



CITY COUNCIL MINUTES

November 22, 2016

15728 Main Street, Mill Creek, WA 98012 # 425-745-1891

Pam Pruitt, Mayor
Brian Holtzclaw, Mayor Pro Tem
Sean Kelly
Donna Michelson
Vince Cavaleri
Mike Todd
Mark Bond

November 22, 2016
Regular City Council Meeting
6:00 p.m.

CALL TO ORDER

Mayor Pruitt called the meeting to order at 6:00 p.m.

FLAG SALUTE

Flag Salute was conducted.

ROLL CALL

Roll was called by the Acting Deputy City Clerk with all Councilmembers present.

AUDIENCE COMMUNICATION:

Mary Kay Voss
15226 12th Drive SE
Mill Creek, Washington 98012

Ms. Voss lives in the Cypress sub-division. She discussed concerns about the largest number of employee turnover in over thirty years happening in the last eighteen months. Ms. Voss requested the City hire an independent investigative firm on behalf of the citizens of Mill Creek to investigate the reasons for the recent employee departure. She also asked that the investigator's report be shared in a public meeting instead of an executive session. Ms. Voss asked if any councilmembers had asked exiting employees why they were leaving, as she was not aware that exit interviews had been conducted.

Lynn Sordel
15229 3rd Drive SE
Mill Creek, WA 98012

Mr. Sordel lives in the River Crossing sub-division. He voiced his support for the Council to hire an independent firm for the purpose of conducting a comprehensive investigation into the ongoing employee turmoil. Mr. Sordel asked the Council to order this investigation immediately in order to sort out the truth in a transparent fashion, and put the issue to rest. He expressed concerns about legal and financial risks if an investigation is not started, and the costs and ability to backfill the loss of institutional knowledge and experience.

Barbara Heidel
1401 144th Place SE
Mill Creek, WA 98012

Ms. Heidel lives in the Holly sub-division. She thanked the Parks & Recreation Department for an excellent Veterans Day Parade. Ms. Heidel also asked the Council to carefully examine each piece of the budget instead of approving every piece as presented.

David Wood
14904 21st Drive SE
Mill Creek, WA 98012

Mr. Wood lives in the Evergreen sub-division. He shared with the Council that this was the last meeting of City staff member Michele Miller, a 22 year veteran of the City's Building Department. Mr. Wood thanked Michele for her dedicated public service and expressed how much the community will miss her. He described Michele as patient, helpful and pleasant, and wished her great success in her future. He then expressed concerns about aging infrastructure in the City, supporting senior services, the library, etc., and asked the Council to consider adding a utility tax to help close the gap between revenues and expenditures.

Karen Brandon
15907 24th Court SE
Mill Creek, WA 98012

Ms. Brandon lives in the Heatherstone sub-division. She discussed the role of government in a community, and applauded the City Manager for building a budget without using one-time money for ongoing expenses. Ms. Brandon then expressed concern regarding the treatment of the City's employees and the related loss of such a large number; with more on their way. She was very concerned about a statement by Councilmember Bond that employees should leave if they're not happy here. Ms. Brandon said that hiring an independent reviewer at this point is absolutely essential for the City. She asked the Council to consider why these same employees would stay through multiple city managers, but are leaving now.

Pam Olson
17420 Woodland Drive
Bothell, WA 98012

Ms. Olson discussed an article by the editor in the Mill Creek Beacon where Councilmember Bond was quoted as saying that he has tried to reach out to former employees as they left employment with the City. Ms. Olson shared that Councilmember Bond did not try to contact her before or after she left her employment.

Karen Wertz
1800 Mill Creek Road
Mill Creek, WA 98012

Ms. Wertz lives in the Miller's Village sub-division. She shared that she was appalled at what she read in the Mill Creek View and Mill Creek Beacon. She also shared that Michele Miller was the first person she worked with at the City, and her interaction was excellent. Ms. Wertz spoke to knowing how employees react when they don't feel appreciated, or communicated with, and how that can affect their job performance. Ms. Wertz asked the Council to remember how to treat employees, in order to stop losing the experience and expertise of their staff.

Chuck Wright
15907 24th Court SE
Mill Creek, WA 98012

Mr. Wright lives in the Heatherstone sub-division. He shared that he knows the Council wouldn't like to be treated the way their employees appear to be treated.

NEW BUSINESS:

Appointment to the Planning Commission
(City Council)

The following agenda summary information was presented:

There is currently one mid-term vacancy on the Planning Commission, created by the resignation of Commissioner Blair. Notices soliciting a new member were posted at City Hall, on the City's website and press releases were sent to the local newspapers.

Two individuals provided written responses to the notice for the vacant position on the Planning Commission. Interviews are scheduled with the Council Interview Committee at 5:25 p.m. on Tuesday before the Council meeting.

