



CITY COUNCIL MINUTES

January 27, 2015

15728 Main Street, Mill Creek, WA 98012 # (425) 745-1891

Pam Pruitt, Mayor
Brian Holtzclaw, Mayor Pro Tem
Sean Kelly
Donna Michelson
Vince Cavaleri
Mike Todd
Mark Bond (Arrived at 7:45 p.m.)

January 27, 2015
Regular City Council Meeting
6:00 p.m.

CALL TO ORDER

Mayor Pruitt called the meeting to order at 6:00 p.m.

FLAG SALUTE

Flag Salute was conducted.

ROLL CALL

Roll was called by the City Clerk with all Councilmembers present except Councilmember Bond. Mayor Pruitt stated that Councilmember Bond was most likely running late.

AUDIENCE COMMUNICATION

Chuck Wright
15907 24th Court SE
Mill Creek, Washington 98012

Mr. Wright stated that he was hearing impaired and asked the Council to consider turning the volume up on the speakers in the Chambers or possibly getting a listening device.

Karen Brandon
15907 24th Court SE
Mill Creek, Washington 98012

Ms. Brandon stated that was unhappy with the recent pick for the new City Councilmember. She believed there were other qualified applicants.

Bill Schatz
1123 29th Avenue SE
Mill Creek, Washington 98012

Mr. Schatz made comments on the fire contract. He stated that the Council needs to look into structural fixes.

STUDY SESSION

New World RMS/CAD Systems City Council Briefing

(Bob Crannell, Chief of Police / Debbie Grady, Executive Director of SNOCOM 911)

The following agenda summary information was presented:

In 2007, SNOCOM police agencies embarked on a research project to locate a software package that allowed the full information and data sharing of law enforcement records. An overlapping effort was also being conducted by SNOPAC and it was determined that it was in the best interest of public safety to combine both efforts and seek a product that interconnects law enforcement, fire/EMS, corrections and the communication centers countywide.

The results of a competitive bid process concluded with the selection of New World Systems, Inc., located in Troy Michigan. New World Systems was tasked with developing a fully integrated software suite to include law enforcement records (RMS), corrections, and computer aided dispatch (CAD). A contract was ratified between SNOPAC, SNOCOM and New World Systems, Inc. in 2009.

Since the ratification of the contract, the project has sustained two postponed go-live/launch events due mostly to the functional readiness of the software. The first postponement occurred in July of 2011, and the second in August of 2012.

At a joint meeting of the SNOPAC/SNOCOM Boards on December 17, 2014, a majority of the participating county agencies decided that the full system (CAD and RMS) will be launched simultaneously, also referred to as a "big bang launch, on June 9, 2015.

Director Grady will bring the Council up to speed on the project milestones/timeline beginning in 2009, through the status of the project to date. Further, Director Grady and Chief Crannell will brief the Council on the individual agency and regional tasks needed prior the go-live event scheduled for June 9, 2014 including contingency and fallback plans.

Fire & EMS Service Options

(Landy Manuel, Acting City Manager)

The following agenda summary information was presented:

Fire and emergency medical services (EMS) for the City of Mill Creek have been provided by Snohomish County Fire District No. 7 (FD7) since the incorporation of the City in 1983. The existing contract ends on December 31, 2016. The importance of the service and the magnitude of its cost have implications that extend to other City issues such as annexation, adequacy of revenues and facility planning. Various options exist to provide the service and they are each outlined briefly below.

Current Condition:

The staffing level at Mill Creek Station #76 is a five person crew 24/7 with two designated for EMS. The response time performance standard within the City is to be less than seven and one half minutes. The contract cost for 2015 is \$3.5 million and is in part funded by the City's EMS levy of \$1.2 million. The City accrues equity in the fire station and at year end 2016 it will be worth \$678,000.

