

July 23, 2020

MEETING HELD TELEPHONICALLY DUE TO THE COVID-19 PANDEMIC

Mayor Steve Sexton called the meeting to order at 7:00 p.m. with the Pledge of Allegiance. Council members present: Bill Aslett, Keith Chaplin, J. DeGloria, R. DeGloria, Scott Green, Chris Loving, and James Stavig. Staff present: Janice Burwash, Geoff Hawes, Leif Johnson, Mike Luvera, Kristen Morrison, Marv Pulst, Joe Stewart, Greg Young, and Sarah Ward.

MINUTES:

A motion was made to approve the minutes of the July 9, 2020 Council meeting by **Councilors Green/Aslett**. All in favor; motion carried.

AUDIT OF BILLS:

A motion was made by **Councilors Aslett/Green** to approve Accounts Payable invoices to be paid as of July 23, 2020 in the amount of \$211,257.03, and Payroll Expenses for Pay Period Ending July 15, 2020 in the amount of \$638,176.82. All in favor; motion carried.

PUBLIC COMMENTS:

City Attorney Leif Johnson stated that a public comment has been submitted.

L. Johnson stated that members of the public may submit comments or questions by mail to City Hall at 833 S. Spruce Street, ATTN: Greg Young or by email to badministration@burlingtonwa.gov, as the City still cannot by law, hold in-person meetings.

L. Johnson recited verbatim the following comment, submitted by **Tyler Steinman, General Manager of Foothills Toyota**: “Mr. Mayor and distinguished Councilmembers, automotive dealerships represent thirty-six percent of your revenue from sales tax collection alone as well as a significant portion of property taxes collected each year. We deliver this communication to express our dismay and frustration at the recently passed B&O tax for the City of Burlington. Every entity, both business and municipality are facing unprecedented challenges currently. Private enterprise will have to potentially reinvent itself to survive in what will become the new normal. Burlington has prided itself as being an example of how local tax structure should be implemented. The result was a vibrant business community which attracted businesses and transactions from out of the area to fund the City via sales tax. The regressive B&O tax disproportionately hurts the exact type of business the city should be supporting. A stronger dealership body with increased business is what will help lead the City out of COVID induced problems. We felt completely ambushed upon hearing about this unfair, anti-business legislation, and we call on you to reverse it and the chilling effect it will have on our businesses and the community. This short-sighted decision will absolutely lead to very real and unintended consequences that closely follow implementation of these regressive taxes. Infrastructure investments cease, which impact property values and the community loses jobs. The very idea that you would take it upon yourselves to make such a drastic shift and level the most unfair type of taxation on your community business leaders without any transparency or community input is unconscionable. The quote from the meeting minutes that took place prior to the meeting in which this legislation was passed: ‘I have talked to some of my neighbors about it’ surely does not qualify as transparency needed prior to a decision of this magnitude. The timing of this is especially harsh as we fight to keep our business open and our employees employed. We look forward to your reversal of this decision and a continuation of the cooperative relationship you have enjoyed for so many years from your number one business partners here in the valley.

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Respectfully,

Burlington auto dealers

Foothills Toyota
Honda of Burlington
Karmart Automotive Group
Dwayne Layne Family of Dealerships
Jack Carroll Hyundai
Burlington Used Car Super Store
Rallye Auto Center
Pacific Coast Auto Center
Jerry Smith Kia”

Councilor J. DeGloria expressed his thanks to the dealerships for writing the letter, and stated that it echoes what he has been trying to communicate to the Council, Mayor, and staff. **J. DeGloria** stated that it is a regressive tax, put on businesses at an incredibly poor time, and would look forward to supporting the reversal of the decision to implement the tax.

Councilor Stavig thanked the dealerships for their input, and discussed the delay in Council voting for the B&O tax, in order for the public to have an opportunity to be made aware of it and give input. **Stavig** discussed the City’s shortfalls, and believes that it was not an easy decision for anyone, and discussed a willingness to revise the rate of the B&O tax. **Councilor Aslett** suggested reaching out to the auto dealerships to review the overall taxation in the City of Burlington to review the low taxation levels, and give them a chance to communicate and work with the City. **Aslett** discussed the reasons the B&O tax was implemented, and understands the frustration of the auto dealerships, but that he believes there are ways for the City to work together with them better in the future. **Mayor Sexton** discussed his meeting with and speaking with several auto dealerships and businesses in Burlington wherein he explained that the tax has not yet been implemented, it will be closely monitored in terms of revenue amounts, and that it’s not beyond the realm of possibility to put a cap on the top end of gross revenues for this taxation, or for adjustments to be made. **Mayor Sexton** discussed his relaying to the dealerships the overall low taxation in the City for the past twenty years, and that it would be beneficial to keep in close communication with businesses in regard to the tax.

