



## MINUTES

### City Council Regular Meeting

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6:00 PM - Tuesday, October 8, 2019

Council Chambers, 15728 Main Street, Mill Creek, WA 98012

Minutes are the official record of Mill Creek City Council meetings. Minutes summarize the council meeting and documents any actions taken by the Council.

A recording of this City Council meeting can be found [here](#).

The agenda packet for this City Council meeting can be found [here](#).

### CALL TO ORDER

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Mayor Pro Tem Holtzclaw called the meeting of the Mill Creek City Council to order at 6:00 p.m. and led the Pledge of Allegiance.

### PLEDGE OF ALLEGIANCE

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### ROLL CALL

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Councilmembers Present:

Brian Holtzclaw, Mayor Pro Tem  
Vince Cavaleri, Councilmember  
Mike Todd, Councilmember  
John Steckler, Councilmember  
Stephanie Vignal, Councilmember

Councilmembers Absent:

Pam Pruitt, Mayor  
Mark Bond, Councilmember

***Councilmember Cavaleri made a motion to excuse Mayor Pruitt due to vacation. Councilmember Steckler seconded the motion. The motion passed unanimously.***

***Councilmember Todd made a motion to excuse Councilmember Bond due to illness. Councilmember Steckler seconded the motion. The motion passed unanimously.***

### AUDIENCE COMMUNICATION

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A. Public comment on items on or not on the agenda

Lisa Steckler, a Mill Creek resident, thanked staff for posting the Council agenda on the City's Facebook page. Ms. Steckler spoke about the success of the partnership between the City, the Kiwanis Club and the Farmers Market regarding the Power of Produce Program (POP) for kids, which was great for the community, and hopes to do it again next year.

### PRESENTATIONS

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Agenda item C, Historic Preservation Program Grant Funding Check Presentation, was presented out of order.

C. Historic Preservation Program Grant Funding Check Presentation

*(Terry Ryan, Snohomish County Council Chair)*

Snohomish County Council Chair Terry Ryan presented the City with a check for \$7,806.00 from the County's Historic Preservation Fund to be used towards design costs on the Art & Beautification Board's Historic Preservation Panels. Mr. Ryan also expressed his appreciation for all that the Councilmembers and staff do for the City of Mill Creek.

**B. Audit Entrance Conference**  
(Sarrah Superville, Assistant State Auditor)

Courtney Amonson of the Washington State Auditor's Office (SAO) gave an introduction on behalf of Kristina Baylor who was unable to attend tonight's meeting. Ms. Amonson introduced Sarrah Superville, Auditor in Charge and Kirk Gadbois, Audit Supervisor. Ms. Amonson explained the scope of the upcoming audit stating that this will be a risk based audit looking at the fiscal years of 2017-2018. After two weeks of in-house planning and preparation, it has been determined that it will be an accountability and financial statement audit.

Assistant State Auditor Sarrah Superville and Audit Supervisor Kirk Gadbois provided Council with an overview of the audit process and accountability areas:

- Planned audit scope -
  - Includes an overall system review over disbursements
  - Voids process - test internal controls
  - IT security policies and procedures with respect to user access
  - Payroll - Monitoring leave balances, severance pay, and gross wages
  - Oversight and compliance with interim positions relating to agreements
  - Self-insurance - As it relates to unemployment (State requirement every 2 years)
  - Procurement - Purchases made using the emergency declaration process
- Financial statements audit scope 2017-2018:
  - Review of annual report submission
  - Bank reconciliations
  - BARS coding
- Details of the engagement letter:
  - Details the responsibilities of the SAO's office

States the expectations of the City's compliance with auditors' requests with respect to producing documentation and cooperating with the process

- Levels of reporting:
  - Findings - The most noteworthy level of reporting containing:
    - Significant findings
    - Material deficiencies of internal controls
    - Improper financial statement disclosures
  - Management Letter - A separate letter, not included in the audit report, of less significant deficiencies that do not rise to the level of a "Finding". The letter is presented at the Exit Conference
  - Exit Items - Minor housekeeping items noted by Auditors given to management at exit conference

Audit Supervisor Kirk Gadbois provided Council with an overview of the administrative process of the audit, such as:

- Audit costs - provided on the handout
- Communication - City is welcome to reach out to any of the onsite auditors or contact any of the SAO officials listed on the handout
- Dispute process - SAO has a process in place, information is on the handout
- Emerging issues - Issues ranging from Cyber security to payroll fraud. The SAO's Office website has links to resources and educational materials.

Council asked questions and engaged in discussion. A survey will be distributed and an Exit Conference will be scheduled at the end of the audit process.

