking at the General Fund, Director Stevens commented that expenditures for staffing are 67% of that fund, and that Professional Services, consisting of jail fees, court costs as well as other costs, comprises another large portion of General Fund expenditures at 26%. Director Stevens said there has been a 56% increase in staffing since 2015, with 35 new positions created and currently 9 of those positions are unfilled.

Director Stevens next reviewed the revenues, expenditures and forecasts for the various fund accounts and responded to Councilmembers' questions. Director Stevens then reviewed the city's annual debt payments and said the city debt at \$3,487,576 is very low for a city the size of Lake Stevens. Director Stevens reviewed the new debt that is being incurred, and there was discussion regarding the Sewer District debt service.

Capital Funds were reviewed by project, category and then by specific projects, with Director Stevens advising about two thirds of the projects underway were started before 2019.

Council President Petershagen announced a brief recess at 10:42 a.m. The meeting reconvened at 10:52 a.m.

Capital Projects Coordinator Aaron Halverson reviewed the capital projects including Cavalero Park, North Cove Park, South Lake Stevens Road pedestrian improvements, Frontier Village access road, Frontier Heights Park, 20th Street SE, the decant facility and the 24th and 91st Street extensions. Referring to a handout, Coordinator Halverson said projects above the line are funded, and those below the line are not. Coordinator Halverson added that staff is looking at ways to improve and better control the lake outflow, which is very high during the winter months and very low during the summer months, including possibly moving the outflow to the original outflow site.

Mayor Spencer said he envisions a community conference center and commented on his ideas for achieving that goal.

Director Stevens commented Council will need to make policy choices on how to fund the various projects as the city moves forward, and staff recommends that full time employees (FTE) be static in 2020.

Mayor Spencer said that FTEs are expected to be static in 2020 with the possible exception of a Parks & Recreation Department, but that is dependent on Council's decision regarding funding.

An example is the Transportation Benefit District (TBD) could be funded through tab fees now, but whether that can continue is dependent on the outcome of the November election. Council could also move forward with a sales tax to fund the TBD or use a combination of tab fees and sales tax. He commented educating the public as to the cost of maintenance and preservation of roadways vs. new pavement is paramount.

Discussion ensued on the priorities and needs for both parks and transportation and how funding could be achieved. Administrator Brazel encouraged that a parks maintenance plan be developed for each park, and Mayor Spencer commented general fund money that is traditionally used for parks maintenance is being used for road preservation.

Council President Petershagen announced a brief break at 11:56 a.m., and the meeting was reconvened at 12:08 p.m.

Fireworks: Councilman Petershagen suggested that fireworks be placed on the ballot for an advisory vote. Police Commander Jeff Beazizo said the Police Department receives lots of complaints throughout the year, and on 4th of July there were 21 calls this year. Discussion ensued with Councilmember Welch noting the county may go out for an advisory vote and it would be prudent to see how the city's precincts vote. Mayor Spencer encouraged the city could take a leadership role in putting together a community-wide fireworks display. Commander Beazizo clarified the vote is only for unincorporated Snohomish County and would not affect city residents.

Parks & Recreation Division / Event Coordinator Staffing: Administrator Brazel said staff is seeking direction from Council as to what they would like to see as far as events and recreation programming in the parks. This year's programming includes music, yoga and theater. Discussion ensued and Human Resources Director/Risk Manager Teri Smith commented if the city determines to offer more programming in the parks there is already liability insurance in place, and she noted more programming will also mean more maintenance costs. Director Smith commented the biggest cost would be staffing and how to accept payment for programming.

Administrator Brazel said he previously worked with a model that included a programming/ events person whose sole job was to operate events and determine programming and schedule the use of the city's ballfields. Administrator Brazel said the question is does Council want to maintain the status quo for the time being or begin growing the programming.

Discussion ensued with concerns expressed about maintaining the quality of the parks and whether there are enough parks to grow programming. There was general support to maintain the status quo for the time being, and to consider how to address recreation and event programming as part of the 2020 budget process. Director Smith clarified that developing a business plan for the parks is part of the Parks and Recreation Coordinator's position and explained park maintenance and support at events and recreation activities by public works crewmembers need to be addressed as part of the union negotiations that are just now underway. Director Durpos added that Public Works could use at least one more crewmember to assist with parks maintenance.

Executive Session – Real Property Sale & Acquisition: At 12:46 p.m. Mayor Spencer announced an executive session to last 15 minutes to discuss real property sale and acquisition with no action to follow.

The Special Meeting of the City Council reconvened at 1:06 p.m., and there being no further business the meeting was adjourned at 1:06 p.m.


John Spencer, Mayor


Kathy Pugh, City Clerk