



CITY COUNCIL MINUTES

Special Meeting
Monday, October 8, 2012
5:30 p.m.

CALL TO ORDER

Mayor Perry called the study session to order at 5:39 p.m.

ROLL CALL

Council Members present were Whalen, Jones, Taylor, Ott, Morton, Manley, and Zaroudny.

STAFF PRESENT

City Administrator Mukerjee, Public Works Director Neal, Finance Director Tylor, Police Chief Rhoads, and Senior Administrative Assistant Katie Bolam.

Mayor Perry announced that citizen comment will be allowed after discussion of the item, and that there will be a special report item added before Adjournment from the East Pierce Ad Hoc Committee.

Action Items:

Consultant Contract – 5th Avenue Stormwater Design Facility

City Administrator Mukerjee explained the scope of work covering the engineering design for a flooding situation to be corrected; the house, which has flooded frequently, will be demolished and stormwater problem fixed.

Director Neal explained that Council accepted a grant for this project earlier this summer, and detailed the steps to come. She explained that the stormwater treatment facility will likely be a combination of methods, such as traditional vaults and eco-friendly raingardens and bioswales. The purpose is to treat the stormwater before it reaches Hylebos Creek.

She said it is a low-cost project at \$150,000, including the consultant contract, acquisition of the property, and construction.

COUNCILMEMBER WHALEN MOVED to authorize the Mayor to enter into a contract with the firm of Lodestone Engineering LLC for consulting services related to the 5th Avenue Stormwater Treatment Facility, as substantially represented in the attached scope and fee, for a cost not to exceed \$50,615.47. Seconded by Councilmember Ott.

Councilmember Whalen said this is a great opportunity to solve this problem, that Milton is obligated to treat stormwater, and it will have a long term benefit to the Hylebos and City of Milton.

The motion was voted on and carried 7-0.

Study items:

Health Insurance Coverage for Mayor and Council

City Administrator Mukerjee explained that this is an information and discussion item on health benefits for the Mayor and future Councils, and he explained the attachments.

Discussion included the state rules governing this action, the alternatives available to individual cities, and the timing for putting it in place.

Mayor Perry opened the item for citizen input:

Speaker	Address	Topic
Byron Allen	IBEW Local 483	Council is in the middle of very difficult budget discussions; the timing is not right to move forward with this item.
Leonard Sanderson	1201 24 th Avenue Ct, Milton	He doesn't agree with this item being considered, saying it's not a good idea, that the expense and timing don't add up. He suggested that cutting the number of times Council meets effectively raises the stipend.
Marty Lelli	15 th Avenue, Milton	Called the consideration of this item self-centered, greed, and deceit, and said he is sickened that it even made the agenda.
Rich		Councilmembers are public servants, and the citizens deserve the very best leaders to govern them. It is the right dutiful thing to offer this.
Jacquelyn Whalen	1605 13 th Avenue, Milton	Council hasn't had a raise in stipend in many years, and would appreciate staff's research on that; the theory of foregoing raises should apply here, too.
Maxine Carpenter	308 5 th Ave	It's ridiculous to offer healthcare to Council.

Council discussion included the following:

- It is appropriate to discuss this.
- There are ways to do this with little or no cost to the City, by allowing Council to buy in.
- As a public servant, councilmembers do not deserve health insurance.

Mayor Perry explained that this item was brought forward because it had been requested. Study sessions are for the purpose of discussion, for looking from every angle; no action is taken so everyone can think about what was said. The Mayor has already submitted her budget, which is revenue neutral and doesn't include this item. She asks that everyone look at agenda items from every angle, the way Council does.

6:40 – Mayor Perry announced a recess.

7:00 – Mayor Perry called the Special Meeting back to order.

Budget Study Session – Utility Funds

City Administrator Mukerjee introduced this item.

Mayor Perry clarified that utility rates or utility taxes can be lowered at any time.

Councilmembers clarified the increases proposed:

- No rate increases are proposed.
- No tax increase is proposed for the electric utility tax – it is at the 6% maximum.
- A 3% tax increase is proposed for the water, sewer and stormwater utilities, bringing the total tax rate on those to 9%.
- These increases will provide for what is currently projected in the City's budget.

Each portion of the proposed utility budget was then discussed in further detail.

- **Electric Utility**
 - Utility pole rental revenue amounts.
 - Vehicle purchase, as well as a backhoe that will be a shared expense among the utilities.
 - Difference between reserved and non-reserved funds.
 - Closure of Harland-Clarke will affect the electrical revenue by 3% (and the other utilities by under .05%).
- **Water Utility**
 - The six critical capital projects that had been authorized are almost complete; the details are in the budget document.
 - The only differences from previous years are the budgeted purchase of the backhoe, the loss of one position, and the web-based metering system at \$10,000, split between the electric and water utilities (\$5,000 each).
 - Water Superintendent Glen Baker provided information on the vacant position which is partially funded from the General Fund.
 - Mayor Perry explained that the budget is further impacted because the REET (Real Estate Excise Tax) has already been taken. There will be visible impact to the community in terms of parks and facilities.
 - Discussions on a utility rate study.
 - Raising taxes on other utilities, such as cable, phone, and garbage.
- **StormWater Utility**
 - The large numbers are covered by grant funding, such as over \$250,000 for the "Regional Permitting Project," partnering with Algona, Pacific and Edgewood, and the purchase of a vactor truck, half of which will be covered by grants.
 - Additionally, the City will recoup some funds by not needing to rent equipment and personnel, and possibly renting out to other entities.

City Administrator Mukerjee announced that there will be a discussion on the General Fund at the October 20th retreat. Next week's meeting will be a public hearing and ordinance on adoption of tax levies.

Director Tylor said the General Fund, the street fund, and a few minor funds are remaining for budget discussions.

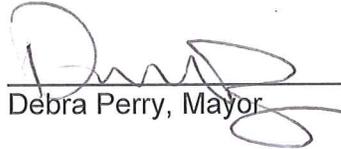
8:47 – Mayor Perry announced a recess.

8:54 – Mayor Perry called the Special Meeting back to order.

East Pierce Ad Hoc Committee Report

City Administrator Mukerjee explained the next steps in the annexation process include a SEPA and ballot resolution. One large obligation includes a contract-required major-maintenance repair of the HVAC system, at approximately \$12,000. Discussion ensued regarding the funding alternatives.

Mayor Perry adjourned the meeting at 9:21 p.m.


Debra Perry, Mayor

ATTEST:


Lisa Tylor, City Clerk