## **STUDY SESSION**

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- D. Cable Franchise Transfer of Frontier Communications Corporation to Northwest Fiber  
(*Scott Snyder, Ogden Murphy Wallace P.L.L.C.*)

City Manager Michael Ciaravino introduced attorney Scott Snyder of Ogden Murphy Wallace.

Mr. Snyder explained that the City of Mill Creek has received an application to transfer the City's cable franchise from Frontier Communications to Northwest Fiber. He went on to say that it was important to consider the financial health of the potential franchisee, and that Northwest Fiber looks to be well prepared to satisfy the same conditions of the franchise as Frontier Communications.

Council engaged in discussion.

### [Cable Franchise Transfer of Frontier Communications Corporation to Northwest Fiber](#)

**Councilmember Todd made a motion to approve Ordinance 2019-852, an ordinance of the City of Mill Creek, Washington, approving the change of control of Frontier Communications Northwest, Inc., and granting an extension of the cable franchise with conditions and establishing an effective date. Councilmember Steckler seconded the motion. The motion passed unanimously.**

- E. Human Resource Department Staffing Shortage  
(*City Manager Michael Ciaravino*)

City Manager Michael Ciaravino asked the Council to add an item to the agenda. He discussed the difficulty staff has faced while the Human Resources Manager has been on leave. City Manager Ciaravino is requesting Council pass an ordinance to declaring an emergency and thereby allowing an increase in salary for a part-time interim position for the Human Resources Department. This position would not receive benefits.

Ogden Murphy Wallace Attorney Scott Snyder discussed requirements for an emergency budget amendment.



Council engaged in discussion.

**Councilmember Steckler made a motion to approve Ordinance 2019-853, an ordinance of the City of Mill Creek, Washington, amending the salary schedule; declaring an emergency and establishing an immediate effective date. Councilmember Vignal seconded the motion. The motion passed unanimously.**

- F. 2020-2025 Transportation Improvement Program  
(Gina Hortillosa, Director of Public Works & Development Services)

Director of Public Works & Development Services Gina Hortillosa discussed the proposed 2020-2025 Transportation Improvement Program (TIP) including:

- Purpose of program - Annual requirement per RCW 35.77.010, highlights transportation projects the City wants to do over a six year period
- Next Steps - Public hearing and potential adoption by Council at the October 22, 2019 Council meeting
- Regional impacts - Adopted TIP will be shared with Puget Sound Regional Council (PSRC), Washington State Department of Transportation (WSDOT), the County and adjacent public utilities to identify cost sharing opportunities with local agencies and projects with regional significance.

Director Hortillosa highlighted significant changes to the TIP over the previous year.

Council engaged in discussion.

#### 2020-2025 Transportation Improvement Program

- G. 2019 Farmers Market Summary  
(Gordon Brink, Interim Director of Communications & Marketing)

Interim Director of Communications & Marketing Gordon Brink provided a recap of the 2019 Farmers Market, including feedback from customers and vendors, and asked Council to discuss and shape a recommendation for the future of the market.

A survey of customers and vendors provided:

Positive feedback of the Market including:

- Strong Management and kudos to Sarah Jenson, City Market Manager
- Supplements City's event calendar
- Power of Produce (POP) kids club
- Supports local business
- Contributes to small town feel

Negative feedback of the Market including:

- Low attendance, low vendor sales
- Significant drop in participating vendors over the course of the season
- Dissatisfaction in advertising efforts
- Lack of support from Mill Creek residents and the City
- Lack of parking

Discussion ensued about location alternatives such as partnering with the County to host the Farmers Market at McCollum Park where there is better parking opportunities and space to accommodate the market.

Gordon Brink will bring alternate locations back to Council for further discussion.

#### Farmers Market 2019 Summary

### **NEW BUSINESS**

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- H. Appointments to the Art & Beautification Board  
*(City Council Interview Committee: Councilmember Steckler and Councilmember Todd)*

The Council interview committee, comprised of Councilmember Steckler and Councilmember Todd, interviewed two candidates for appointment to the Art and Beautification Board.

- Michelle Edwards, incumbent
- Vanessa Good, new applicant

The interview committee recommends the appointment of both candidates for positions on the Art and Beautification Board with terms expiring 10/31/2022.

#### Appointments to the Art and Beautification Board

**Councilmember Steckler made a motion to appoint Michelle Edwards and Vanessa Good to serve three-year terms on the City's Art & Beautification Board. Councilmember Todd seconded the motion. The motion passed unanimously.**

- I. House Bill 1406 - An Act Relating to Encouraging Investments in Affordable and Supportive Housing  
*(Gina Hortillosa, Director of Public Works & Development Services)*

Director of Public Works & Development Services Gina Hortillosa reviewed the discussion from the September 10, 2019 study session.

