

CITY OF LYNNWOOD
CITY COUNCIL BUSINESS MEETING MINUTES
May 24, 2010

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10. CALL TO ORDER - The May 24, 2010 Business Meeting of the Lynnwood City Council, held in the Council Chambers of Lynnwood City Hall, was called to order by Mayor Gough at 7:00 p.m. The flag salute was led by Council President Hikel.

20.

- | | |
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| ROLL CALL | Others Attending: |
| Mayor Don Gough | Acting Assistant Finance Director Heilman |
| Council President Ted Hikel | Budget Analyst Harrigan |
| Council Vice President Stephanie Wright | Parks & Recreation Director Sordel |
| Councilmember Loren Simmonds | Economic Development Director Kleitsch |
| Councilmember Jim Smith | Public Works Director Franz |
| Councilmember Mark Smith | Deputy PW Director Elekes |
| Councilmember Kerri Lonergan | Police Chief Jensen |
| Councilmember Kimberly Cole | Assistant Chief Macke |
| | Assistant Chief Gates |
| Council Assistant Beth Morris | Fire Marshal McNulty |
| Asst. City Administrator Art Ceniza | Community Development Director Krauss |
| | Senior Planner Rivera |
| | Assistant Finance Director Haugan |
| | City Attorney Frimodt |
| | Acting Human Resources Director Itaoka |
| | Community Affairs Director Yim |
| | Project Manager Mach |
| | Cultural Arts Supervisor Wong |

30. APPROVAL OF MINUTES

Motion made by Councilmember Mark Smith, seconded by Council Vice President Wright, to approve the minutes of the Business Meeting 5/10/2010 and the Work Session 5/17/2010. Motion passed unanimously.

Motion made by Councilmember Lonergan, seconded by Council Vice President Wright, to excuse Councilmember Kimberly Cole from the May 17 Work Session and the May 19 Special Work Session. Motion passed unanimously.

40. MESSAGES AND PAPERS FROM THE MAYOR - None

50. COUNCIL COMMENTS AND ANNOUNCEMENTS

50.1 Councilmember Jim Smith mentioned that we are still in the middle of the budget crisis. This will be the third time we've made an adjustment for this biennium.

1 Hopefully, we'll be closer to finishing that up tonight. He encouraged everyone to
2 continue to pay attention to what is going on and to get more involved.

3
4 50.2 Council President Ted Hikel recognized Lynnwood Police Officer Cole Langdon who
5 has been chosen to receive the Washington State Veterans of Foreign Wars Gold
6 Medal Award as the Top Cop in the State for his consistent outstanding work in public
7 safety. His nomination has also been forwarded to the National Gold Medal
8 Committee.

9
10 50.3 Council Vice President Wright had no comments.

11
12 50.4 Councilmember Loren Simmonds reminded the public that on May 30 the local VFW
13 Post 1040 will be conducting a Memorial Day Service at the Lynnwood Veterans Park
14 on the City Center campus at 11 a.m. He added that the next Council Business will be
15 on Monday, June 14. During that meeting we will be conducting the first public
16 hearing for the 2011-2012 Biennial Budget. Lynnwood citizens and stakeholders are
17 strongly encouraged to come and let their priorities be known to the Council. Finally,
18 he expressed appreciation to Jerry Alder for his service to Alderwood Mall and to the
19 community. He wished him well in his new endeavors.

20
21 50.5 Councilmember Kerri Lonergan stated that the Council is wrapping up additional
22 adjustments to the 2010 Budget which include reductions in expenditures to all
23 departments. While the Council decided to use one-time monies and increases to utility
24 taxes to prevent major reductions in service levels our options for the next biennial
25 budget are limited. Besides reduced tax revenues, the other roadblock is a mayor who
26 refuses to conduct city business in an open and transparent manner. She discussed
27 details related to this. On a more positive note, she stated that the Council has
28 embarked on a process of prioritizing outcomes for Lynnwood citizens based on the
29 nationally recognized Budgeting for Outcomes method. She continues to believe that
30 economic development and improved internal city efficiencies are part of the solution.