COUNCIL COMMENTS:

Councilor Chaplin expressed concern for spikes in COVID cases in the County. **Chaplin** discussed a permit from the City for a property he is developing, where he noted that there was not a school district impact fee included. **Chaplin** asked how the process works in terms of the School District implementing impact fees, and noted that Burlington has comparably low impact fees. **City Administrator Greg Young** explained the process of school impact fees wherein they are a separate category from normal impact fees, in that a City Council, on its own cannot institute a school impact fee—it must be based on a request from the school district, and must go toward improving or expanding or growing the ability for the school district to accommodate additional students. **Young** stated that the City could reach out to the school district to see if there is a demonstrable need for an impact fee to be assessed and collected by the City.

Councilor Aslett expressed his appreciation for people wearing masks and social distancing, and discussed the current spike in COVID cases. **Aslett** expressed his

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appreciation for the City's efforts in keeping the employees and citizens safe, specifically in the parks.

MAYOR'S UPDATE:

Mayor Sexton discussed actions the City has taken in the parks to discourage large groups of people and sports related gatherings, as a response to the recent COVID spikes, after consulting with the County health department.

Mayor Sexton discussed the recently approved Skagit County TPA, the need for the City to have a representative to serve on the advisory board, and his described reasons for recommendation of Burlington Chamber of Commerce CEO Peter Browning to serve as Burlington's representative. **Councilor Aslett** spoke in favor of the recommendation of Peter Browning. **Councilor J. DeGloria** stated that he prefers a Councilmember be chosen to represent the City. Discussion was held on requirements for TPA Advisory Board meeting attendance, and the possibility for a Councilmember to serve in an ex officio capacity.

SPECIAL PRESENTATION:

No Special Presentation.

PROCLAMATION:

No Proclamation.

COMMITTEE & BOARD REPORTS:

No Committee & Board Reports.

OFFICERS REPORTS:

Public Works Director Marv Pulst updated Council on the status of the road paving project, which at one point was stalled due to COVID-19 impacts, and thanked staff for their efforts in getting the project out to bid, and ready in a timely manner. **Pulst** stated that Lakeside Industries has nearly completed the paving project with minimal disruption to citizens.

Public Works Director Marv Pulst updated Council on a Safe Routes to School grant application, which would be for construction of areas on Highway 20, and near the high school. **Pulst** stated that the grant dollars for design and right of way will not be available until 2022. **Pulst** also stated that the grant for which the City recently applied requires no match. **Councilor Chaplin** spoke in favor of slowing traffic on that stretch of Highway 20 versus adding turn lanes. Discussion was held on the traffic accidents, dangers posed by the current state of the stretch of road, and methods for decreasing accidents and increasing safety. Discussion was held on the exact location of the safety project, and also on the state of the intersection of Highway 20 and Skagit St. signal; **Pulst** stated that it is a year 2021-22 project. **Councilor Stavig** spoke in favor of improving safety measures on Highway 20 near the high school.

City Administrator Greg Young discussed a Skagit County Fiber Final Foot \$400,000 grant for which the City has applied, and awarded \$250,000, with a 10 percent match. **Young** detailed the efforts which will be made to contact businesses who will want to take advantage of what the grant will allow.

City Administrator Greg Young discussed the COPS grant, a Federal program for which the City has applied, and which will be presented to Council by the Police Chief at the next regular Council meeting. **Young** described Police Chief Mike Luvera's efforts in

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requesting the grant be used for supplanting positions which are vacant, which is not typically allowed.

City Administrator Greg Young discussed the Canton parking lot lease, reviewed the current lease amount, and the underutilized state of the lot due to the COVID-19 pandemic. **Young** discussed negotiations with the owner of the property in terms of lease amounts, and stated that a revised lease agreement will be brought to Council at the next regular Council meeting.