Discussion

Mayor Pro Tem Holtzclaw explained that the Council Interview Committee met with two very qualified candidates, and appreciated the time and effort put in by both candidates. The Committee recommends appointing Mr. Maloney to fill the vacancy in the Planning Commission.

MOTION: Mayor Pro Tem Holtzclaw made a motion to appoint Steven M. Maloney to fill the vacancy on the Planning Commission for the remaining term, Councilmember Todd seconded the motion. The motion passed unanimously.

Proposed 2017-2018 Biennial Budget
(Rebecca C. Polizzotto, City Manager)

Terry Ryan, Snohomish County Councilmember District 4, thanked the City Manager for reaching out to Snohomish County for assistance with funding improvements to the Mill Creek Sports Park. He shared that an Inter-local Agreement is being prepared for the \$100,000 grant being provided by Snohomish County to the City for this purpose.

Discussion

City Manager Polizzotto proposed a balanced 2017-2018 budget to the Council that eliminated the City's deficit spending. She reviewed the Transmittal Letter provided for this purpose. The Council was very impressed with how the budget was put together and encouraged the public to review it, along with the Transmittal Letter, if they were interested.

The Council discussed possible funding for the Snohomish County Health District in 2017 and 2018. Councilmember Todd asked for details on this and other similar line items before the next council meeting. Councilmember Michelson asked Health Department representatives for details of commitments made from other cities, and asked for a copy of their budget to be forwarded for review. Representatives agreed to provide this information to staff before the next meeting for the Council's review. Councilmember Michelson suggested considering the Council Contingency Fund as a possible funding source.

The Council invited the public to attend the Public Hearing on December 6, 2016 to provide any input they have.

PUBLIC HEARING:

Property & EMS Tax Levy Public Hearing

(Rebecca C. Polizzotto, City Manager)

Mayor Pruitt opened the public hearing at 7:54 p.m.

MOTION: Mayor Pruitt made a motion to approve Ordinance #2016-808, AN ORDINANCE OF THE CITY OF MILL CREEK, WASHINGTON, LEVYING REGULAR PROPERTY TAXES UPON ALL PROPERTY, INCLUDING REAL, PERSONAL AND UTILITY SUBJECT TO TAXATION, WITHIN THE CORPORATE LIMITS OF THE CITY OF MILL CREEK, FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2017. Councilmember Michelson seconded the motion. The motion passed unanimously.

Randy Fay – Fire District 7 Commission

Mr. Fay thanked the citizens for passing the EMS levy and shared that the Fire Department looks forward to providing excellent service.

MOTION: Councilmember Cavaleri made a motion to approve Ordinance #2016-809, AN ORDINANCE OF THE CITY OF MILL CREEK, WASHINGTON, LEVYING ADDITIONAL AND INCREASED EMERGENCY MEDICAL SERVICES PROPERTY TAXES UPON ALL PROPERTY, INCLUDING REAL, PERSONAL AND UTILITY, SUBJECT TO TAXATION WITHIN THE CORPORATE LIMITS OF THE CITY OF MILL CREEK, FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2017. Councilmember Todd seconded the motion. The motion passed unanimously.

Mayor Pruitt closed the public hearing at 8:02 p.m.

CONSENT AGENDA:

Approval of Checks #56177 through #56250 and ACH Wire Transfers in the Amount of \$1,168,732.65.

(Audit Committee: Councilmember Bond and Councilmember Michelson)

Payroll and Benefit ACH payments in the amount of \$270,736.09.

(Audit Committee: Councilmember Bond and Councilmember Michelson)

City Council Meeting Minutes of November 1, 2016

City Council Meeting Minutes of November 8, 2016

There were no exceptions from the audit committee.

MOTION: Councilmember Michelson made a motion to approve the consent agenda, Councilmember Bond seconded the motion. The motion passed unanimously.

REPORTS:

Mayor Pruitt attended the grand opening of Primrose School of Mill Creek's Daycare Education Center where the Building Manager shared their appreciation for City staff's assistance during their opening. The Mayor said she was thrilled with the budget and thinks the City has a bright future.