31
32 50.6 Councilmember Kimberly Cole mentioned difficulties she and her family have had
33 over the past couple weeks, in part due to some community passion for a topic that
34 chose to involve itself personally with her household. She discussed her concerns
35 about attitudes of fellow councilmembers and the power of words to either build or
36 destroy. She encouraged the Council to hold each other accountable to treat each other
37 with respect. She thanked the councilmembers who have been extraordinary to her and
38 her family over the past couple weeks. She expressed appreciation to the public for
39 their sincere participation. She apologized for those felt the need to grandstand and
40 make personal attacks.

41
42 50.7 Councilmember Mark Smith stated that while he did not feel compelled to attack, he
43 did want to share his evolution here on the Council. He stated that feelings of
44 frustration and discouragement have been increasing on a weekly basis. He had
45 reviewed the audio of the May 3 Work Session where he had asked some questions of
46 the Mayor regarding Pat Dugan who is the proposed Interim Finance Director and had
47 become discouraged and disgusted at what he perceived to be the Mayor's inability to

1 cooperate or communicate and his seeming evasiveness on very simple topics. While
2 he has never made a public statement like this during his four years on the Council he
3 has had it with the Mayor and will not remain silent about this issue anymore.
4

5 60. PRESENTATIONS AND PROCLAMATIONS

6
7 A. Proclamation: May as Historic Preservation and Recognition Month

8
9 Councilmember Jim Smith read the proclamation recognizing May as *Historic*
10 *Preservation and Recognition Month*.

11
12 *Motion made by Councilmember Jim Smith, seconded by Council President Hikel, that*
13 *the Council concur in the proclamation. Motion passed unanimously.*
14

15 70. WRITTEN COMMUNICATIONS AND PETITIONS - None

16
17 80. CITIZENS COMMENTS AND COMMUNICATIONS

18
19 80.1 Alvin Rutledge, 7101 Lake Ballinger Way, Edmonds, discussed two issues related to
20 Lynnwood. The Lake Ballinger forum that was scheduled for May 25 has been
21 cancelled and rescheduled for June 22 at Mountlake Terrace. He remarked that two
22 planning issues related to Lynnwood were brought up at the Snohomish County
23 Council recently.
24

25 90. BUSINESS ITEMS AND OTHER MATTERS

26
27 90.1 UNANIMOUS CONSENT AGENDA

28
29 *Motion made by Councilmember Simmonds for unanimous consent of the following*
30 *items:*

31
32 A. *Contract: Conflict Counsel for Indigent Defendants*
33 *Authorize 2-year contract with Lois Freese to provide public defender services on*
34 *conflicted cases involving indigent defendants.*

35
36 B. *Routine Services Contract: Meadowdale Playfields Concessionaire*
37 *Authorize the Mayor to enter into a routine services contract for concession operations*
38 *at Meadowdale Playfields with sole proprietor Bruce Barstow doing business as Dog*
39 *Day Afternoon.*

40
41 C. *2010-2011 Interlocal Agreement- Snohomish County Regional Drug Task Force*
42 *Authorize the Mayor, on behalf of the City, to enter into and execute an updated*
43 *Interlocal Agreement with the Snohomish County Regional Narcotics Task Force from*
44 *July 1, 2010 through June 30, 2011 in the amount of \$8,564.00*

45
46 D. *Hiring Authorization: Public Works Surface Water Utility Seasonal Intern*

1 *Authorize the hiring of 1 seasonal intern for the Surface Water Utility to help meet*
2 *NPDES Phase 2 requirements and deadlines.*

3
4 *E. Hiring Authorization: Wastewater Treatment Plant Operator in Training*
5 *Authorize the hiring of a limited term Operator in Training at the Wastewater*
6 *Treatment Plant for the purpose of training and familiarization with the plant's*
7 *electrical systems.*

8
9 *F. EMS Medical Supplies*

10 *Authorize the Mayor to sign an agreement between the City of Lynnwood and the Henry*
11 *Schein Company to provide supplies for Lynnwood's emergency medical services.*

