



Regular Meeting
Monday, October 16, 2017
7:00 p.m.

CALL TO ORDER

Mayor Pro Tem Whalen called the Regular Meeting to order at 7:00 p.m., and led the flag salute.

ROLL CALL

Present: Councilmembers Johnson, Hutson, Tompkins, Ott, Morton, and Boyle

Absent: Mayor Perry

STAFF PRESENT

Police Chief Hernandez, Finance Director Garrison, City Attorney Cameron, Public Works Director Peretti, City Engineer Howlett, and City Clerk Bolam

ADDITIONS/DELETIONS

COUNCILMEMBER BOYLE MOVED, seconded by Councilmember Morton, to reconsider the motion made at the last regular council meeting to postpone the discussion of the Mayor's Health Benefits to the November 6, 2017 meeting, and to amend that motion to discuss those benefits at this October 16, 2017 meeting, which is tonight. Councilmember Boyle voted with the majority on that motion.

Councilmembers Boyle explained that, upon further review of the packet materials, he is bringing this item forward because the agenda item clearly states that this item should be considered separately from the budget ordinance discussion, and because this is being brought forward by the City Attorney rather than the Finance Director.

Councilmember Morton spoke to his second, saying that, after rereading the original agenda item, this is an appropriate time to discuss this.

The motion was voted on and passed 7/0.

CITIZEN PARTICIPATION

Speaker	Comments
Angelina Reiber	She has 15 years in marketing/sales with a focus on grass roots using the least amount of resources – she found an interesting way to perhaps bring commerce to the city and revitalize the economic standing for little cost and bringing in more revenue in permit fees and licensing – she will submit the information she has to the city
Scott Shampine	<p>Been in town about 10 years – Questions</p> <ul style="list-style-type: none"> • Is Finance Director an accountant? Why not? • Itemized statement for the Mayor’s credit card, wouldn’t that be in the budget? • From understanding, there was a 1% refund of \$300,000 from Pierce County that somehow disappeared? • Heard a rumor that the IT Department no longer in existence? • Why doesn’t council get agenda until the Thursday before the meeting?

PRESENTATION

Director Garrison introduced Mike Lonergan, Pierce County Assessor-Treasurer. He said that they are here to acknowledge that, while we are partners, the county views Milton as a customer. He explained the role of the assessor’s office as it pertains to Milton, and introduced his Levy Specialist, Kim Fleshman. Ms. Fleshman explained in detail the levy limits and processes, and answered Council’s questions.

CONSENT AGENDA

A. Minutes – Approval of the minutes of:

1. September 18, 2017 Regular Meeting
2. October 2, 2017 Regular Meeting
3. October 9, 2017 Study Session

B. Claims Approval:

1. Approval of the checks/vouchers numbered 62334-62408 in the amount of \$102,357.70.
2. Approval of the payroll disbursement of 10/5/2017 and related checks numbered 62309-62315 and 62324-62333 in the amount of \$249,921.89.

COUNCILMEMBER MORTON MOVED, seconded by Councilmember Johnson, to pass the Consent Agenda. **Passed 7/0.**

REGULAR AGENDA

A. Resolution – Opposing the Siting of Illegal Substance Injection Facilities within Milton City Limits

Mayor Pro Tem Whalen opened discussion on this item. Discussion included whether a public hearing and ordinance is required, and whether the word “oppose” is too weak and should be changed to “ban”.

Speaker	Comments
Charlie Scherling	If the potential issue for this becomes reality, people who use it will move here, creating a bigger issue
Ryan LaVergne	August 15, 2017, Renton City Council passed a resolution opposing the siting of illegal substance injection facilities
Jim Heddlesten	Hate to see everyone get wrapped around the axle on something that was agreed on last week – who cares what word you use – do what you have to do tonight that means, “Don’t do it”. Referred to marijuana legislation.
Richard Cosner	Chief has already passed some tools (referring to SOAP and SODA) for police – agrees with getting this done today
Jacquelyn Whalen	As a citizen only, when the marijuana issue was being discussed, Council took a preemptive action with a moratorium while the city looked into stronger action

COUNCILMEMBER OTT MOVED, seconded by Councilmember Boyle, to approve the proposed resolution to ban the siting of illegal substance injection facilities within Milton city limits. **Passed 7/0.**

B. Resolution – Surplus of Old Water Department Vehicle

Director Peretti explained that the subject vehicle has out-lived its usefulness and viability for repair.

COUNCILMEMBER MORTON MOVED, seconded by Councilmember Hutson, to approve the attached resolution that declares the Surplus of the 1989 Chevrolet Utility Truck #30, and authorize and direct the Public Works Director to dispose of the same in a manner that will be for the best advantage to the City of Milton. **Passed 7/0.**

C. Purchase Approval – Water Department Vehicle

Director Peretti explained a new process in the management of the city’s fleet, and answered Council’s questions.