The City may acquire ownership of the station by buying out the Fire District's equity, at the end of 2016 that amount would be \$1.2 million. If the City annexes property then the annual assessment is adjusted upward per the terms of the contract (this acts as a detriment to the financial analysis for any annexation the City considers). Both the City and the Fire District contract for dispatch services through SNOCOM.

Contract for Services:

This is the model that the City utilizes for Fire District #7 service, a negotiated contract. The City may pursue contracting with other agencies in the area, both fire districts or cities if it desires. Other potential candidates are Fire District #1 which borders much of the City to the north and west, City of Lynnwood or even perhaps City of Bothell. Every detail concerning level of service, cost, facilities, equipment, legal etc. would need to be attended to.

Annexation to Fire District:

A city may annex to a fire protection district as authorized by RCW 52.04.061. Annexation is initiated by the city/town council adopting an ordinance stating an intent to join the fire protection district. The ordinance is then forwarded to the board of fire commissioners of the fire protection district. If they concur in the annexation, then a special election is held in the city and in the fire protection district on the issue. If a majority of the voters in the city and a majority of the voters in the district are in favor of the annexation, then the city is annexed to the fire protection district. The annual tax levy imposed by the fire protection district then applies throughout the district, including within the city limits. The 2014 property tax levies for Fire District 7 were \$1.46 for the regular levy and \$0.50 for the EMS levy, a total rate of \$1.96. The City's equivalent property tax rate for the 2015 contract amount is \$1.22 substantially less than the rate in the District.

Mill Creek's current maximum levy rate is \$3.10. If the City annexes into a fire district its maximum rate will fall to \$1.60 ($\$3.10 - \$1.50 = \1.60) as fire districts are allowed to levy up to a \$1.50 regular levy. The City's EMS levy would cease and be replaced by the District's EMS levy.

The City will of course realize a savings as it will no longer have the expense of paying the contract. Can or will the City reduce its own property tax levy to offset the levy imposed by annexing to the District? This is a very tricky question and seems unlikely because the City is paying substantially less under the negotiated contract than what the District charges in property tax.

The City is under no legal obligation to make its levy tax neutral if annexation occurs. It can in fact set it at any point up to the new \$1.60 limit once the annexation becomes effective.

The City's current EMS levy expires at the end of 2016, the same date as the fire contract. If the City plans to annex into a fire district or be part of a regional fire authority then it would not need to renew the EMS levy. If the City is more inclined to continue contracting for service then it would be important to renew the levy by placing it on the ballot in August 2016.

Under the current contract the City has a forum through the Joint Fire Board to review the level of service and discuss other issues with District 7. In the event of annexation control of policy on fire and EMS services would reside with the fire commissioners of the district. Citizen concerns about levels of service, tax rates, etc. would need to be appropriately voiced to the fire district board.

The City has partial equity in the Mill Creek Fire Station. At contract end in 2016 that equity amount will be \$678,000. The City may prior to the end of the contract in 2016 notify the District of its intent to buy out District 7's equity in the station, \$1.2 million at contract end. If the City does not notify the District and the contract is terminated after the original term (December 31, 2016) then the District will pay the City for its equity in the station. The City does not have ownership in any of the fire equipment.

Regional Fire Authority (RFA):

An RFA allows fire districts and cities to join together for provision of fire and EMS services. It can combine any two entities, like the City and District 7, or a multitude of entities, as was attempted in 2012 and 2013 for south county entities. Usually an RFA planning committee is formed to develop a full implementation plan. The primary reason to form an RFA is usually for economies of scale and a streamlined deployment model for stations and manpower. An RFA has the same property tax authority as a fire district, \$1.50 plus EMS of \$0.50 but may forgo one-third of the \$1.50 and implement a fire benefit charge. A fire benefit charge allows the commissioners to annually adjust charges based on the type of structure and diversifies the revenue structure reducing reliance on property taxes.

An RFA plan would be submitted to the voters of the entities involved and would require a simple majority of the total persons voting, however if benefit charges or sixty percent voter approved taxes are part of the plan then a sixty percent affirmative vote is required. The composition of the governing board is determined in the RFA plan and consist only of elected officials.