12
13 *G. Lift Station #14 Geotechnical Investigation*

14 *Authorize the Mayor to enter into and execute on behalf of the City a contract with*
15 *Terracon Consultants, Inc. for Geotechnical Investigation in an amount not to exceed*
16 *\$11,321.00, including a management reserve of approximately 10%.*

17
18 *H. Voucher Approval*

19 *Approve claims and payroll in the amount of \$2,005,365.09 and \$1,136,720.99*
20 *respectively, and that the lists be made a part of the record of this Council meeting.*

21
22 *Motion passed unanimously.*

23 24 90.2 PUBLIC HEARINGS OR MEETINGS

25 26 A. Public Hearing: Ordinance – Transportation Benefit District

27
28 Mayor Gough opened the hearing at 7:25 p.m. and stated the purpose of the hearing
29 and the order of speaking.

30 Staff Presentation:

31
32
33 Public Works Director Bill Franz gave opening comments regarding establishing a
34 Transportation Benefit District (TBD). He explained that there are many large
35 unfunded needs in the City at this time and new funding sources are needed.

36
37 Project Manager David Mach continued the staff presentation by reviewing the
38 Memorandum dated May 17 in Council's packet beginning on page 90.2-A-2 and the
39 proposed TBD enabling Ordinance beginning on page 90.2-A-14. He reviewed the
40 next steps if Council is interested in pursuing a TBD. The first step would be to adopt
41 the proposed enabling Ordinance which would establish the Council as the TBD
42 Board who would then pick the specific projects to be funded by the TBD. He gave a
43 brief update on the status of the proposed Transit-funded TBD.

44
45 Mayor Gough solicited any additional written materials for the record. There were
46 none.

47

1 Public Testimony:
2

3 Ryan Leveque, 912 141st Lane SW, Lynnwood, expressed concern about a vote not
4 being put out to the public regarding establishing a TBD. He agrees that roads are
5 important; however, he believes that Council needs to make sure that this tax is
6 specific and detailed about what improvements it will make. Secondly, he doesn't
7 think that a \$20 tax would necessarily be adequate. He suggested giving the public a
8 say in this by going out to a vote. He criticized the lack of openness on the part of the
9 Council.
10

11 Al Rutledge, 7101 Lake Ballinger Way, Edmonds, asked about other ways that the
12 City intends to raise funding. He cautioned against doing this and then also going out
13 for another levy in the next year or so. He recommended having a public hearing on
14 this and putting it out to a vote.
15

16 Council Questions:
17

18 Councilmember Cole asked if there have been any mayoral contacts regarding the
19 supplemental issues. It had been brought to her attention that there might have been
20 an item from the County requesting input from the City of Lynnwood regarding buy-
21 in on a countywide Transportation Benefit District. Mayor Gough explained that all
22 the cities in the County were sent a letter seeking to see if they want to get into an
23 Interlocal agreement with regard to the County. Public Works Director Bill Franz
24 added that the City had responded to the County by informing them that the Council
25 had a hearing scheduled on the matter and that the Council had expressed interest in
26 establishing our own TBD. At that point in time staff indicated that Lynnwood would
27 pass on the ILA, but depending on the outcome we could talk with them later.
28

29 Mayor Gough closed the public testimony portion of the hearing at 7:45 p.m.
30

31 Councilmember Jim Smith objected to the way the hearing was advertised in that it
32 didn't advertise that it would be a proposal for tax or fee increases. He thinks that the
33 reason more people didn't come is that they didn't realize what this was. People
34 might be upset when they realize after the fact what this is and want to know why
35 they weren't notified.
36

37 Councilmember Hikel agreed that when we look at whether we're going to impose
38 any kind of tax or fee in the future, those items should be very well marked.
39 However, the ordinance that we have been given tonight simply establishes the ability
40 to have a TBD and does not in itself impose any fee or tax. That would come at a
41 later time and would have a further hearing to decide whether they would go out to
42 the public for a vote or whether we would pass a fee of up to \$20 as allowed by the
43 law.
44

45 Councilmember Jim Smith acknowledged that Councilmember Hikel was correct, but
46 noted that the intent of establishing a TBD was to raise more taxes or fees. He

1 thought it would be nice if people knew what was going on at the beginning of the
2 process in order to be inclusive.

