



## CITY COUNCIL MINUTES

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**Regular Meeting**  
**Monday, November 3, 2014**  
**6:30 p.m.**

### **CALL TO ORDER**

Mayor Perry called the meeting to order at 6:33 p.m. and recessed to Executive Session for approximately 25 minutes.

Mayor Perry called the regular meeting back to order at 7:13 p.m. and led the flag salute.

### **ROLL CALL**

Present: Mayor Perry, Mayor Pro Tem Taylor, Councilmembers Whalen (arrived 6:55), Jones, Ott, Morton, Manley (arrived 6:40) and Zaroudny

### **STAFF PRESENT**

Public Works Director Neal, Interim Finance Director Garrison, Police Chief Hernandez, and City Clerk Bolam

### **ADDITIONS / DELETIONS**

None.

### **CITIZEN PARTICIPATION**

None.

### **CONSENT AGENDA**

Approval of:

- A. Minutes
  - a. October 20, 2014 Regular Meeting
- B. Voucher and Payroll Approval
  - a. Checks/vouchers 55852-55921 in the amount of \$ 218,830.93.
  - b. Payroll of 10/20/14 in the amount of \$ 142,448.04.

**COUNCILMEMBER MORTON MOVED**, seconded by Mayor Pro Tem Taylor, to approve the Consent Agenda – **Passed 7/0**.

**REGULAR AGENDA**

A. Electric System COSA

Director Neal provided an overview of this item and welcomed back to Council consultant Gary Soleba of EES Consulting, who showed a slideshow presentation to explain the analysis and the following recommendations:

1. The city is not collecting sufficient revenues compared to projected 2015 costs.
2. Increase rates:
  - a. 4% increase for calendar year 2015
  - b. 5% increase each of next 4 years forecast, but wait to be sure
3. Across-the-board rate increase
4. Continue to increase basic charge to ensure collection of fixed costs
5. Collect 12 months of energy and demand meter data from all commercial in order to consider a demand rate for this class

Council was asked what rate options they prefer:

- Councilmember Jones
  - Even out the churches and schools
  - Keep even, across the board rate increases
  - Demand charge great idea
- Councilmember Zaroundny
  - Keep even, across the board rate increases
  - Leave churches and schools as is
  - Agrees with demand charges
- Councilmember Morton
  - In favor of demand charges
  - Churches/schools/city should pay fair share – within the next year
  - Okay with 4% across the board or option 2b
- Councilmember Ott
  - Favor of 4% across the board
  - Demand charge for commercial, yes
  - In agreement with residential 4%
- Councilmember Whalen
  - Demand charges – discussion regarding industry and costs of obtaining exact data
  - Agrees with other council comments
- Mayor Pro Tem Taylor
  - Agrees with recommendations and council comments
- Councilmember Manley

- o Commercial growth needed to help achieve vision
- o Schools should be increased; churches maybe
- o 4% across the board – not in favor of charging commercial more
- o Demand charges for commercial yes
- o 4% / 5% / 5%

Councilmember Whalen added that he considers increases an up-front reinvestment value – a 5% increase in 2015 would pay for residential on-demand equipment.

Speaker	Address	Comments
Jacquelyn Whalen	1605 13 <sup>th</sup> Ave	<ul style="list-style-type: none"> <li>• Past comments have been made regarding negotiation with BPA for purchase of the substation – is there a date certain?               <ul style="list-style-type: none"> <li>o Answer: within 2-5 years</li> </ul> </li> <li>• Anticipating the costs, how far away from Tier 2 are we? Is tier 2 pricing factored into study?               <ul style="list-style-type: none"> <li>o Answer: a few years, but a large business could accelerate that</li> </ul> </li> <li>• Is the rate increase recommendation for an effective date of January?</li> <li>• How will you work out process of allocating rates for the other uses (churches/schools/etc)?</li> </ul>
Tom Boyle	1109 9 <sup>th</sup> Ave	Regarding the rebuilding of the substation, what are the “additional costs”? Answer: interties with Tacoma

Mayor Perry called a recess at 8:27 pm; meeting called back to order at 8:37 p.m.

#### B. Budget Review

Interim Finance Director Garrison handed out a memo and explained the list of issues being reviewed for potential changes to the preliminary 2015 budget. She confirmed that the bars code updates will be reflected in the actual budget document.

The budget review began with the Special Revenue Funds, with Director Neal and Chief Hernandez explaining the expense side of funds.

Staff will report back to council regarding the savings to utilities for the city administrator’s salary share.

Speaker	Address	Comments
Tom Boyle	1109 9 <sup>th</sup> Ave	Regarding Water Utility <ul style="list-style-type: none"> <li>• Questioned lack of director’s salary increase</li> <li>• Responded to Council’s inquiry regarding purchasing a backhoe from auction</li> </ul>

Staff will report back to Council regarding the "Misc/Outside Printing" line item of the Storm Drainage shared costs.

Staff will report back to Council regarding the increase in General Fund transfers in on the Vehicle Repair & Maintenance Fund.

Some discussion ensued regarding inconsistencies in the staff levels on different pages of the document. Councilmember Ott asked if the City Administrator position is included in this budget, and Mayor Perry answered that it is her understanding that it is not included. Councilmember Ott announced that he cannot then support this budget.

Councilmember Whalen requested timing for Council wishes, such as gateway signs. Mayor Perry answered that the budget must be adopted by December 30; the number of meetings that Council needs to finish is up to Council.

Mayor Perry explained the process to come to address the strategic staffing needs of the city, as well as other needs and wants of Council. She listed the top 4 needs, including an Operations Supervisor, a Community & Economic Development Director, police cars, and a roof for City Hall.

Councilmember Whalen said that he is now comfortable with not filling the empty police position at this time. Mayor Perry and Chief Hernandez echoed the statement.

Speaker	Address	Comments
Tom Boyle	1109 9 <sup>th</sup> Ave	Asked if the decision to forego a city administrator is a budget issue, or if it's been determined that a city administrator is not needed. Mayor Perry answered that it is a budget issue.

Councilmember Ott thanked Council for their thoughtful support for his family.

Mayor Perry stated that the annual WCIA audit went well.

Chief Hernandez stated that, in light of the recent school shooting in Marysville, he met with the Surprise Lake principal for preparation plans.

**ADJOURNMENT**

Adjourned at 10:45 p.m.

  
Debra Perry, Mayor

ATTEST;

  
Katie Bolam, City Clerk