The details for working out service levels, staffing, facilities, financing, union agreements, organizational structure and governance can take a very long time. This is especially true when multiple entities are involved like in the recent south county discussions.

Establish a City Fire Department:

The City has the authority to form and operate its own fire department. To get a department up and running would require a large investment of time and money. The City would need to buy out the equity for the fire station and purchase all the necessary equipment. We would also need to recruit and hire a chief and staff including enough firefighters and paramedics to maintain the five person 24/7 service. Although staff has not penciled out any estimates of costs it is unlikely there would be substantial savings. Firefighting personnel is a highly unionized environment and it is unlikely the City could avoid paying union scale wages and benefits; the days of community volunteer firefighters is a thing of the past due to training requirements and liability issues. While this option does give the City control it seems it is bucking the overall trend toward regionalization for provision of fire/EMS service.

Private Ambulance Service:

This is an intriguing idea but it raises many questions concerning achievement of turning EMS over to a private service. To research, analyze and put all the pieces together is a large and long undertaking. Even if it could be accomplished there is still the need to have fire protection service and the coordination of it with EMS. Just mentioning privatization here in a list of service options brings to mind those private versus public, protection of union jobs and adequacy of delivery of

service discussions. Generally cities look at it to lower the cost of the service, whether or not that would be the case for Mill Creek is unknown.

Discussion.

Council and staff discussed the options. The consensus of the Council was to open preliminary discussions with Fire District 7 and report back to the Council in 60 days.

Prioritize Goals from January 13th Council Meeting

(Landy Manuel, Acting City Manager)

The following agenda summary information was presented:

At the January 13th meeting council suggested a list of a dozen goals/topics for prioritization for 2015. The idea after the list is prioritized would be to have dedicated study sessions (multiple if necessary) planned for the year for each topic. In actuality the first priority has been given over to the fire/EMS contract discussion and is scheduled for tonight.

- Revisit Strategic Plan Vision (suggested for Feb 24th, first of several if necessary)
- Annexation considerations
- Economic Development Committee Recommendations (suggested for Feb. 10th)
- Fire/EMS contract (on agenda for Jan. 27th)
- Vision for Dobson/Remillard/Cook Properties
- Financial Reserves Policy
- Revenues/Efficiencies (LEAN)
- Comp Plan Update (suggested for Feb. 3rd, first of possibly several)
- Land Use/Redevelopment
- Economic Summit
- Facility Needs
- Parks & Active Playfields

Staff is seeking direction from Council on prioritizing the above topics and thus setting the monthly date(s) for each topic or scheduling a retreat to focus in on the most important two or three. Having in depth discussion and providing staff clear direction will go a long way in allowing us to work toward the ultimate long range goal. Please note that in terms of workload in addition to ongoing operations some of the major initiatives staff is facing near term are records management system, emergency management services (ESCA), HR policy, New World go live, finance software upgrade, PW shop and CIP projects.

Note: Councilmember Bond arrived at 7:45 p.m.

Discussion.

Council and staff discussed the list of goals and reviewed the upcoming Council planning schedule.

2015 City Assignments List

(Landy Manuel, Acting City Manager)

The following agenda summary information was presented:

Every two years the Council reviews and reassigns, as appropriate, Council members to various

regional boards, commissions, councils and committees. The purpose of this study session is to review the City assignment list due to the recent resignation of Mark Harmsworth and the appointment of Vince Cavaleri. It would also give the Council an opportunity to make new appointments and assignments if they so desire.

Discussion.