MAYOR PRO TEM WHALEN MOVED, seconded by Councilmember Johnson, to approve the purchase of a new ½ ton pickup purchased off the Washington State Department of Enterprise Services contract via the competitive bid process at an estimated purchase price of \$38,215.34. **Passed 7/0.**

Recess – called at 8:27; called back to order at 8:43.

D. Discussion Item – Contract Services with E.L.Associates

This item was requested by Councilmember Morton, who explained the purpose of the discussion centers around the lack of documentation of work performed, and he has been told that the invoices that come in to the city for payment each month also lack documentation of work

performed that month. He understands some portions of the work is confidential, but something should be provided. Referring to the contract, he pointed out the vagueness of the language.

Councilmember Johnson pointed out that there's a portion of this contracts' costs are paid by the utilities, and she is unclear what services are being supplied to the utilities. She also referred to an overall lack of economic development in town.

Discussion continued surrounding these points of emphasis.

Speaker	Comments
Laurie Rose Hatch	As a former employee, the Community Development department is seriously understaffed – to support this position while there isn't enough staff to support that development is not a wise decision – referred to Director Peretti, saying that he does not need that much mentoring – city needs to provide clear, measurable goals
Cheryl Reid-Simons	Referred to the contract as a boondoggle – no value that comes even close to what has been paid – the utility-paid portion is illegal – we pay these rates to ensure that we have good utilities – referred to “serves at the pleasure of the mayor” and said that Council needs to pull back the reigns
Heather Popp	Pointing out the cost of the contract – in order to pay the \$48,000, you would need to increase sales in the city by \$1.4 million, or increase values of properties by \$30 million, every year. Referred to page 46 covering partial-month suspension of pay and the fact that this consultant can choose his own hours – has he ever billed for a partial-month's activity?
Michele Lilley	Billing is always the same, the \$4,000 maximum is a consistent amount – called the phrase “serves at the pleasure of the mayor” a “kickback”
Richard Cosner	As a government contractor, every hour is tracked with charge codes to the dollar – the contract should have been better watched, and says council should do so in the future – Referred to RCW 35.21.703.... – allowing economic development to performed by non-profit corporations, and MRSC's explanation of that code

Council reiterated their concerns over this contract, pointing out that there was merit based on the possibility of Lloyd's developing.

COUNCILMEMBER MORTON MOVED, seconded by Mayor Pro Tem Whalen, to cancel the contract with E.L.Associates, giving 7-day notice for immediate cancelation.

Speaker	Comments
Jim Heddlesten	If understanding is correct, in order to fulfill this position, it has to be a non-profit, and if this person is a for-profit, it's an illegal contract by state law. If there's no work-product, then money paid out should be refunded back to the city.

Charlie Scherling	Page 45 – encourages security moves be taken to attain any city property held by consultant
Annie May	Is there a legal way to audit the consultant for proof of services rendered?
Steve Whitaker	What will be done to make sure this doesn't happen again? Look at how it was approved in the first place.
Jim Gillespie	If in fact this consultant received payment for services if he in fact wasn't fulfilling his obligations, who was approving the payments?
Stephanie Reid-Simons	Why didn't the city attorney sign the agreement? Is it enforceable without that signature? There's nothing in this contract that mentions utilities. It seems that council has trusted with regard to this contract – sad to say that there may be reasons that trust has been broken

The motion was voted on and passed 7/0.

E. Health Benefits for Mayor

Councilmember Boyle explained his purpose being requesting that this item be reconsidered. It was postponed on the reasoning that it be postponed until the budget season. He realized two things after getting home – that the agenda bill is from the City Attorney as opposed to the Finance Director, and that the agenda bill said clearly that the matter should be discussed separately from the budget discussions.

City Attorney Cameron explained that, when Mayor Pro Tem Whalen first brought this forward, his research with the state auditor indicated that it should have been separate motion.

A period of silence was allowed for the review of packet materials.

Councilmember Johnson:

- Asked about AWC – did they require proof of council action? City Attorney answered no.
- Referred to a Sept 2016 email to staff asking why the salaries were down while benefits were up – the answer of allocations was correct because the benefits were already in there from the previous year. The 2012 budget included an asterisk indicating further allocations. There's no way with the 2016-2017 documentation to understand the inclusion of these benefits.
- Oct 2012, citizens said no, and council wisely also said no – there's been no discussion on this since then.
- In 2015, why weren't the benefits offered to councilmembers?

