



# CITY COUNCIL MINUTES

November 24, 2015

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

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Pam Pruitt, Mayor  
Brian Holtzclaw, Mayor Pro Tem  
Sean Kelly  
Donna Michelson  
Vince Cavaleri  
Mike Todd  
Mark Bond

November 24, 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 Acting City Clerk with all Councilmembers present.

## OATH OF OFFICE

City Attorney Moloney read the oath of office to newly-elected Councilmember Vince Cavaleri.

## PRESENTATION

Councilmember Michelson presented outgoing Art & Beautification Boardmember Marla Nulph with a certificate of appreciation for serving 9 years on the Board.

## AUDIENCE COMMUNICATION

There were no comments from the public.

## NEW BUSINESS

### 2016 Property Tax Ordinances

*(Rebecca C. Polizzotto, City Manager)*

The following agenda summary information was presented:

### Highest Lawful Levy:

The basis for the City's maximum property tax levy for 2016 begins with the highest lawful levy from the preceding year. The highest lawful levy for 2015 for Mill Creek is **\$5,965,311**. This compares to our actual 2015 levy of **\$5,748,412**. The difference between these figures is our banked capacity of \$216,899.

For 2016, the City is entitled to calculate its highest lawful levy based on an increase of: (1) 1% over the 2015 highest lawful levy; **plus** (2) new construction; **plus** (3) changes in the value of State utilities plus/minus refunds.

**Regular Property Tax Levy:**

In 2016, the City’s Assessed Value (AV) increased by 8.9% to \$3.058 billion. New construction in the City exceeded \$50 million. This is the highest level of new construction since the onset of the recession in 2008.

For 2016, the City Council can raise by simple majority vote: (1) the property tax levy up to the 2015 highest lawful levy amount; (2) **plus 1%**; (3) plus new construction. This calculation results in a maximum regular levy of **\$6,129,153**. This compares to an actual levy amount for 2015 of **\$5,748,412**.

The City has existing banked capacity of \$216,899 which may be utilized by the City. The table below shows levy rates, and property tax revenues, for various levy increases up to the maximum levy. Each one percent increase results in approximately \$57,000 in revenue to the City.

**Regular Property Tax Levy Considerations**

	A	B		C	
% Levy Increase	2015 Levy	Revenue Increase over 2015 Levy	Levy Rate	New construct. & Refunds	Tax Revenue (A + B + C)
1.0%	5,748,412	57,484	1.890	104,189	5,910,085
2.0%	5,748,412	114,968	1.909	104,189	5,967,569
3.0%	5,748,412	172,452	1.927	104,189	6,025,053
4.0%	5,748,412	229,936	1.946	104,189	6,082,537
4.811%	5,748,412	276,552	1.960	104,189	6,129,153

**Emergency Medical Services Levy:**

The EMS levy has no banked capacity and is therefore limited to 1%. The table below shows levy rates and property tax revenues for an EMS levy of 1%.

**EMS Property Tax Levy Considerations**

	A	B		C	
% Levy Increase	2015 Levy	Revenue Increase over 2015 Levy	Levy Rate	New construct. & Refunds	Tax Revenue (A + B + C)
Max 1%	1,229,547	12,295	0.404	22,288	1,264,130

**Impact on a Single-Family Home Owner:**

The impact to a single-family homeowner depends on both the change in the total tax levied and the change in the City’s total assessed value. Overall, the City’s AV increased by 8.9%; however, this does not mean that the assessed value of every home in the City increased by 8.9%.