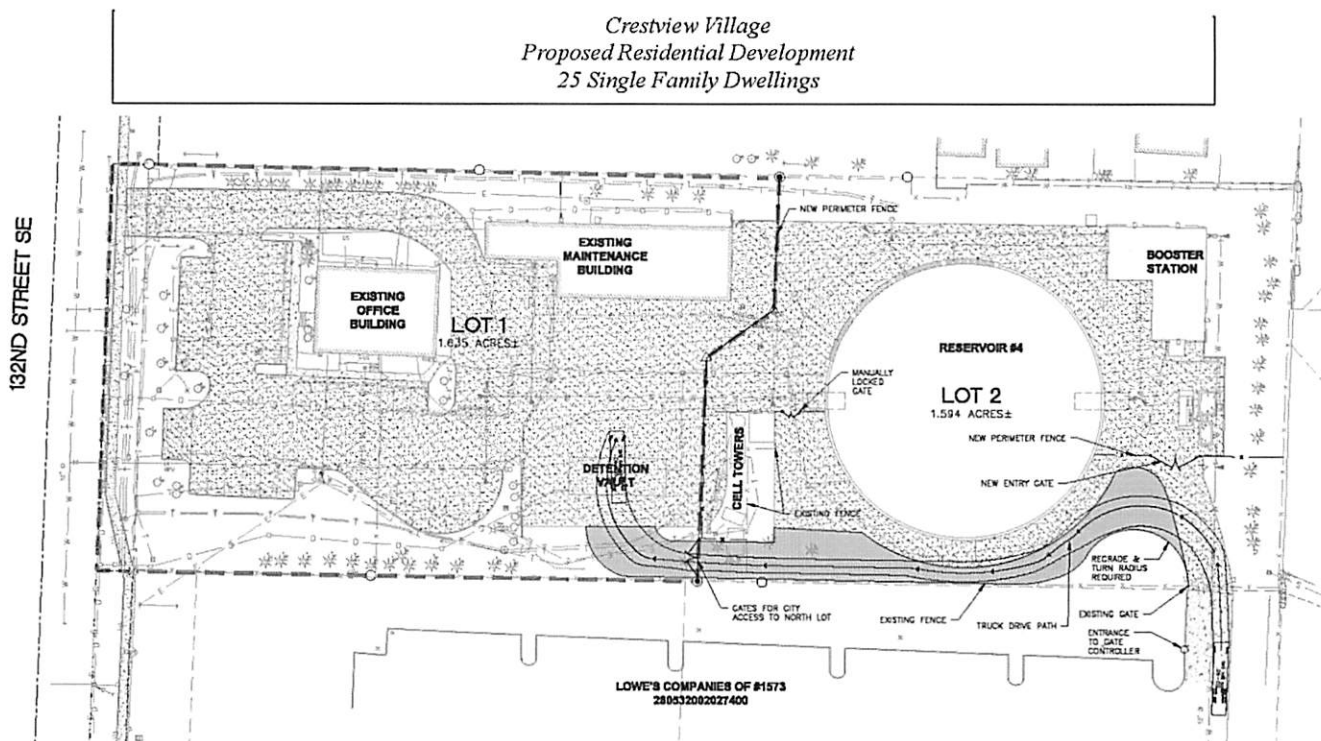
Council and staff reviewed the list and made the necessary appointments.

Public Works Shop Update

(Tom Gathmann, Public Works Director)

The following agenda summary information was presented:

Silver Lake Water and Sewer District is selling the front half of the 3.2 acre property it owns on 132nd Street SE that served as the District's administrative and maintenance operations site until 2006. The site has three existing buildings, which includes an administrative building, and a maintenance building with an attached maintenance office. The property is proposed to be divided as shown below, with the District retaining ownership of lot 2 and the City (or another party) purchasing lot 1.

