

**TOWN OF YARROW POINT
COUNCIL MEETING MINUTES
November 10, 2009
7:00 PM**

The following is a summary of the proceedings and is not a verbatim transcript. The meeting is recorded, and the audio files are public record.

CALL TO ORDER:

Mayor David Cooper called the meeting to order at 7:03 p.m.

MEMBERS PRESENT:

Mayor: David Cooper

Mayor Pro-Tem: Lisa Mushel

Council Members: John DesCamp (excused)
Steve Rutledge
Carl Scandella
Andy Valaas

Staff: Sara McMillon – Town Clerk-Treasurer
Mona Green – Town Planner
Stacia Schroeder – Town Engineer
John Joplin – Fiscal Coordinator

Guests: None.

EXCUSE COUNCIL MEMBER:

MOTION: Councilmember Steven Rutledge motioned to excuse Councilmember John DesCamp. Lisa Mushel seconded the motion.

Vote: 2 For, 0 Against, 2 Abstain. Mayor David Cooper voted in favor of excusing Mr. DesCamp. Motion carried.

APPEARANCES:

None.

MINUTES:

MOTION: Councilmember Andy Valaas motioned to approve the minutes of the regular Town Council Meeting October 13, 2009. Councilmember Steven Rutledge seconded the motion.

Vote: 4 For, 0 Against, 1 Abstain. Motion carried.

CONSENT CALENDAR:

MOTION: Councilmember Steven Rutledge motioned to approve the consent calendar as presented including the warrant register dated October 8, 2009 for warrant number 16728 through warrant number 16766 totaling \$87,654.80. Councilmember Andy Valaas seconded the motion.

Vote: 4 For, 0 Against, 0 Abstain. Motion carried.

Councilmember Carl Scandella noted that a letter from Interim County Executive Kurt Triplett concerning a non-voted vehicle license fee was included in the Council packet. Mayor Cooper said historically Yarrow Point has not participated in a countywide transportation benefit district. Town Clerk McMillon placed the letter in the packet at the last minute, and Mayor Cooper said he did not have a chance to review it.

STAFF REPORTS:

Town Planner Mona Green – Mrs. Green reported that the Tree Committee met last night and came to an agreement on a mission a purpose. Later this month the committee will review a draft of a Tree Ordinance that Town staff will compose. She noted that the Town will need to budget \$2 per capita in 2010 for tree related expenses in order to qualify for Tree City status.

Stacia Schroeder, Town Engineer – Councilmember Carl Scandella asked if restoring the functioning of the Town fountain is a part of Capital Improvement Project No. 3 (CIP#3). Mrs. Schroeder reported that water from Lake Washington will be circulated through the fountain and that the project is a part of CIP#3. Mr. Scandella said he was of the understanding that an undergraduate student was preparing design plans. The student's project will only be for the purpose of his studies, Mrs. Schroeder reported.

Councilmember Valaas said during the last heavy rain storm, the catch basins on NE 47th Street did not appear to be functioning adequately. Mrs. Schroeder said the catch basin on the east side of the street was lowered about four inches and is now working well.

Mrs. Schroeder reported on a recent erosion event. She said last Friday the City of Bellevue's sewer lift station on NE 42nd Street was flooding, and when crews worked to protect the station, a storm water filter sock at the Belfiore site came apart. When the sock was disrupted, water overflowed into the beach area, washing out an eight foot swath, four inches deep. Workers from the Belfiore project will repair the beach damage.

Mrs. Schroeder stated that the proposed site development code ordinance was to be presented this month, but due to some last minute changes, site development regulations will be discussed in December. Next month, the Council also will hear an appeal from a property owner on NE 47th Street who is objecting to the underground conversion of overhead utility lines. The house, once used as the Yarrow Point Town Hall, will soon be for sale.

Mr. Valaas asked about the Margaux Homes project on 94th. It appears that contractors are installing a fence six feet tall on top of a retaining wall, which is against Town Code. Mrs. Schroeder explained that Town staff has been working extensively with the property owner on a mutually acceptable solution. A six-foot tall fence is allowed on a cut, but is not allowed on a fill. Town staff has determined that 20 feet from the eastern property line, the landscape transitions from a cut to a fill. Margaux Homes can put in the fence only up until that transition point.

REGULAR BUSINESS:

AB 09-052 – Public Hearing: Ordinance Authorizing a One-Percent Property Tax Levy Increase – Ordinance Setting the 2010 Property Tax Levy

Fiscal Coordinator John Joplin addressed the Council concerning the ordinances. He said that according to numbers provided by the King County Assessor's office, Yarrow Point has experienced an 18% drop in assessed value. This drop means that the tax rate goes up by an offsetting amount, which is standard.