3
4 B. Public Hearing: 2010 Budget Amendments

5
6 Mayor Gough opened the hearing at 7:50 and reviewed the purpose of the hearing and
7 the order of speaking.

8
9 Staff Presentation:

10
11 Acting Finance Director Vicki Heilman reviewed the 2010 Budget Amendments. She
12 then distributed and discussed the proposed Ordinance for the amended budget which
13 was entered into the record as Exhibit A.

14
15 Councilmember Lonergan asked Acting Director Heilman to explain the \$75,000
16 contractual services. Ms. Heilman explained that it was the bank analysis fee. In prior
17 years we didn't have to pay a fee because the interest earned on the cash balance in
18 the bank covered all the fees. That is no longer the case so a fee was charged.

19
20 Mayor Gough solicited any additional written communications. There were none.

21
22 Public Testimony:

23
24 Al Rutledge, 7101 Lake Ballinger Way, Edmonds, suggested looking into one-day-a-
25 month furloughs. He discussed how this might be approached with police and fire. He
26 commended the Council's handling of the budget situation.

27
28 Councilmember Comments:

29
30 Councilmember Cole asked for clarification of the numbers. Ms. Heilman discussed
31 the adjustments further. Councilmember Cole thanked Ms. Heilman for the breakout
32 of information by department. She asked for more information about the mid-
33 biennium budget amendment numbers. She encouraged the Council to review the
34 numbers provided to get a picture of how each department is managed. Ms. Heilman
35 reviewed the budget amendments to this point. Councilmember Cole summarized her
36 understanding that the budget adjustment is actually increasing the budgets of certain
37 departments from the last Council vote for the mid-biennium budget which cut the
38 original budget approximately \$6 million. Of that \$6 million, \$1.347 million is being
39 supplanted back in. Ms. Heilman agreed, but clarified that there are both revenues
40 and expenditures to consider.

41
42 Councilmember Lonergan asked Ms. Heilman to provide the Council with a handout
43 that she had displayed on the overhead. Ms. Heilman indicated that she would have
44 copies made. Councilmember Lonergan discussed encouraging department heads not
45 to overspend the adjustments. She suggested that the Council should also be
46 monitoring this in their monthly financial reports. Ms. Heilman thought it would be a

1 good idea to break it down by department to see where they are as far as their
2 budgets.

3
4 Councilmember Cole congratulated the departments who stuck to their budget. She
5 asked if there is something in place to prevent overspending by certain departments.
6 Mayor Gough added that at the next staff meeting it will be made exceedingly clear to
7 all directors that they will manage to the numbers as set forth in this resolution. He
8 stated that oversight by the Council is totally appropriate and they are happy to
9 provide that information on an ongoing regular basis. He thanked Ms. Heilman and
10 Budget Analyst Harrigan for being so helpful.

11
12 Councilmember Simmonds commented that he appreciates the directive to
13 departments to stick to their budgets, but noted that there are some things that this
14 could not apply to such as the legal budget. He would be interested in what measures
15 they could take to either manage that better or contain it. The other issue that this
16 could not apply would be the budget relating to jail time that is a part of the police
17 budget. He emphasized that those are two of the larger ticket items on the adjustment
18 that they are looking at. Mayor Gough said he had a personal discussion with Marty
19 Manegold, the purchasing manager, who will be personally accepting and reviewing
20 the legal services billings that come through to ensure that there is a timely review of
21 that activity. The City Attorney has also been willing to give more notice regarding
22 hours and times. With regard to the jail time issue, the police and court have made
23 major efforts. The results won't show themselves until later this year when new cases
24 come through.

25
26 Council President Hikel commented that if the staff and council members can limit
27 their inquiries with the City Attorney as much as possible to Wednesdays he thinks it
28 will help with the legal budget item.