Councilmember Tompkins:

- Referred to handout memo from Attorney Cameron, pointing out lack of violations – in talking with a lot of citizens and hearing lots of rumors – as well as hearing everywhere in society that everyone should have insurance – she would like to see a salary commission. This is a hot topic – how do any of us know what someone was thinking or what advice was given – we need to move forward.

Mayor Pro Tem Whalen:

- 2012 – process was put forth to city council in packet format – mayor is not entitled on her own to give herself benefits – the mayor’s position is a part-time job, and isn’t open to making it a full-time job
- Referred to AWC comparison sheet where Milton is listed as providing Mayoral benefits at 90%
- This has been put forward as a political item – I found out early September – two weeks of investigation showed that this had taken place
- Referred to the 11x17 allocation sheet in the packet – explained the place-holder showing 40% – actual cost is 120% of the Mayor’s salary
- It was a purposeful action – need to forbid the inclusion of benefits for the Mayor in the 2018 budget

Councilmember Morton:

- In 2016 budget, has notes in his budget documents asking the question about why benefits were higher – notes indicate the answer was due to allocations – told that often, because that has been a real and positive change in how the city is now keeping track
- Another question he’s had for a long time – why the percentage of wages for benefits? And why 40%?
- In 2012, he was one of the ones that brought it forward, because he needed benefits – only wanted to be able to buy into the plan – blown out of proportion at the time and said never mind after excessive public comment.
- Can this be cancelled at any time?

Councilmember Boyle:

- Referred to the AWC contract – dated 12/23/2015 – benefits terminate the 1st of the month following termination

Speaker	Comments
Sandy Hockett	<p>Prior to this, talking about Pete Lewis – didn’t hear anyone say anything about the past is the past – disappointed to hear that from a councilmember</p> <p>Sounds like a deception to me – if it’s a fact that the mayor received benefits without council approval, she should pay back funds</p> <p>Talking to a lot of people and reading social media – has not heard one person say they want to take insurance away from the mayor or her family – it’s not about that – it’s how this came about</p>
Heather Popp	<p>Disappointed to see an eye-roll from a councilmember</p> <p>In the answers to the answer to Richard Cosner’s question #2, wondering if it is accurate and, if it is, were the councilmembers aware of the cost to the city</p> <p>Mayor taking benefits without council’s explicit knowledge was wrong – can’t see benefits in the budgets</p>
Cheryl Reid-Simons	<p>Councilmember Tompkins is just trying to be nice at a time when a stand needs to be made</p> <p>Nothing that is more damning than the mayor’s own words, admitting that she did this</p>

	<p>Legally you can't get the money back – but Council can censure the Mayor – it's not impeachment – where do you stand, Council?</p>
<p>Frank Hunter McDonald</p>	<p>In addition to being a citizen, identified as a personal attorney to Mayor Perry</p> <p>Referred to memo where the city attorney stated no one has identified fraud or illegality in the provision of insurance benefits to the Mayor</p> <p>As a citizen – council needs to ask itself questions:</p> <ul style="list-style-type: none"> • Was the advice that Ogden Murphy Wallace made to Mayor Pro Tem Whalen given in executive session? • Ask the senior staff who were involved if they came to the conclusion that the ACA required coverage separately from the Mayor. • Why does council only approve health benefits for the mayor by separate action and not for any other employee? • Mayor makes 1/6th of what the city attorney makes – does she not on some level deserve insurance? <p>Council is trying to take the Mayor's insurance away – it is not honest to call it only a legal issue – you are making it a political issue.</p>
<p>Jacki Strader</p>	<p>When preparing comments, started to crunch numbers vs other cities – only 53 out of 251 cities provide benefits</p> <p>This isn't about health benefits – this is about an elected official gaming the system – used loopholes in processes</p> <p>Needs to be investigated by outside agency – she raised her own salary, and that's just wrong</p>
<p>Anita Bailey</p>	<p>Some things happened as they shouldn't have happened – question is – other than Councilmember Johnson and Mayor Pro Tem Whalen, why hasn't council been asking questions about this?</p> <p>What the heck is going to be done so it doesn't happen again?</p>
<p>Richard Cosner</p>	<p>Not saying the mayor shouldn't get benefits – what is in question is how they were obtained, and who determined the percentage she received</p> <p>Council should stop all benefits now while looking into the matter more thoroughly</p> <p>AWC labor-relations workshop was for employee benefits, not elected officials</p> <p>The answer to one question indicates the benefits were approved with budget ordinances, but it did not list who was in the package</p> <p>Single vs family rate hasn't been answered yet</p> <p>Isn't the 10% premium pay only for full-time, 40-hour/week employees? What is the mayor reporting on her time card?</p>
<p>Paul Southard</p>	<p>Retired longshoreman – union has killer medical benefits – really strict rules</p> <p>Finds it offensive that someone went behind the back of council to obtain benefits</p>