Mayor Pro Tem Holtzclaw addressed public comments from the beginning of the meeting, and his desire to have the Council, City Manager, staff and citizens working together towards a common goal of what is in the best interest of the City. He recalled being presented a budget two years ago that had a 3.4 million dollar deficit and a projection of City reserves being depleted by 2018 or 2019. Tonight, the Council was presented with a balanced budget which included the lowest tax increase in 6 years and an increase to the reserves in the next few years. Mayor Pro Tem Holtzclaw discussed the amazing accomplishments made by the City Manager and her staff in the last 18 months including: a reorganization of existing staff and space to solve working conditions and overall space planning concerns; concerns regarding the City's records system; a review of City operations and adoption of LEAN philosophies; and overall staff empowerment. He is troubled by the complaints against the City Manager and Council being commonly accepted as true without fact checking, as well as the overall timing of the complaints (on the eve of upcoming AFSCME negotiations). Members of the Council, including himself, are aware of the facts and circumstances of what is going on in the City and with the City Manager, and he is bothered by accusations that they have their heads in the sand. Mayor Pro Tem Holtzclaw is personally comfortable with what he knows, and the situation does not warrant putting the City Manager on leave and spending tens of thousands of dollars on any kind of independent investigation. He does not want to divert the attention of the City from the important things on the horizon, such as the fire contract, AFSCME negotiations and setting priorities for the City in the coming years. Above all, Mayor Pro Tem Holtzclaw is mostly troubled that instead of discretely dealing with concerns through established grievance and unfair labor practice procedures, individuals have chosen to express them in a public forum. He feels City Manager Polizzotto has been unfairly tarnished by the public nature of the complaints made, and the Council is now being demanded to pay to exonerate her. It seems the City Manager is being presumed guilty until proven innocent, which seems to be the opposite of how it should be.

Mayor Pro Tem Holtzclaw shared a letter he had prepared, and asked all other councilmembers to consider signing it. All councilmembers signed the letter, excluding Councilmember Michelson; a copy is included with these minutes.

Councilmember Bond thanked everyone for sharing their thoughts and concerns with the Council. He advised he would be signing Mayor Pro Tem Holtzclaw's letter. He also thanked current and former employees, Michele Miller and Pam Olson, for their hard work and years of service; further stating that they would be missed.

MOTION: At 8:30 p.m., Councilmember Todd made a motion to extend the meeting to 9:00 p.m., Councilmember Bond seconded the motion. The motion passed unanimously.

Councilmember Kelly thanked Mayor Pro Tem Holtzclaw and Councilmember Bond for stating what he was thinking, and advised that he would be signing Mayor Pro Tem Holtzclaw's letter.

Councilmember Cavaleri also thanked Mayor Pro Tem Holtzclaw and Councilmember Bond for their thoughts, and advised that he would be signing Mayor Pro Tem Holtzclaw's letter as well. He apologized to City Manager Polizzotto for not being more vocally supportive of her, and explained that it's important to let things play out, sometimes without buying into mob-mentalities. Councilmember Cavaleri thanked staff for presenting a balanced budget, with a tax increase that is lower than the level it could have been.

Councilmember Michelson stated that City Manager Polizzotto has made amazing accomplishments, including the budget, however she would not be signing Mayor Pro Tem Holtzclaw's letter until the personnel issues are resolved. Councilmember Michelson read a statement into the record to this effect, and stated that the Council needs to know whether the allegations against City Manager Polizzotto are founded or unfounded.

MOTION: Councilmember Michelson made a motion to reinstate the Personnel Review Committee, with the task of bringing suggested solutions to the personnel issues back to the Council. Without a second, the motion died.

Councilmember Todd stated that he heard what the community was saying. He discussed the role of the Council in the audience communication portion of the meetings, and shared that it wasn't necessarily appropriate for the Council to respond or answer questions posed during this period. Councilmember Todd thanked Snohomish County Councilmember Terry Ryan for assisting in obtaining the grant for improvements to the Mill Creek Sports Park.

AUDIENCE COMMUNICATION:

Thomas Hammacher
1324 Mill Creek Blvd.
Mill Creek, WA 98012

Mr. Hammacher lives in the Mill Apartments. He said that he had heard the hurt feelings and attempts to defend by the Council. He shared that the citizens find the Council responsible for all

staff members, not just the City Manager, and that Mill Creek isn't big enough for this much separation between the Council and its employees. Mr. Hammacher suggested the Council listen to the remaining employees of the City so the current concern and unrest doesn't turn into a "cancer" that could cause a bigger problem.

Chuck Wright
15907 24th Court SE
Mill Creek, WA 98012

Mr. Wright lives in the Heatherstone sub-division. He stated his frustration that the Council stopped the process by not supporting Councilmember Michelson's motion. He reminded the Council that they represent the citizens of Mill Creek, as well as City Manager Polizzotto.

Lynn Sordel
15229 3rd Drive SE
Mill Creek, WA 98012

Mr. Sordel lives in the River Crossing sub-division. He thanked Councilmember Michelson for her motion to reinstate the Personnel Review Committee. He shared that the Council is dismissing a very viable solution to a problem which puts the City at potential risk, both legally and financially, by not finding the truth. Mr. Sordel advised the Council that they don't know what they don't know, so why would they dismiss Councilmember Michelson's motion presenting a solution.