29
30 Councilmember Mark Smith asked how the overspending/underspending percentages
31 are calculated. Ms. Heilman explained that she took the year to date actuals, divided
32 it by the budget, and came up with a differential rate which was extrapolated out to
33 the end of the year. Councilmember Mark Smith agreed that Council needs to
34 exercise oversight responsibilities but he expressed concern that they were leaving the
35 impression that we have a bunch of financial mis-managers in the departments. He
36 doesn't think that's the case. Ms. Heilman agreed. She noted that they have not
37 reduced the level of services or made structural changes that maybe should have been
38 done. Councilmember Mark Smith commented that there needs to be clear direction
39 from the Council to departments to reduce levels of service and to make the spending
40 reductions. Ms. Heilman said there would be some changes going forward on the
41 2011-12 Budget.

42
43 Councilmember Lonergan agreed that there had been a lack of oversight and this
44 needs to change. Regarding the legal bills, she asked about previous oversight and
45 management of legal bills. Mayor Gough explained that purchasing has always been
46 overlooking the situation, but they will be making a special emphasis in regard to
47 that. Also, in the contract to the City Attorney there are cost control mechanisms that

1 are now being used. The purchasing manager will be making a special effort to make
2 sure that the current systems in place in the contract are adhered to and the
3 consequences need to be addressed with regard to that. He added that Council had
4 indicated an interest in was looking at a different approach to legal services and staff
5 will be bringing this forward to the Council.
6

7 Councilmember Cole asked about the specificity of the legal bills and the use of the
8 attorney by different departments. Mayor Gough explained that the actual bills show
9 the breakdown by departments. One of the issues is that they have to defend things
10 whether there is a budget or not, however when they choose to do things the City
11 Attorney needs to give an estimate as to what those costs will be.
12

13 *Council recessed from 8:39 to 8:48 p.m.*
14

15 Mayor Gough called the meeting back to order at 8:48 p.m. He then solicited
16 additional Council questions.
17

18 Councilmember Mark Smith asked Ms. Heilman about the budget for the legal
19 department and asked if there is any evidence of overbilling. Ms. Heilman said there
20 was none whatsoever. Councilmember Mark Smith asked if there is any evidence or
21 any suspicion of cheating or overbilling. Ms. Heilman replied that there is not. She
22 stated that it was her understanding that there was a part in the ordinance that wasn't
23 monitored by the purchasing department. Councilmember Mark Smith asked if it was
24 correct that the City Attorney and his law firm work at the pleasure of the Mayor and
25 the Council and they fulfill work requests made by the City. Ms. Heilman affirmed
26 that this was true and that the City Attorney does not initiate projects on his own, only
27 as directed by the City. Councilmember Mark Smith commented that some earlier
28 comments had appeared to him as character assassination of a very fine city attorney
29 and a very fine person who has worked with the City through very difficult times. He
30 did not want to leave the impression with anyone that he, or any council member,
31 thinks otherwise. He said he has the highest respect and regard for the City Attorney
32 and the work that he has done. Ms. Heilman agreed.
33

34 Councilmember Jim Smith underscored what Councilmember Mark Smith just said.
35 He also was feeling uncomfortable with the treatment of the City Attorney. He
36 commended the services they have received from the City Attorney. He also
37 emphasized that overspending by the department heads has not been the real problem
38 with this city. It is not the department heads or the City Attorney's office; there is
39 another systemic problem at the root of this. He thanked City Attorney Frimodt for
40 his service to this city.
41

42 Public Testimony:
43

44 Mark Dreke, 20403 63rd Place West, Lynnwood, WA 98036, asked what they would
45 do if department directors fail to meet budgets. He asked if they had considered
46 putting in place positive reinforcement for performance to plan.
47

1 Mayor Gough replied that the new Acting Finance Director and Ms. Heilman they
2 would work together very hard to manage to the budget amendments in the amounts
3 that they have clarified. Tomorrow they will reinforce the Council’s decisions to
4 make sure that people are conforming to this.

5
6 Ms. Heilman reiterated that the directors are doing an excellent job managing their
7 budget and are doing the best to run their departments with what they have been
8 given. Some are running over, but they are all doing their best.

9
10 The hearing was closed at 8:57 p.m.