Usually the levy ordinances are reviewed in December, but this year the assessor's office is requesting the information by November 28th. Municipalities are limited to a one percent increase in property tax, unless the levy is put to a vote. The levy applies to existing property only, excluding new construction. The Town could decide not to impose the one percent increase, but Yarrow Point has taken the standard increase for many years. Mayor Cooper stated that the one percent increase is modest and does not keep up with inflationary pressures. Hunts Point has not increased property tax for many years, and has one of the lowest rates in the State of Washington.

Mayor Cooper opened the public hearing on the Ordinance authorizing a one-percent property tax levy increase for 2010 at 7:35 p.m. No one from the public approached the Council, and the Mayor closed the public hearing at 7:35 p.m.

MOTION: Councilmember Andy Valaas motioned to approve Ordinance No. 601, an ordinance of the Town of Yarrow Point, Washington, authorizing the increase in taxes to be levied upon property within the Town of Yarrow Point for the year 2010, as presented. Councilmember Steven Rutledge seconded the motion.

Vote: 2 For, 2 Against, 0 Abstain. Mayor David Cooper voted in favor of the motion. Motion carried. Councilmembers Lisa Mushel and Carl Scandella cast dissenting votes.

MOTION: Councilmember Andy Valaas motioned to approve Ordinance No. 602, an ordinance of the Town of Yarrow Point, Washington, fixing the amount of taxes to be

levied upon property within the Town of Yarrow Point for the year 2010. Councilmember Steven Rutledge seconded the motion.

Vote: 3 For, 1 Against, 0 Abstain. Motion carried. Councilmember Lisa Mushel cast a dissenting vote.

At the time of the Council meeting, the ordinances were numbered incorrectly. They were changed from Ordinance No. 601 and 602, to Ordinance No. 605 and 606 respectively. Subsequent public notice contained the correct numbers.

AB 09-053 – Public Hearing: Preliminary Town Budget for 2010

Mr. Joplin addressed the Council concerning the preliminary budget. One important issue to discuss is the Town's utility tax, he said. Due to recent regulatory changes, the Town will be required to pay for the cost of fire capacity. Currently the water utility charges customers for this cost. The result will be that residents will see a decrease in their water bills, and the Town's costs will go up by about \$15,000. To cover the increased cost, the Town should increase its utility tax from 5 percent to 10 percent.

He reported that the Town has received revenue from several grants that will be reflected in the budget. The Town likely will receive money from the sale of jail property, but the funds are restricted to jail related services. Mayor Cooper said the Town's attorney has reviewed the agreement for the acceptance of the funds, and his recommendation is that the agreement not be signed. Accepting the money could expose the Town to liabilities that would far outweigh any benefit.

Mr. Joplin said if there is no objection, the money that is needed to qualify to become a Tree City, about \$2,000, will be added to the budget. The Council did not object. He said the Town had budgeted \$15,000 for pagoda repair and replacement, but following Council recommendation, decreased this amount to \$10,000.

Mayor Cooper opened the public hearing on the proposed Town Budget for 2010 at 7:47 p.m. No one from the public addressed the Council, and the public hearing was closed at 7:47 p.m.

Councilmember Scandella noted that the estimated cost for the sport court project continually increases. Mrs. Schroeder explained that in order to be compliant with the Americans with Disabilities Act (ADA), the town has to provide a paved access. She was unaware of the requirement until recently. Councilmembers questioned that requirement. Councilmember Mushel said she has often seen unpaved trails providing access to a facility. Building Official Steve Wilcox provided the information, and he is knowledgeable, Mrs. Schroeder said. There may be an exemption for nature trails.

Councilmember Scandella said in the budget document, there is a proposed improvement for an asphalt overlay on 41st to the west end of 92nd. This should read to west of 92nd, Mrs. Schroeder said. According to the state's rating system, this street is in the worst condition. The cost is for the overlay only and does not include any storm water improvements as none are planned for this street.

Fiscal Coordinator Joplin said that currently the Town has enough money to pay operating expenses, but may not be able to afford monthly operating expenses if it keeps spending more than it is collecting in revenue. The Town will not be able to pay for capital improvement projects without additional revenue, loans or grants. Mr. Joplin said the cost for police and fire service increases every year. Agencies are finding it difficult to recruit people for these positions and must offer competitive salaries.

Councilmember Valaas said he thinks it may be time to ask voters for a general tax increase. Yarrow Point's property tax is one of the lowest in the state. Property tax revenue is the Town's greatest source of funds, and the one percent annual increase does not keep up with inflation. One of the Town's amenities is the excellent police and fire protection it receives.

The other option, Mayor Cooper stated, is that the Town does not make any capital improvements. Street projects and other capital improvement projects have been put on hold for years. Mr. Valaas said a package of proposed improvements could be presented to voters for funding. A different approach is to reduce operating costs, Mrs. Mushel said. The Town should do whatever it can to make reductions. Councilmember Valaas said that the Town can make a \$50,000 budget reduction by eliminating plans for a sport court. Large, unnecessary projects can be eliminated.

