



Minutes of the Arlington City Council Retreat

March 23 -25, 2018
Semiahmoo Resort
9565 Semiahmoo Parkway
Blaine, WA 98230

Councilmembers Present: Mike Hopson, Debora Nelson, Jan Schuette, Joshua Roundy, Sue Weiss, Jesica Stickles, and Marilyn Oertle.

Council Members Absent: None.

Staff Present: Mayor Barbara Tolbert, Paul Ellis, Kristin Garcia, Jonathan Ventura, Dave Kraski, Jim Kelly, Marc Hayes, Dave Ryan, James Trefry, Kristin Banfield and City Attorney Steve Peiffle.

Also Known to be Present: Monica Schlagel.

Retreat facilitator, Steve Peiffle, called the meeting to order at 1:00 p.m.

Mr. Peiffle began by requesting the expectations for the retreat from the attendees. The expectations of the attendees included a deeper dive into sustainable funding for public safety, a discussion on economic development, sustainable operations for the cemetery and other topics raised throughout the weekend.

Public Safety Sustainability

With the use of a PowerPoint presentation, Finance Director Kristin Garcia gave an overview of the current financial position of the city and public safety. She noted that the City is subsidizing EMS at \$1.5 million annually. Ms. Garcia also provided the Council with possible revenue options to eliminate this subsidy and realign the EMS cost distribution including an EMS levy lid lift, an optional criminal justice sales tax, a general property tax levy lid lift, an ambulance utility fee, and a Regional Fire Authority.

Interim Fire Chief Dave Kraski and Police Chief Jonathan Ventura continued the presentation with an outline of the strengths and challenges facing the Police and Fire Departments. The chiefs also summarized the departments' five year strategic plans for operations. The five-year strategic plan for Fire includes:

- Fully staffing Fire administration
- Add a second BLS unit
- Hire three additional firefighters (two firefighter/EMTs, one firefighter/paramedic)
- Create a community resource paramedic position (grant dependent)
- Hire a part-time civilian fire inspector and or plan reviewer

- Contract with neighboring agencies for 24-hour command and control
- Contract with an agency for Fire Marshal and plan review services (or combine with administrative position)
- Contract with neighboring agencies for training coordination (or combine with administrative position)
- Negotiate new contracts with partner agencies
- Pursue grant and other funding solutions
- Monitor and adjust EMS billable rates
- Maintain EMS levy at \$0.50 per thousand
- Explore regional opportunities and partnerships

The five-year strategic plan for Police includes:

- Hire three additional police officers
- Extend Community Outreach Team (embedded social worker) to five years
- Contract for domestic violence services
- Re-establish Proactive Anti-Crime Team (PROACT)
- Hire analyst
- Implement the use of additional available technologies
- Establish professional standards unit
- Hire additional Police Support Officer

Councilmember Jan Schuette stated that she wants to figure out a way to have a dedicated officer in Smokey Point 24/7 and a minimum of three officers on duty at all times, not including the Sergeant. Chief Kraski noted that the City needs to address Station 48, as that was a temporary solution 10 years ago. This will be included in the update of the City's Capital Facility Plan. Councilmember Jesica Stickles stated she wanted to see five new officers: three assigned to patrol and two dedicated to a PROACT team. Councilmembers Sue Weiss and Mike Hopson agreed with Councilmember Stickles and inquired as to the financial impact of the additional staffing.

Discussion followed with Paul Ellis, Kristin Garcia, and Chiefs Kraski and Ventura answering council questions.

The attendees decided due to the late hour and the dinner hour approaching to recess at until 9:00 a.m. Saturday, March 24, 2018 and begin reviewing the financial scenarios available to the Council. The retreat was recessed at 5:04 p.m.

The Council Retreat resumed at 9:00 a.m. on Saturday, March 24, 2018 with the following individuals in attendance: Mike Hopson, Debora Nelson, Jan Schuette, Joshua Roundy, Sue Weiss, Jesica Stickles, Marilyn Oertle, Mayor Barbara Tolbert, Paul Ellis, Kristin Garcia, Jonathan Ventura, Dave Kraski, Jim Kelly, Marc Hayes, Dave Ryan, James Trefry, Kristin Banfield, City Attorney Steve Peiffle, and Monica Schlagel.