City Administrator Greg Young discussed the Lodging Tax Advisory Committee, the impacts created by COVID-19 on those who receive the Lodging Tax grants, and the potential to delay the awards process in order to have a chance to better understand the effects of COVID-19 and the economy. **Young** discussed the potential for an abbreviated application process in which 2020 recipients' grant funds are "topped off". **Councilor Aslett** discussed the possibilities surrounding events to support businesses, and creative uses of the Lodging Tax funds, though there are strict parameters on the funds. **Mayor Sexton** discussed the draft of a bill which will be going through the State legislative process, and would allow some restricted funds such as Lodging Tax to be used for supporting retail and business in Burlington. Discussion was held on new ideas to reinvigorate retail and hospitality in Burlington with Lodging Tax funds.

City Administrator Greg Young discussed the ten percent furlough of staff, which is set to expire on July 31. **Councilor J. DeGloria**, and **Councilor Green** spoke in favor of ending the furlough. **Councilor Stavig** discussed making certain there are adequate funds to bring employees back at full pay, and spoke in favor of extending the furlough. **J. DeGloria** discussed the insignificant cost savings of the furlough. **Mayor Sexton** discussed the possibility of reinstating the furlough if needed, but that the City's financial picture currently looks relatively favorable in terms of sales tax revenue. **Councilor Aslett** thanked staff for their flexibility and adaptability in working collaboratively inter-City, and asked that this continue. **Mayor Sexton** discussed the efficiencies of combining of Utility workers from multiple departments, and a future agenda item, which will help with equipment efficiencies. Discussion was held on the cost savings of the furlough, which was approximately \$45,000-50,000, as well as the difficulty in determining the amount due to some staff availing themselves to unemployment. Further discussion was held on the furlough, including the structure. **Mayor Sexton** praised staff for their dedication to the City and to their work, which has been made particularly evident during the pandemic.

City Administrator Greg Young discussed the upcoming Council workshop and the materials which will be provided. **Young** thanked Council for their efforts, and expressed appreciation for the difficulties recently faced due to hard decisions which have been made due to the pandemic.

UNFINISHED BUSINESS:

No unfinished business.

NEW BUSINESS:

Dike District 12 Equipment Agreement

Public Works Director Marv Pulst discussed the agreement between the City and Dike District 12 wherein each owns heavy equipment and has operators who are CDL certified. **Pulst** stated that each party has unique needs for heavy equipment and operators in the progression of time, historically, equipment and/or operators for a project have not been immediately available within respective equipment pools for a variety of reasons, and often the other party has been able to satisfy the immediate

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need by making equipment and/or operators available for the task. **Pulst** described how this arrangement has been enjoyed for years under an interlocal agreement which has now expired, and that each party desires to continue this practice. Discussion was held on the status of the City's dikes as "improved" in terms of height, and the requirements and obstacles for adding height to the dikes.

A motion was made by **Councilors Green/Aslett** to I move to approve the interlocal agreement with Dike District 12 to exchange heavy equipment and operators, and authorize the Mayor to sign the agreement. All in favor; motion carried.

Dike District 12 Water Agreement

Public Works Director Marv Pulst described how Dike District 12 has a Skagit PUD water meter located near the City community garden east of Whitmarsh Road and that the City uses water from this connection for watering the community garden. In exchange, the City has provided to DD12 some landscaping services such as mowing in this general area. The trading of services has been enjoyed for years without an exchange of funds. Should there be an excessive usage of water, it is agreed that the City will pay DD12 for the usage in accordance with the attached interlocal agreement.

A motion was made by **Councilors Chaplin/Green** I move to approve the interlocal agreement with Dike District 12 to exchange water and landscaping services and authorize the Mayor to sign the agreement. All in favor; motion carried.

Discussion

No discussion.

EXECUTIVE SESSION:

City Attorney Leif Johnson stated that there will be an executive session, and discussed the reasons for which an executive session may be held, such as acquisition of property, or litigation. **L. Johnson** discussed the procedure for holding an executive session given the COVID situation and technological limitations. Discussion was held on whether there will be an action item and whether any members of the public listening to the meeting would be able to remain on the conference line; **L. Johnson** stated that there will be no action whatsoever, and that once all Council leaves the current telephonic meeting, members of the public will not be able to continue listening to the conference call.

City Attorney Leif Johnson recited the following: pursuant to RCW 4230110 an executive session will be held to discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency. **L. Johnson** state that the executive session will last 40 minutes, and end at 9:20 PM.

ADJOURNMENT:

Mayor Sexton adjourned the meeting at 9:20 p.m.

Joe Stewart

Steve Sexton

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Finance Director

Mayor