Mrs. Mushel said she thinks it is unlikely voters will approve a tax increase. A great deal of information would need to be provided to convince them that it would be money well spent. Mayor Cooper said Yarrow Point is in the unique position of having reserves. Many municipalities do not. The Town is now recovering more of the cost of development services.

Mr. Cooper said storm sewer maintenance is an ongoing cost. A storm water utility can be formed without voter approval. This would provide a continual source of revenue, and loans can be secured if the utility is in place. Borrowing the funds is not an attractive option, but the Town needs to upgrade its storm sewer system. Currently the Town is exempt from stricter environmental requirements, but this may not continue forever.

Town Engineer Schroeder said one solution could be a system development fee for the storm water system. Currently some development projects install private systems, and developers would prefer to pay into a public system rather than paying the cost of maintaining a private facility. This year, about five private retention systems went in, Mrs. Schroeder said. A system development fee does not require voter approval.

Mrs. Mushel said the Town should make a concerted effort to reduce operating costs. The Town appears to be spending too much money on meetings and Town Hall maintenance. One big expense that can be cut is the sport court, Mr. Valaas said. The overlay on 41st can be delayed. Mrs. Schroeder said some kind of maintenance, even if it is a crack seal, needs to be performed on 41st. The Town's internship program could be cut, Mr. Joplin said. Town Clerk McMillon said she did not find the internship program to be of great assistance. In some instances she was less productive because she was spending time training a new person.

Councilmember Scandella said that bonding for specific projects appears to be the best option. Instead of adding an ongoing tax, a bond would provide a definite end. Mr. Joplin said under this scenario, the Town would fall \$2.5 million short. The Council agreed to allow the SR520 group to provide a presentation before resuming the discussion on the budget.

After the SR520 group provided the presentation, as noted under agenda bill 09-055 in the minutes, the discussion resumed. Mr. Valaas said the obvious cut that can be made is the sport court. As of tonight the cost is estimated at \$168,000, Town Engineer Schroeder said. Councilmember Scandella said he is appalled by the cost. The cost is due to the requirements of the ADA, she said.

Councilmembers questioned the requirement of paving. Mrs. Mushel said she does not see how the project is possible if it must comply with the ADA. She asked if there are other options for providing accessibility that the Town has not explored. Originally the Town budgeted \$50,000 for the sport court and now the estimate is up to \$165,000, over three times that amount, Mr. Valaas said. Mayor Cooper said he would do some research into ADA requirements and provide more information for the Council. A new public facility must comply with the latest ADA requirements. Some older facilities may not yet have been upgraded to recent standards.

Councilmember Valaas said he has received a complaint from a citizen that he has been unable to receive a refund of a \$1,000 parking deposit from the Town. Ms. McMillon stated that this particular deposit was not refunded because according to Town Code the Town must wait 180 days after final inspection. The Town has retained a number of deposits that it should not be holding, but this is not one of them. One way of approaching the problem is to automatically refund deposits that have been retained for more than three years. Currently it is difficult for Town staff to determine if a project is complete or if it has received the required inspections. In many cases the inspection record is not on file.

Mr. Joplin stated that even if the Town were to refund all deposits older than three years, the difficulty is that it is unclear at this point who the deposit should be sent to. Determining where to send the deposit check will be a manual, labor intensive process. Mr. Joplin recommended that the Town call in a temporary employee, preferably Claudia Lauinger, who has assisted the Town in the past.

AB 09-054 – Review of Capital Improvement Budget for 2010 - 2015

During the previous agenda item, the Council discussed possible sources of revenue for needed infrastructure upgrades. Councilmember Mushel said she thinks new Councilmembers who take office in 2010 should make decisions concerning possible increases in taxes or on other revenue sources. Mayor Cooper said in the City of Medina, a special finance committee meets to work with staff on the budget. This has proved effective for Medina, and might be a good approach for Yarrow Point. The finance committee could then make recommendations on revenue and expenses. Outgoing Councilmembers Valaas and Rutledge might be willing to serve in that capacity.

Councilmember Valaas agreed with Mushel that the new Council should decide on what additional revenue sources should be pursued to pay for capital improvements such as storm sewer upgrades. Mr. Scandella noted that the discussion at this Council meeting was helpful. In order to keep property values high in the community, the Town should maintain its roads and other infrastructure, and add amenities like pathways.

AB 09-055 – Briefing on SR520 Bridge Replacement and HOV Program – Julie Meredith, Program Director & Daniel Babuca, Engineering Manager

Julie Meredith, program director for the SR520 Bridge Replacement and HOV Program, provided the Council with a progress update. Daniel Babuca, engineering manager for the project, also answered Council questions.

ADJOURNMENT:

MOTION: Councilmember Steve Rutledge motioned to adjourn at 10:30 p.m. Councilmember Andy Valaas seconded the motion.

Vote: 4 For, 0 Against, 0 Abstain. Motion carried.

APPROVED:

David Cooper, Mayor

ATTEST:

Sara McMillon, Clerk-Treasurer