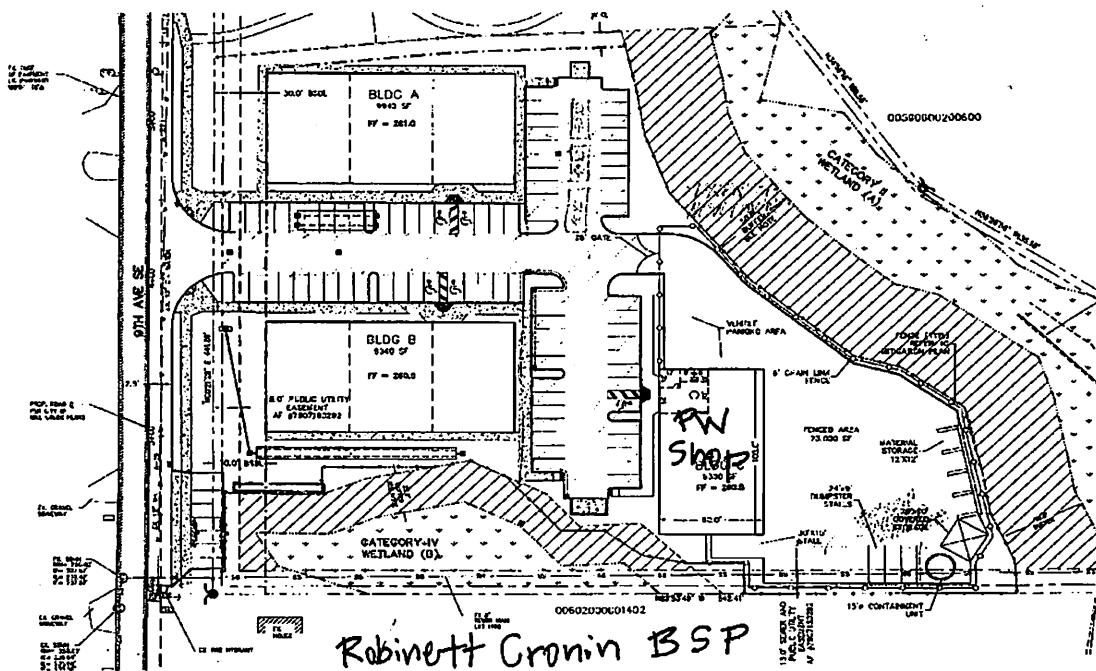


The property provides an excellent opportunity for the City to address its current and future Public Works maintenance operations and storage needs. At this point in time, it would be most economical to use only the maintenance building and attached office for the City's maintenance operations. Full renovation of the office building would be fairly expensive, in the \$350k to \$500k range, and the additional space far exceeds current Public Works needs for office space. Long term, the office building could be used for both City functions or leased for private commercial use.

The City has had informal discussions with the District regarding potential purchase for about a year, and most recently agreed to share the cost of updating the appraisal commissioned by the District in the summer of 2013. At that time lot 1 had an appraised value of \$1.07 million. Renovation costs for the maintenance building and attached shop office are estimated in the \$75k - \$125k range. Estimated renovation costs for the office building, which is much older, range from about \$250k to over \$400k, depending on the extent of changes made. Site improvements for drainage, storage of materials like bark and sand, and a sweeper wash-down area will be required regardless of building renovation options, and are estimated to cost between \$150k and \$200k. The updated appraisal is expected to be completed before the end of March, 2015.

Access to the site is from 132nd Street SE. Turning left when exiting the site is difficult when traffic is heavy, and it is likely the Washington State Department of Transportation will install a median curb at some point in the future. Although this makes some traffic movements less convenient, it is not a significant operational disadvantage.

City staff also investigated a potential shop site on 9th Avenue SE, as shown on the sketch below.



This is the Robinett-Cronin Binding Site Plan, and was approved for three 10,000 square foot buildings and associated parking. Placing the shop here would not allow sufficient remaining useable area for two additional buildings as originally planned. The loss in value of the remainder lead the owners to the decision that the City would need to purchase the entire site rather than just the land needed for the shop. The estimated cost for the locating the shop at this location would be about \$1.8 million plus the cost of the land. A firm figure for the land cost was never agreed upon, but a price in the \$1.1 million to \$1.3 million was informally discussed, putting the total cost at about \$3 million -

roughly twice the cost of the District site on 132nd Street SE. This location has the advantage that it is not a prime commercial property on a busy arterial and is slightly larger (2.5 acres vs. 1.7 acres), providing more room for future expansion. Both these features make this site more likely to be a “permanent” location for the Public Works shop for many decades.