11
12 90.3 UNFINISHED BUSINESS - None

13
14 90.4 OTHER BUSINESS ITEMS

15
16 A. Ordinance: Transportation Benefit District

17
18 *Motion made by Council President Hikel, seconded by Council Vice President*
19 *Wright, to adopt Ordinance No. 2837, “AN ORDINANCE AMENDING THE*
20 *LYNNWOOD MUNICIPAL CODE TO ENACT A NEW CHAPTER 12.14*
21 *TRANSPORTATION BENEFIT DISTRICT, ESTABLISHING A*
22 *TRANSPORTATION BENEFIT DISTRICT; AND PROVIDING FOR*
23 *SEVERABILITY, ESTABLISHING AN EFFECTIVE DATE, AND PROVIDING*
24 *FOR SUMMARY PUBLICATION.”*

25
26 Mayor Gough clarified that this is the ordinance set forth on page 90.2A-14 of the
27 packet.

28
29 Council President Hikel stated that this ordinance will allow them to set up a
30 Transportation Benefit District (TBD). At that time the Council will preclude any
31 other governmental organization from taking that right away from us. The
32 decision about whether we will have a fee or not on license plate renewals or
33 whether we will ask the people about increasing sales tax in the city will be
34 discussed later.

35
36 Councilmember Jim Smith reiterated his objection to this because the intent of
37 this ordinance is to raise fees and he does not think the public can afford more
38 fees. He stated that if the city were run fiscally responsibly throughout the last
39 several years we would not be talking about this right now. He stated that this city
40 needs to go on a fiscal *diet* and not be adding more taxes and fees to the
41 population.

42
43 Councilmember Mark Smith offered an amendment to the motion. On page
44 90.2A-16 he moved to insert the following into line 44 after RCW:

45 **“ . . . provided that no less than 20% of the TBD funds collected in**
46 **any calendar year shall be spent on non-motorized transportation**
47 **elements of the City’s Transportation Plan.”**

1 Councilmember Jim Smith seconded the motion.

2
3 Councilmember Mark Smith explained he is tentatively in favor of a TBD because
4 of the huge infrastructure needs however he would be reluctant to support this
5 without that amendment. Part of that huge need is in sidewalks and trails and
6 things that make a city safe and enjoyable for people who want to get out of their
7 cars.

8
9 Councilmember Kimberly Cole asked about the legality of inserting this kind of
10 provision at this point. City Attorney Frimodt said he did not have a concern with
11 the addition.

12
13 Councilmember Cole then asked staff if this would greatly affect the presentations
14 that the Council has received to date. Staff thought that this could be
15 accomplished without too much difficulty.

16
17 Council President Hikel expressed concern about the impact of this on the TBD
18 creation itself. He said he would be more comfortable studying what the effects on
19 the programs would be and then inserting it when the next step is taken rather than
20 putting it in tonight.

21
22 Councilmember Jim Smith commented that he would be voting against the
23 amendment, but not because it doesn't have merit.

24
25 Councilmember Mark Smith thanked Councilmember Jim Smith for his second.
26 He understood that there are always concerns when an amendment is brought up
27 at the last minute and Council hasn't had time to study it and ask questions. In his
28 mind this is the only time and place to put this amendment. He feels it needs to be
29 frontloaded into a Transportation Benefit District because we need a paradigm
30 shift in our thinking about transportation. The purpose of a transportation
31 infrastructure is to move *people* from point A to point B, not only to move *cars*.

32
33 *Upon a roll call vote, the motion to approve the amendment carried (4-3) with*
34 *Councilmembers Hikel, Mark Smith, Wright and Cole voting in favor and*
35 *Councilmembers Lonergan, Simmonds, and Jim Smith voting against the motion.*

36
37 *Upon a roll call vote the main motion to adopt Ordinance No. 2837 carried (6-1)*
38 *with Councilmembers Cole, Hikel, Lonergan, Simmonds, Mark Smith and Wright*
39 *voting in favor and Councilmember Jim Smith voting against the motion.*

40
41 B. Ordinance: 2010 Budget Amendment

42
43 *Motion made by Council President Hikel, seconded by Councilmember*
44 *Simmonds, to adopt Ordinance No. 2838, "AN ORDINANCE OF THE CITY OF*
45 *LYNNWOOD, WASHINGTON, MODIFYING 2009-2010 BIENNIAL BUDGET*
46 *BASED ON UPDATED INFORMATION; PROVIDING FOR TRANSMITTAL OF*