Mr. Peiffle inquired if there were any overnight reflections. Councilmember Debora Nelson stated that she felt it was essential to address the fire and EMS services contracts with our outlying districts. Councilmember Sue Weiss echoed this statement.

With the use of a PowerPoint presentation, Finance Director Kristin Garcia provided Council with five 10-year financial models to funding scenarios to sustainably fund the proposed five year strategic operations plans for the Police and Fire Departments while maintaining adequate funding to meet cash flow requirements and emergency needs and planning for future growth. These five options were:

- Scenario A: Implement an ambulance utility fee, ask the voters for an EMS levy lid lift, align the EMS cost distribution, address the contracts with our outlying districts, update our EMS transport fees, and loan payoffs
- Scenario B: Implement an ambulance utility fee, align the EMS cost distribution, address the contracts with our outlying districts, update our EMS transport fees, and loan payoffs
- Scenario C: Ask the voters for a general property tax levy lid lift and EMS levy lid lift, align the EMS cost distribution, address the contracts with our outlying districts, update our EMS transport fees, and loan payoffs
- Scenario D: Ask the voters for a general property tax levy lid lift, align the EMS cost distribution, address the contracts with our outlying districts, update our EMS transport fees, and loan payoffs
- Scenario E: ask the voters to form a Regional Fire Authority encompassing Arlington City limits with a levy rate of \$1.50 and do an EMS levy lid lift, address the contracts with our outlying districts, update our EMS transport fees, RFA assumes debt obligations.

A lengthy discussion of the five options presented followed. Council then completed a multi-dot voting exercise to narrow down the options for further review and analysis by staff. Based upon the voting exercise, Council requested that staff further analyze Scenario A and Scenario B.

Council and staff briefly reviewed the ambulance utility fee portion of Scenario A and B, discussing how billing would work, fee structures, and how to clearly communicate the utility fee to staff and the public.

Council also requested that staff hire two additional officers in addition to the three proposed in the five-year strategic operation plan and what would be required in the two preferred funding scenarios.

Council also requested that hiring on the Police department side be accelerated so officers could potentially be on the road in early 2019. They requested that staff provide an analysis of what impact that would have on the 2018 budget.

With additional analysis to be completed before further discussions could be held, Council and staff then turned their attention to Economic Development issues.

Using a PowerPoint presentation, Community and Economic Development Director Marc Hayes reviewed the main elements of a sustainable economy, the City's economic development goals, and the progress of our retail economic development work from 2012 to current. Some of the highlighted work included the internal process improvements, the development of a customer-based development environment, the establishment of retail focus areas, the development of a regulatory roadmap system that is used as the Department of Commerce model for the state, the implementation of a branding campaign (Arlington Awaits), the adoption of an ad valorem tax exemption for manufacturing and industrial areas, and the implementation of mixed use development regulations. Current work includes developing a sub-area plan for the Arlington-Marysville Manufacturing Industrial Center (AMMIC), completing our application for regional designation of the AMMIC by Puget Sound Regional Council (PSRC), and developing a complete streets program. He then shared the City's next phase, professional assistance to recruit targeted retail businesses. Council and staff discussed the progress made so far and the next steps.

Council consensus at the conclusion of the discussion on retail economic development was to incorporate the targeted recruitment of retail businesses in the 2019-2020 budget.

Council then discussed targeting specific industries for the AMMIC and around the Airport, including clean tech, food science, advanced manufacturing, aerospace, and aviation. Council discussed pursuing a wide variety of industries so our economy is diversified.

With no further items to discuss for the afternoon, the retreat was recessed at 3:25 p.m. until Sunday, March 25, 2018.