Stephanie Reid-Simons	Referring to comments of rumors – people have disagreed in a very civil manner – it’s not a rumor – the mayor sat right here and said this happened This isn’t about health benefits – it’s about how it came about
Charlie Scherling	Point out that, if this were a case in a normal employment situation, this would be theft, with immediate suspension and investigation – if there’s significant reason to believe that this occurred, that’s what would happen
Jacquelyn Whalen	People are suddenly waking up – impressed with the civil discourse – it is about how this happened – this is truly sad that the 2012 procedure wasn’t followed Referred to the mayor’s comments, “it was advised to me that it was one of my benefits to take and it didn’t require council action” – was troubled so much about council’s postponement 10/2 – proud that council voted to reconsider – can’t maintain transparency in a conspiracy of silence Nine words in closing – “Truth and transparency delayed and denied is democracy destroyed.”
Jim Heddlesten	Appearance of impropriety – elected officials are held to a higher standard – if it looks wrong, even if it’s right but conceived to be wrong, it is wrong – it has to look right – this doesn’t pass the smell check Conversation with the mayor years ago – 100% convinced that she knows the difference between an employee and an elected official – improper for her to take paid health benefits Council as elected officials should take appropriate steps
Written Comment – This was submitted by Mayor Perry to be read aloud at this portion of the meeting in her absence – Chair and Clerk forgot to do so – the full written statement is available upon request	A review of occurrences surrounding this issue, including: <ul style="list-style-type: none"> • the 2012 Council study meeting when no action was taken by Council; • the changes that had occurred by the time of the 2015 change to the benefits contract; • the fact that the funding for Mayoral benefits were in the 2016 and 2017 budgets; • the fact that the state auditor’s office and the Attorney General’s office has ruled no wrongdoing was done; • she questions the timing – why is this now being discussed?

Mayor Pro Tem Whalen asked for direction from Council.

Councilmember Boyle:

- Benefits should be dropped
- Benefits should not be added to 2018 budget ordinance
- Create salary commission

Councilmember Morton:

- Benefits should be dropped immediately
- Council approval would have been the appropriate method

COUNCILMEMBER MORTON MOVED, seconded by Councilmember Johnson, to withdraw health benefits for the mayor's position as of the end of October if possible, and to exclude benefits for the Mayor in the 2018 budget.

Councilmember Hutson:

- Commends the audience – social media has been one thing, but tonight shows good civil discourse
- Disagrees with comment that council hasn't checked this thoroughly – it has been
- Disagrees with some things tonight, such as limiting the mayor's position to a part time job. How can any mayor run this city on 20 hours/week – not logical.
- And, going forward, how can any town offer \$1,500 and no benefits? Talking about a role, not an individual

Councilmember Johnson:

- Not opposed to benefits, but the city can only handle so much financially
- Elected officials do not have the same rights as an employee
- It is something to consider with a salary commission
- This is a transparency issue – council should have been part of the process

Councilmember Ott:

- Most upset that the citizens knew more than Council – not sure how it got out, but disappointed that council didn't know
- No violation of any statues or constitutional provisions, per the words of one of the assistant attorney generals

The motion was voted on and passed 7/0.

COUNCIL REPORTS

Councilmember Boyle

- Great time at the VFW Fundraiser

Councilmember Morton

- No report

Councilmember Ott

- VFW Fundraiser was great

Councilmember Tompkins

- VFW dinner a great event
- Very successful Craft Bazaar this year
- Wednesday is Senior Oktoberfest

Councilmember Hutson

- VFW dinner was great
- Loved the Craft Bazaar

Councilmember Johnson

- This week is Friends of the Library week – read a proclamation from the Pierce County Library Board of Trustees

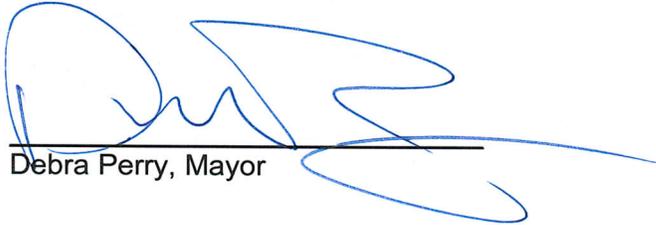
DIRECTOR'S REPORTS

Chief Hernandez

- Recent burglary report

ADJOURNMENT

The meeting was adjourned at 10:55 p.m.



Debra Perry, Mayor

ATTEST:



Katie Bolam, City Clerk