

# TOWN COUNCIL MINUTES

May 18, 2009

## CALL TO ORDER, FLAG SALUTE, ROLL CALL

The second Council meeting for the month of May was called to order by Mayor Pro Tem Bill Anderson at 7:01 p.m. at Woodway Town Hall. Councilmembers present were Bill Anderson, Kent Saltonstall, and Elizabeth Mitchell. Mayor Carla Nichols and Councilmember Mike Quinn had excused absences. Town Administrator Eric Faison, Clerk-Treasurer Joyce Bielefeld, and Land Use Attorney Scott Missall were also present.

**APPROVAL OF MINUTES:** Following several minor amendments to the May 4, 2009 minutes, *Councilmember Saltonstall* moved to approve the minutes of May 4, 2009 as amended. *Councilmember Mitchell* seconded the motion. The motion carried unanimously.

**APPROVAL OF VOUCHERS:** *Councilmember Saltonstall* moved to approve Claims Warrants #6885 through #6895 for the total amount of \$41,941.79. *Councilmember Mitchell* seconded the motion. The motion carried unanimously.

**AUDIENCE COMMENTS:** Maryanne Burkhart, Port of Edmonds Commissioner, thanked Mayor Pro Tem Anderson for participating in the retirement event for Port of Edmonds Executive Director Chris Keuss.

**COUNCIL REPORTS:** **Councilmember Saltonstall** reported a black bear had been spotted in Shoreline.

**MAYOR PRO TEM'S REPORT:** **Mayor Pro Tem Anderson** distributed Council committee assignments and suggested with the resignation of Councilmember Schillberg, the Council reconsider committee assignments at a future meeting.

Mayor Pro Tem Anderson reported Edmonds is discussing a proposal with Fire District 1 whereby Fire District 1 would buy the Edmonds fire stations and equipment and Edmonds would enter into a contract with Fire District 1. He requested Mr. Faison confirm whether Fire District 1 would tax residents directly or if Edmonds would contract with Fire District 1.

## TOWN ADMINISTRATOR'S REPORT

Mr. Faison referred to reports of the Town's potential purchase of Rosary Heights in the *Seattle Times*, *Everett Herald*, Fox News, and KOMO news. He noted not all the facts in those reports have been accurate.

## DESIGNATE ALTERNATE MAYOR PRO TEM

Mayor Pro Tem Anderson explained former Councilmember Schillberg was the alternate Mayor Pro Tem in the event both Mayor Nichols and he were out of town. He requested the Council appoint an alternate Mayor Pro Tem.

**ACTION:** *Councilmember Mitchell* moved to designate Councilmember Saltonstall as the alternate Mayor Pro Tem. *Mayor Pro Tem Anderson* seconded the motion. The motion carried (2-0-1), Councilmember Saltonstall abstained.

## **COUNCILMEMBER INTERVIEWS – POSITION #1**

The Council interviewed Tom Whitson and Pat Tallon. Questions included why they wanted to serve on the Council, whether they had any personal or professional demands or financial relationships that would prevent them from fulfilling the obligations of the position, educational background or experiences that may benefit Woodway, the most important issues facing the Town, issues they would have considered in placing a ballot measure to raise taxes to support the purchase of Rosary Heights, important issues to consider related to the potential annexation of Pt. Wells, and their vision for Woodway and what actions would be needed to make their vision a reality.

## **RECESS TO EXECUTIVE SESSION FOR APPROXIMATELY 10 MINUTES TO EVALUATE THE QUALIFICATIONS OF APPLICANTS**

At 8:02 p.m. Mayor Pro Tem Anderson recessed the Council to Executive Session for the above reason and duration. The meeting was reconvened at 8:13 p.m.

## **APPOINTMENT OF COUNCILMEMBER/OATH OF OFFICE**

**ACTION:** *Councilmember Mitchell* moved to appoint Tom Whitson to fulfill the remainder of the term of Council Position #1. *Councilmember Saltonstall* seconded the motion.

Councilmembers commented on the excellent qualifications of both candidates and encouraged Mr. Tallon to be involved in the Town, possibly on the Planning Commission. The motion carried unanimously.

Clerk-Treasurer Joyce Bielefeld administered the Oath of Office to Tom Whitson and he took his seat on the Council.

## **ORDINANCE 09-504, SUBMISSION OF LEVY LID LIFT TO VOTERS FOR TOWN OPERATIONS**

Mr. Faison explained the ballot language was revised by the Town Attorney to ensure the 2010 levy established the Town's new base rate that would apply each subsequent year. With regard to how rates are computed, he explained recent unofficial conversations with the Snohomish County Assessor indicate assessed values (AV) in the Town will decrease by approximately 18%. The Town's property tax is currently \$1.11/\$1000 AV and will automatically increase to \$1.32/\$1000 AV with an 18% decline in property values. He reminded that the Town's portion of a resident's property taxes did not represent their entire property tax; there were State, Port, School District, etc. taxes included in a resident's total property taxes.

He recalled residents were informed at the neighborhood meetings that the tax increase for the EMS/general Town operations levy would be approximately 50 cents/\$1000 AV which would cost the owner of a \$1 million home an additional \$500/year. With an 18% decline in assessed values, a levy of 50 cents/\$1000 assessed value would generate only \$258,000; therefore a higher tax rate is required to generate the same amount. He assured this would not cost residents more; the rate would simply be higher because the property values would be lower. If the EMS/general Town operations levy is approved by voters, the Town's tax rate will increase from \$1.32/\$1000 AV to \$1.91/\$1000 AV, the amount stated in the proposed ordinance. He summarized the rate fluctuates based on assessed value; the amount the taxpayer paid stayed the same and the revenue the Town collects stayed the same.