A consulting firm retained by the City is about halfway through the process of completing a Phase I Environmental Site Assessment (ESA) for the District property. When the ESA gives the site a “clean bill of health” and the updated appraisal work is completed, staff will be seeking approval from Council to draft a Purchase and Sale Agreement and negotiate the final purchase price.

Discussion.

Council asked Staff to report back to Council upon completion of the appraisal update for consideration of a purchase/sale agreement.

AWC Center for Quality Communities Scholarship Program

(Landy Manuel, Acting City Manager)

The following agenda summary information was presented:

The Association for Washington Cities’ Quality Communities has a scholarship program for students who want to attend college or a trade program. Councilmember Todd has proposed that the City participate in the program. The City, led by Councilmember Todd, would form a council sub-committee, develop criteria, publicize the scholarship and then select one candidate to be recommended with an endorsement letter to AWC by March 13th.

Discussion.

Councilmember Todd, Councilmember Cavaleri and Councilmember Michelson were appointed to the committee to review the scholarship applications and make a recommendation to AWC.

Open Discussion

(City Council)

Council discussed the City Manager Recruitment profile. The Council will review the profile, provide feedback to the recruiter and finalized the profile at the next meeting.

CONSENT AGENDA

Approval of Checks #53142 through #53274 and ACH Wire Transfers in the Amount of \$423,661.00.

(Audit Committee: Councilmember Holtzclaw and Councilmember Todd)

Payroll and Benefit ACH Payments in the Amount of \$528,858.32.

(Audit Committee: Councilmember Holtzclaw and Councilmember Todd)

MOTION: Mayor Pro Tem Holtzclaw made a motion to approve the consent agenda, Councilmember Todd seconded the motion. The motion passed unanimously.

ACTION ITEMS

Motion to Participate in the AWC Center for Quality Communities Scholarship Program
(Landy Manuel, Acting City Manager)

MOTION: Councilmember Michelson made a motion to participate in the AWC Center for Quality Communities Scholarship Program, Councilmember Todd seconded the motion. The motion passed unanimously.

REPORTS

Mayor Pruitt reported on the redesign at McCollum Park. She thanked the Public Works department for the clean-up around the City.

Councilmember Michelson reported that she attended the Art/Beautification Board meeting last week.

Mayor Pro Tem Holtzclaw stated that the Snohomish County Tomorrow meeting has been canceled.

Councilmember Todd spoke about the Snohomish County Cities legislative priorities.

Acting City Manager Manuel stated that the finance department is working on closing the books for 2014.

City Engineer Smith reported on the park survey. The survey is on the City's website and ends at the end of February. Lastly, the City's pipe repair project is going to bid this week.

AUDIENCE COMMUNICATION

Karen Brandon
15907 24th Court SE
Mill Creek, Washington 98012

Ms. Brandon stated that she worked for a fire department. The City should ask the fire department for recent statistics.

EXECUTIVE SESSION

The meeting recessed to executive session at 8:59 p.m. to discuss the performance of a public employee per RCW 42.30.110 (1) (g) for approximately 15 minutes.

The executive session was extended to 9:35 p.m.

RECONVENE TO REGULAR SESSION

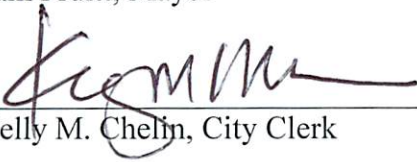
The meeting reconvened to regular session at 9:35 p.m.

ADJOURNMENT

With no objection, Mayor Pruitt adjourned the meeting at 9:35 p.m.



Pam Pruitt, Mayor



Kelly M. Chelin, City Clerk