The Council Retreat resumed at 9:00 a.m. on Sunday, March 25, 2018 with the following individuals in attendance: Mike Hopson, Debora Nelson, Jan Schuette, Joshua Roundy, Sue Weiss, Jessica Stickles, Marilyn Oertle, Mayor Barbara Tolbert, Paul Ellis, Kristin Garcia, Jonathan Ventura, Dave Kraski, Jim Kelly, Marc Hayes, Dave Ryan, James Trefry, Kristin Banfield, City Attorney Steve Peiffle, and Monica Schlagel.

Retreat Facilitator Steve Peiffle introduced the miscellaneous items to be covered as the Merchants parking lot, city owned properties, the cemetery, and any last items.

City Administrator Paul Ellis and Public Works Director Jim Kelly explained the current condition of the merchants' parking lot, noting that the lot requires a total reconstruction with updates to the utilities underlying the lot. An early estimate for the reconstruction is \$100,000 and there is no current funding for the project. Discussion followed. Staff agreed that they would complete design for this project in 2018 for inclusion in the 2019 budget. Staff will also look at the Masons parking lot at the same time. Council also agreed with the completion of a corridor plan for West Avenue, Olympic Avenue, and McLeod, including maintenance of amenities. Potential funding for the project could be the sale of the corner lot on Olympic and Division.

Mr. Ellis then reviewed the current status of city-owned properties, noting that staff is moving forward with the listing of surplus property at Olympic and Division and the lots to the east of York Park. With Sno-Isle's new adopted capital plan, Council believes that the

vision for the current library has changed and the best use of those properties is now different. Council consensus was to surplus the lots on the west side of Washington. With the significant number of capital facilities needs, Council requested that staff focus on updating the City's Capital Facilities plan for discussion during the 2019-2020 budget.

Councilmember Roundy suggested that the revenues generated from these property sales be put back in to one time capital investments and not relied upon for ongoing operations. Mr. Ellis and Ms. Garcia agreed with this suggestion. Mr. Ellis noted that PARC has specifically requested that revenue from the sale of the York lots be reserved for recreation facilities in Smokey Point.

Affordable housing was requested to be discussed by Councilmember Mike Hopson. He opened the discussion by noting that the mixed use development and accessory dwelling unit regulations have been enacted. Councilmember Hopson would like to do more on the design end and to implement a tax incentive for downtown for affordable housing, similar to what the City has done in the manufacturing industrial area. This type of tax incentive is allowed under RCWs. Council would like to focus on developing design standards that will put some protections in place to preserve the downtown's charm. Councilmember Hopson is committed to continuing discussions on affordable housing with the Council.


With the use of a PowerPoint presentation, Mr. Kelly reviewed the structural deficit in operating revenues of the Arlington Municipal Cemetery and reviewed potential options for resolving the \$30,000 annual subsidy from the City's General Fund. Councilmember Nelson inquired if there were opportunities to sell or lease the cemetery. Mr. Ellis shared that they have inquired about this approach informally and they have had no interest. Council supported the proposed course of action to continue the general fund subsidy while staff evaluates contracted services for landscape maintenance, interments, and inurnments; expand volunteer opportunities, and research and develop market rate pricing.

City Administrator Paul Ellis distributed a summary of accomplishments over the last three years. Council then turned to some issues including holding yearly meetings with the City's boards and commissions, and consideration of a fireworks ban.

A lengthy discussion of professional services agreements was had, with Councilmember Sue Weiss distributing a copy of the contract with Heather Logan Consulting and associated billing statements. Council reviewed the scope of the agreement and requested City Administrator Paul Ellis and Human Resources Director James Trefry revise the scope for clarity. Councilmember Debora Nelson requested the revised scope of work be presented to Council for review in the near future.

Discussion continued on the remaining issues, including the development of a capital facilities plan, fire impact fee, financial policy that states one time revenues should be used for one time expenditures, tribal properties within city limits, first and last mile to and from transit facilities, the process for placing tribal property into trust, downtown parking, the Graafrstra property, and how to address issues that may flare up on social media including a criteria for responding or leaving the issue alone.

With no further items to discuss, the retreat was adjourned at 12:00 p.m.


Barbara Tolbert, Mayor