He explained the ballot title was limited to 75 words, making it difficult to include all the legally required language, an explanation to voters and the rate. He anticipated the pro and con statements in the voter's pamphlet would provide further details regarding the rate.

Mr. Faison distributed a comparison of levy rates from surrounding jurisdictions, pointing out Woodway has the lowest property tax levy rate in Snohomish County. If both the EMS/general Town operations levy and the Rosary Heights bond pass, the total property tax rate for Town residents will be \$8.21/\$1000 AV. Edmonds' rate is currently at \$8.1/\$1000 AV. Edmonds is proposing a 58 cent/\$1000 AV levy this fall that will increase their rate to \$8.68/\$1000 AV.

**ACTION:** *Councilmember Saltonstall* moved for adoption of Ordinance 09-504, Submission of a Levy Lid Lift to Voters to Support Emergency Medical Services and Existing Town Operations and submitting it to the voters on August 18, 2009. *Councilmember Mitchell* seconded the motion.

Discussion followed regarding bond interest rates, whether any other cities were considering increasing their levy, the need to renew the EMS levy, the importance of allowing the voters to decide, and support voiced at neighborhood meetings for this levy lid lift.

The motion carried unanimously.

#### **ORDINANCE 09-505, SUBMISSION OF BOND ISSUE TO VOTERS FOR ROSARY HEIGHTS**

Elaine Jorgenson, 10925 Kulshan, voiced her opposition to the proposed bond issue, fearing the purchase of Rosary Height would create a burden for the Town. She felt Rosary Heights was an unsuitable location that would require a great deal of renovation and it violated the original concept for a Town Hall of a low key, accessible space with low maintenance. The Town did not need a public park or need to get into the public rental business. She expressed concern that a public hearing had not been held regarding the bond. She pledged to lead an opposition effort in her neighborhood if a bond to purchase Rosary Heights were placed on the ballot.

Mr. Faison explained the Council was considering tonight whether to approve an ordinance to place the matter on the ballot and a public hearing was not required at this time. If the measure passed, a public hearing would be held prior to Council action to issue bonds.

Gary Poulsen, 23709 112<sup>th</sup> Place West, spoke against the proposal to purchase Rosary Heights. He agreed it was a beautiful site but felt the Town could not afford it. He inquired whether the Church had been asked to donate the property to Woodway in exchange for assurance the building would be preserved. Mayor Pro Anderson briefly described how the price was negotiated and the recent option agreement, subject to approval of the bond, on a purchase price of \$5.9 million for the property, equipment and all furniture in the facility, an amount substantially below the assessment.

Discussion followed regarding the requirement for a 60% approval rate for the bond to pass, support voiced at neighborhood meetings for acquiring the property, the voters pamphlet as a tool to provide pros and cons, the need to form pro and con committees soon, Mr. Faison's ability to provide factual information for the voter's pamphlet pro and con statements, giving voters the opportunity to approve/reject the bond measure, and neighborhood meetings that were held to gather input on the purchase of Rosary Height and other topics.

Mr. Faison advised the recommendation in the packet was a \$6.15 million bond; staff's recommendation per an email from Mayor Nichols was a bond in the amount of the purchase price, \$5.9 million.

**ACTION:** *Councilmember Saltonstall* moved adoption of Ordinance 09-505, submission of a bond issue to the voters for the purchase of Rosary Heights in the amount of \$5.9 million. *Councilmember Mitchell* seconded the motion.

Discussion continued regarding the availability of funds from the sale of the current Town Hall, reserves and/or donations to cover maintenance costs and cost associated with issuing bonds; concern there was no written financial analysis of the annual maintenance costs, and concern with assuming the funds from the sale of Town Hall would be used for maintenance.

**ACTION:** *Councilmember Saltonstall* moved to amend the motion that the aggregate amount of the bond not exceeds \$6,150,000. *Councilmember Whitson* seconded the motion.

Mr. Faison explained that amount provides \$250,000 for maintenance in addition to the proceeds of the sale of Town Hall. He relayed information from the Sisters that the plumbing, wiring, roof and gutters were in good condition and that the facility did not require a great deal of repair. The Building Official inspected the building and determined approximately \$50,000 in improvements would be necessary to make the structure code compliant for use as a Town Hall such as accessible restrooms, ramps, etc. Mr. Faison advised the difference between a bond for \$5.9 million and \$6.15 million was approximately 2 cents/\$1000 AV.

Discussion continued regarding efforts to gather donations for maintenance, the cost of moving Town Hall, ability to use Town reserve funds for maintenance, the Council's fiscal responsibility, a suggestion to develop options for breaking even financially, operating costs provided by the Sisters, and income potential from property taxes and REET if the property were in private ownership.

The motion carried unanimously.

**AUDIENCE COMMENTS:** None

## **GENERAL COUNCIL DISCUSSION – CHOICE OF SUBJECTS**

### **EXECUTIVE SESSION**

At 9:27 p.m., Mayor Pro Tem Anderson recessed the Council to Executive Session for approximately 20 minutes to discuss contract negotiations.

**ADJOURNMENT OF PUBLIC MEETING:** The meeting was adjourned immediately following the conclusion of the Executive Session.

Respectfully Submitted,

**APPROVED BY THE TOWN COUNCIL**

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Joyce Bielefeld, Clerk-Treasurer

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Bill Anderson, Mayor Pro Tem

(These minutes accurately reflect what was said at the Council Meeting. Publication does not vouch for the veracity of these statements.)