The actual increase/decrease for a specific home would be dependent upon the change in AV for each individual property (e.g. if the City raises tax revenues by 3%, an individual homeowner’s tax bill may change by more or less than the 3% depending on their property’s change in assessed value). To demonstrate the foregoing, 6 residential properties in the City were selected to demonstrate the effect

of imposing various levy increases:

1% Increase Regular & 1% EMS			
2015 Value	2016 Value	% AV increase (decrease)	Tax increase(decrease)
\$ 350,700	\$ 360,700	2.85%	\$ (24.82)
\$ 352,300	\$ 379,100	7.61%	\$ 13.51
\$ 462,600	\$ 470,900	1.79%	\$ (43.96)
\$ 448,200	\$ 440,200	-1.78%	\$ (79.40)
\$ 379,700	\$ 407,900	7.43%	\$ 12.99
\$ 516,300	\$ 546,600	5.87%	\$ (0.80)
2% Increase Regular & 1% EMS			
2015 Value	2016 Value	% AV increase (decrease)	Tax increase(decrease)
\$ 350,700.0	\$ 360,700.0	2.85%	\$ (18.19)
\$ 352,300.0	\$ 379,100.0	7.61%	\$ 20.48
\$ 462,600.0	\$ 470,900.0	1.79%	\$ (35.31)
\$ 448,200.0	\$ 440,200.0	-1.78%	\$ (71.31)
\$ 379,700.0	\$ 407,900.0	7.43%	\$ 20.49
\$ 516,300.0	\$ 546,600.0	5.87%	\$ 9.25
3% Increase Regular & 1% EMS			
2015 Value	2016 Value	% AV increase (decrease)	Tax increase(decrease)
\$ 350,700	\$ 360,700	2.85%	\$ (11.63)
\$ 352,300	\$ 379,100	7.61%	\$ 27.38
\$ 462,600	\$ 470,900	1.79%	\$ (26.74)
\$ 448,200	\$ 440,200	-1.78%	\$ (63.30)
\$ 379,700	\$ 407,900	7.43%	\$ 27.91
\$ 516,300	\$ 546,600	5.87%	\$ 19.20
4% Increase Regular & 1% EMS			
2015 Value	2016 Value	% AV increase (decrease)	Tax increase(decrease)
\$ 350,700.0	\$ 360,700.0	2.85%	\$ (4.99)
\$ 352,300.0	\$ 379,100.0	7.61%	\$ 34.35
\$ 462,600.0	\$ 470,900.0	1.79%	\$ (18.08)
\$ 448,200.0	\$ 440,200.0	-1.78%	\$ (55.20)
\$ 379,700.0	\$ 407,900.0	7.43%	\$ 35.41
\$ 516,300.0	\$ 546,600.0	5.87%	\$ 29.25
Maximum Regular & 1% EMS			
2015 Value	2016 Value	% AV increase (decrease)	Tax increase(decrease)
\$ 350,700	\$ 360,700	2.85%	\$ 0.45
\$ 352,300	\$ 379,100	7.61%	\$ 40.07
\$ 462,600	\$ 470,900	1.79%	\$ (10.97)
\$ 448,200	\$ 440,200	-1.78%	\$ (48.56)
\$ 379,700	\$ 407,900	7.43%	\$ 41.57
\$ 516,300	\$ 546,600	5.87%	\$ 37.50

Discussion:

Council engaged in a discussion about the proposed tax increase.

**MOTION:** Councilmember Kelly made a motion to approve the regular property levy increase of 3%; Mayor Pro Tem Holtzclaw seconded the motion. The motion passed unanimously.

**MOTION:** Councilmember Kelly made a motion to approve the EMS levy increase of 1%, Councilmember Bond seconded the motion. The motion passed unanimously.

Comprehensive Plan Review for Chapters 11 through 14  
 (Rebecca C. Polizzotto, City Manager)

The following agenda summary information was presented:

The overall purpose of the 2015 Comprehensive Plan update is to make revisions necessary to guide future development in the City and its Municipal Urban Growth Area (MUGA) through 2035. As updated, the Comprehensive Plan continues to focus on maintaining Mill Creek as a predominantly residential community, promoting the development of the City’s commercial core, maintaining urban densities that can be served by transit, ensuring the provision of urban services, planning for the construction of capital facilities, such as roads and sidewalks, providing for the recreational needs of the community, and protecting natural resources.