1 *THE BUDGET MODIFICATION TO THE STATE; AND PROVIDING FOR*
2 *SEVERABILITY, AN EFFECTIVE DATE AND SUMMARY PUBLICATION.*”
3

4 Mayor Gough clarified that the budget ordinance begins on page 90.4B-2 and
5 includes Exhibit A. Ms. Heilman confirmed this and noted that the cost transfer
6 for the ER&R will not be in the budget ordinance.
7

8 Councilmember Hikel thanked Ms. Heilman, Ms. Harrigan and all the staff who
9 have had to work on this project.
10

11 Councilmember Cole reiterated that there will be no break going into the new
12 biennium. The tools that they have been given over the past two months through
13 the consultant on Priorities of Government, through the book that the Mayor
14 distributed to them, have given them all a new paradigm by which to look at how
15 we're spending money and the fact that we are passing a budget amendment that
16 deviates from the original budget by about \$10 million. She does not take this
17 lightly and is very glad that we are done with this step. She commented that they
18 have had great communication with the majority of the department heads. She
19 looks forward to collaboration that looks a little smoother and more productive as
20 they go into 2011.
21

22 Councilmember Jim Smith commented that it is quite disingenuous to talk about
23 how the departments have had a problem here. Although there are some
24 departments that could probably cut back they would be cutting back services
25 also. He was appalled to hear that they would start to enforce this resolution
26 *tomorrow* because it is a year and a half late. He asserted that the executive
27 department has not overseen the existing budget like they should have for the last
28 several years. The other problem is the inability to really look at revenues and
29 expenses. He discussed the need to not blindly trust what they hear, but to verify
30 the information. He discussed numerous offsetting revenues that should have
31 helped with the budget and several projects with various problems. He reiterated
32 that the City needs to changes its spending habits, cut back drastically, and
33 continue making systemic changes.
34

35 Councilmember Mark Smith remarked how he had voted against the 2008
36 biennial budget. In early 2009 he began asking for basic financial statements from
37 the City, which were not produced until almost a year later. He felt it was
38 remarkable that he had been told early in the process that he could find the
39 information on line. He felt misled at the end of last year when the Council
40 approved the \$3 million loan from the Utility fund because he had been under the
41 impression that the loan was an emergency contingent fund and would be used
42 only if things got worse. A number of months later he found out that the entire
43 fund was used within the week. Tonight's budget amendment process has been
44 long and arduous. He commended the staff for their professionalism and
45 experience. He commended Interim Finance Director Vicki Heilman for her
46 gracious and professional guidance during this very difficult time. He also
47 commended Council Vice President Stephanie Wright for her leadership on this

1 issue. He stated that he would be reluctantly supporting the budget amendment,
2 which he viewed as a first step that will get them to the end of the year. He stated
3 that they will be looking at service cuts in the city and a fundamental structural
4 change in the way the city does business. He encouraged the residents, staff and
5 Council to remain fully engaged in the process.
6

7 *Upon a roll call vote, the motion carried unanimously (7-0).*
8

9 C. Proposed Hiring of Patrick L. Dugan, Interim Finance Director
10

11 *Motion made by Council President Hikel, seconded by Councilmember*
12 *Simmonds, to hire Patrick Dugan as Interim Finance Director for a period of time*
13 *until January 1, 2011 and with a possible short-term extension beyond that if it is*
14 *necessary.*
15

16 *Motion made by Councilmember Jim Smith, seconded by Councilmember Mark*
17 *Smith, to amend the motion to include an ending date of March 31, 2011. Motion*
18 *carried to approve the amendment.*
19

20 *Motion passed unanimously to approve the main motion.*
21

22 D. Contract: Recreation Center Reflexology Path Public Art Project & Resolution
23

24 *Motion made by Councilmember Simmonds, seconded by Councilmember Mark*
25 *Smith, to authorize Mayor to sign contract with Paths of Health, Inc. to create*
26 *and install reflexology path public art for the Recreation Center renovation*
27 *project, in an amount not to exceed \$30,000 (excluding taxes).*
28