Ms. Hortillosa presented a resolution drafted by City Attorney Scott Missall of Ogden Murphy Wallace which captures and documents of the City's intent to support HB 1406.

The next steps, if resolution is passed, will be to coordinate and communicate with Snohomish County and State and adopt an Ordinance making the sales tax official by July 27, 2020.

Council engaged in discussion.



[House Bill 1406](#)

Councilmember Todd made a motion to adopt Resolution 2019-583 declaring the City of Mill Creek's intent to impose a local sales and use tax as authorized by Substitute House Bill 1406. Councilmember Vignal seconded the motion.

Councilmember Todd made a motion to amend Resolution 2019-583 to add the word "credit" after "sales tax" to the last recital on page one and to section one on page two. Councilmember Cavaleri seconded the motion. The motion passed unanimously.

Councilmember Todd made a motion to adopt Resolution 2019-583 as amended declaring the City of Mill Creek's intent to impose a local sales and use tax credit as authorized by Substitute House Bill 1406. Councilmember Vignal seconded the motion. The motion passed unanimously.

**CONSENT AGENDA**

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- J. Approval of Checks #60944 through #61007 and ACH Wire Transfers in the Amount of \$747,890.60  
[Check Vouchers](#)
- K. Payroll and Benefit ACH Payments in the Amount of \$212,919.42  
[Payroll Vouchers](#)
- L. City Council Meeting Minutes of May 7, 2019  
[Regular Council Meeting - 07 May 2019 - Minutes - Html](#)
- M. City Council Meeting Minutes of May 14, 2019  
[Regular Council Meeting - 14 May 2019 - Minutes - Html](#)

Councilmember Steckler made a motion to approve the consent agenda. Councilmember Cavaleri seconded the motion. The motion passed unanimously.

**REPORTS**

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- N. Mayor/Council

**Mayor Pro Tem Holtzclaw** thanked staff for installing additional dog waste bag stations throughout the City.

**Mayor Pro Tem Holtzclaw** reported that the Housing Affordability Regional Task Force (HART) Committee is working on a draft report of recommendations voted on by committee members. The draft report is expected to be available in January. Councilmember Vignal will attend the September meeting in Mayor Pro Tem Holtzclaw's absence.

**Councilmember Steckler** requested that the staffing review, including the impacts to the Mill Creek Police Department, following the allocation of an additional officer to the SRO program, be placed, and kept, on the October 22, 2019 meeting agenda.

**Councilmember Vignal** reported receiving a letter requesting mountain bike trails be added in Mill Creek and suggested the Park & Recreation Board look into it.

**Councilmember Todd** would like to be thoughtful about what is placed on the agenda, considering staffing resources and Council's priorities. He would like to see items, such as the SRO position, prioritized over general requests to be on the council meeting agenda.

**Councilmember Todd** would like the grant funding application process on the agenda to provide guidance to staff on Council priorities.

**Councilmember Todd** spoke about the upcoming presentation from the Snohomish County Health District and wondered about staff's input and the timing of the presentation.

- O. City Manager
  - [Council Planning Schedule](#)

#### **AUDIENCE COMMUNICATION**

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- P. Public comment on items on or not on the agenda

No public comment

#### **RECESS TO EXECUTIVE SESSION**

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*(Confidential session of the Council)*

*Mayor Pro Tem Holtzclaw stated that no action would be taken following the Executive Session*

- Q. At 8:20 p.m. Council recessed to executive session to discuss recent litigation pursuant to RCW 42.30110(1)(i) until 8:30 p.m.

Attorney Kathryn Bradley of Lane Powell, attended via phone.

The executive session concluded 8:30 p.m.

#### **RECONVENE TO REGULAR SESSION**

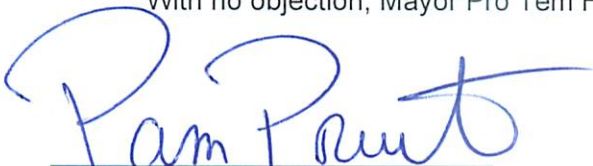
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- R. At 8:30 p.m. Council reconvened to regular session.

#### **ADJOURNMENT**

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With no objection, Mayor Pro Tem Holtzclaw adjourned the meeting at 8:30 p.m.



Pam Pruitt, Mayor

  
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Naomi Fay, Interim City Clerk