The update process began in early 2014 when the City staff and the Planning Commission prepared an audit of the existing Comprehensive Plan for consistency with the Countywide Planning Policies (CPPs) and GMA requirements. The result of the audit was that the majority of the updates would be “housekeeping” in nature and that significant revisions were not necessary.

To facilitate review, the revisions will be presented in three groups scheduled as follows:

Meeting Date	Chapters	Comments
10/27/15	Introduction; Consistency with CPPs; History; Goal Statements; Population & Employment	Agenda Summary and Comprehensive Plan Books delivered to Council - containing Executive Summary and redline and clean versions of first five chapters and the Public Participation Plan
11/10/15	Land Use; Housing; CFP; Utilities; Transportation	Redline and clean versions of second five elements, and Transportation related code amendments delivered to Council (1 week early).
11/24/15	Streetscape; Environmental Features; Parks and Open Space; Glossary	Redline and clean versions of last four elements delivered to Council. Code amendments related to Streetscape, Best Available Science and Amendment Criteria. Planning Commission Resolution
12/1/15	Adoption	Council Ordinance

Discussion

After reviewing the changes recommended by the Planning Commission, Council proposed further changes. The Comprehensive Plan will be brought back to Council for adoption on December 8, 2015.

Note: Council clarified for the record that it was Ordinance #2015-800 and #2015-801 that needed to be officially adopted.

**MOTION: Councilmember Michelson made a motion to approve Ordinance #2015-800, increasing the Emergency Medical Services Levy by 1%, Councilmember Todd seconded the motion. The motion passed unanimously.**

**MOTION: Councilmember Michelson made a motion to approve Ordinance #2015-801, increasing the Regular Property Tax by 3%, Councilmember Todd seconded the motion. The motion passed unanimously.**

**CONSENT AGENDA**

Approval of Checks #54556 through #54615 and ACH Wire Transfers in the Amount of \$1,335,862.23.

*(Audit Committee: Councilmember Bond and Mayor Pruitt)*

Payroll and Benefit ACH Payments in the Amount of \$283,626.15.

*(Audit Committee: Councilmember Bond and Mayor Pruitt)*

Mayor Pruitt and Councilmember Bond stated they had no exceptions to the vouchers.

Revised City Council Meeting Minutes of November 10, 2015

Councilmember Todd recommended a clarification on the minutes. There were no objections.

**MOTION: Councilmember Bond made a motion to approve the consent agenda, Councilmember Todd seconded the motion. The motion passed unanimously.**

**AUIDEINCE COMMUNICATION**

There were no comments from the audience.

**REPORTS**

Mayor Pruitt encouraged Council to attend the Cities and Towns dinner that will be held at the Country Club in January. The Mayor also read a letter from Brigadier General Hathaway thanking the City for inviting him to participate in the Veterans Day festivities.

Councilmember Kelly will be attending the WRIA 8 meeting in February.

Councilmember Cavaleri thanked staff for all the hard work put into the Veterans Day events.

Councilmember Michelson wished everyone a Happy Thanksgiving.

Mayor Pro Tem Holtzclaw mentioned some code enforcement issues that need to be addressed.

Councilmember Todd reported on the Exit Conference with the State Auditor's Office and that the City hasn't had a finding since 2006.

**MOTION: Councilmember Todd made a motion to extend the meeting to 9:00 p.m., Councilmember Bond seconded the motion. The motion passed unanimously.**

City Manager Polizzotto presented Council with lanyards and STAR pins and explained the City's workplace values. The Council was then shown a slide show of the Veterans Day events.


**RECESS TO EXECUTIVE SESSION**

The meeting recessed to executive session to discuss performance of a public employee per RCW 42.30.110 (1) (g) and potential litigation per RCW 42.30.110 (1) (g) at 8:30 p.m. for approximately 15 minutes.

At 8:45 p.m., the executive session was extended for 5 minutes.

With no objection, Mayor Pruitt adjourned the meeting at 8:50 p.m.

**ADJOURNMENT**

  
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Pam Pruitt, Mayor

  
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Kim Mason-Hatt, Acting City Clerk