29 Councilmember Simmonds spoke in support of the project, stating that it is part of
30 the project that they already approved.
31

32 Councilmember Jim Smith stated that this sounds like a wonderful project, but
33 that he would not be supporting it because they need to start realizing that they do
34 not have money. He reminded everyone that they need to start paying back debt
35 they have internally and building up their reserves.
36

37 Councilmember Cole stated that she would be voting against this based on
38 principle. She expressed concerns about the location, the path itself, the fact that it
39 did not go out for bid, and the fact that it's an out of town contract. This is
40 especially the case in light of the discussions tonight about serious budget
41 problems, service cuts, and establishing a Transportation Benefit District.
42

43 Councilmember Lonergan concurred with Councilmember Cole. She is appalled
44 that they would even consider something like this during the times we are in and
45 the budget challenges that we have.
46

1 Councilmember Mark Smith spoke in support of the motion. He likes this
2 particular project because it is hands-on, interactive, and a utilitarian piece of art.
3 Regarding the 1% for the Arts, he explained that it is Council policy and is in line
4 with surrounding jurisdictions. He agreed that the timing is bad and it is difficult
5 to justify spending any money right now. He stated that while there is a particular
6 antipathy towards public art on the part of some people, there are also many
7 supporters of the arts in the City. Since the money is already in the budget he
8 thinks we should move ahead in support of this. He noted that there is also a
9 timing issue and it would be much more expensive to do this later in the
10 renovation process of the recreation center.

11
12 Councilmember Cole said she understood the timing issue. She is a lover of art
13 and knows that we have local artists who are very gifted. She thinks that art is
14 very important to the City, but this is a time where there are many expenses that
15 need to be cut and there are innovative ways to acquire our art for less money
16 locally.

17
18 Councilmember Jim Smith expressed an appreciation for the arts, noting that he is
19 a performing artist and has an impressive collection of art. He has also voted for
20 the arts 100% of the time throughout the last 22 years. He spoke against spending
21 this money right now, but committed to voting for it in the future when they are
22 more solvent.

23
24 *Upon a roll call vote the motion carried (4-3) with Councilmembers Simmonds,*
25 *Mark Smith, Wright and Hikel voting in favor and Councilmembers Jim Smith,*
26 *Cole and Lonergan voting against the motion.*

27
28 *Motion made by Councilmember Simmonds, seconded by Council President*
29 *Hikel, to adopt Resolution No. 2010-06, "A RESOLUTION OF THE CITY*
30 *COUNCIL OF THE CITY OF LYNNWOOD, SNOHOMISH COUNTY,*
31 *WASHINGTON, WAIVING COMPETITIVE BIDDING REQUIREMENTS THAT*
32 *MAY APPLY TO THE DESIGN AND CONSTRUCTION OF A REFLEXOLOGY*
33 *PATH FOR THE CITY'S RENOVATED AND EXPANDED RECREATION*
34 *CENTER."*

35
36 *Motion made by Councilmember Hikel at 10:00 to extend the meeting 15 minutes to 10:15 p.m.*
37 *The motion was seconded and passed unanimously.*

38
39 Councilmember Cole stated that she would have voted against this even if she had
40 supported the project.

41
42 *Upon a roll call vote, the motion to approve Resolution No. 2010-06 carried (4-3)*
43 *with Councilmembers Mark Smith, Wright, Hikel and Simmonds voting in favor*
44 *and Councilmembers Jim Smith, Cole, and Lonergan voting against the motion.*

45
46 E. Executive Session: Labor Negotiations Overview – Teamsters and Firefighters
47

1 Council recessed into Executive Session at 10:15 until 10:30 p.m.

2
3 100. NEW BUSINESS

4
5 110. STAFF REPORTS

6
7 120. ADJOURNMENT

8
9 No business was conducted after the executive session and the meeting was adjourned at
10 10:30 p.m.

11
12 The meeting was adjourned at 10:30 p.m.

13
14
15
16
17 _____
18 Don Gough, Mayor

19
20
21 _____
22 Vicki Heilman
23 Acting Finance Director