Karen Brandon
15907 24th Court SE
Mill Creek, WA 98012

Ms. Brandon lives in the Heatherstone sub-division. She complimented Councilmember Michelson for her suggestion and advised that the Council has a responsibility to all of its employees. She's heard stories of high stress levels leading to high blood pressure, etc. of employees due to their work environment and asked the Council to re-evaluate their decision. Ms. Brandon suggested that exit interviews be required of every employee, and asked the Council to put the topic of an outside reviewer on the next agenda for discussion. She applauded City Manager Polizzotto for the work she's done. She then said that something is obviously wrong if the employees are leaving like they are.

Mary Kay Voss
15226 12th Drive SE
Mill Creek, Washington 98012

Ms. Voss lives in the Cypress sub-division. She asked Mayor Pro Tem Holtzclaw to avoid accepting what City Manager Polizzotto says as true. She suggested talking to current and former employees to find out what they have to say. Ms. Voss asked why one in every four staff members have left since City Manager Polizzotto started, and asked the Council to remember that it's important to hear from the employees directly. Ms. Voss asked why the employees are no longer completing surveys as part of the annual review of the City Manager. In her prior experience on the Council she found it very helpful to hear both sides, in order to find the facts.

MOTION: At 8:59 p.m., Councilmember Todd made a motion to extend the meeting to 9:15 p.m., Councilmember Michelson seconded the motion. The motion passed unanimously.

Mark Risen
2722 144th Court SE
Mill Creek, WA 98012

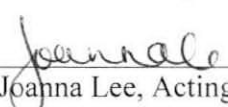
Mr. Risen lives in the Huckleberry sub-division. He spoke that the citizens invested the Council with the highest authority, and with this authority comes responsibility. Mr. Risen asked the Council to consider what message Mayor Pro Tem Holtzclaw's letter sends to the City's employees, and how it dismisses any of their concerns with absolutely no inquiry.

ADJOURNMENT

With no objection, Mayor Pruitt adjourned the meeting at 9:01 p.m.



Pam Pruitt, Mayor



Joanna Lee, Acting Deputy City Clerk

November 22, 2016

The Mill Creek City Council would like to respond to the recent letters and comments in the local press and on social media regarding City Manager, Rebecca Polizzotto. Some serious allegations have been levied against her that are unfair, unwarranted and unsubstantiated.

The Council unanimously selected Ms. Polizzotto last year as our new City Manager. We knew at the time the City Manager would have many challenges to address. We thought they were primarily budgetary. As Ms. Polizzotto has gotten into her job and familiarized herself with the City's practices and procedures it became evident there were far more challenges than anticipated.

She found that formal best-management policies/procedures were either non-existent or outdated. In many cases where policies/procedures did exist they were not followed. In addressing these issues, change was inevitable in how the City does business. The changes being implemented by Ms. Polizzotto, with the Council's full support, are being embraced by most, but not all, City staff.

The Council is fully aware of the number of employees who have left in the last 18 months. However, there is no basis to the unfounded inferences being drawn and circulated in the media suggesting that these departures are due to Ms. Polizzotto's conduct. Five former employees had retirements already in the works when Ms. Polizzotto arrived at the City in June 2015. Other former employees left for personal reasons, whether it be new jobs with shorter commutes or better opportunities.

The Council was and is aware of the facts and circumstances regarding each employee's departure. It is not appropriate to get into the facts and circumstances of employee personnel matters in the media/social media. Contrary to what has been written, departing employees are afforded the opportunity, if they choose, to have an exit conference with the City's Human Resources Manager. The Council has seen no evidence substantiating the claims asserted through the press to give rise to a need either for an outside investigation or to put Ms. Polizzotto on administrative leave.

Serious allegations have been raised by a small number of former employees and the AFSCME Union, which represents 27 of the approximately 72 City employees. It is disappointing these allegations have been accepted as true and thrown about in the media unfairly tarnishing Ms. Polizzotto's reputation.

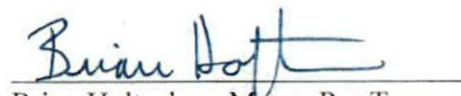
To the extent AFSCME has issues or concerns about working conditions at the City under Ms. Polizzotto's leadership, the Council believes any such issues will be addressed in good faith through negotiations on a new labor contract, which negotiations begin the week of November 21st. To the extent individual employees have issues/concerns, there are established procedures for hearing such grievances through which Ms. Polizzotto would also be provided due process to explain herself. The Council notes that despite the allegations in the press there have been no grievances or unfair labor practices filed against Ms. Polizzotto.

Change is never easy but is often necessary. This is especially true for our City as we address the long-standing structural budget issues as well as its operational practices. The Council is very pleased with all that Ms. Polizzotto has accomplished in her first 18 months with the City. She has handled the challenges with dedication, thoroughness and integrity.

In June, the Council unanimously gave Ms. Polizzotto a glowing annual review. Ms. Polizzotto's management team has also expressed support for her efforts and leadership at City Hall. The Council too firmly stands behind and supports Ms. Polizzotto.



Pam Prujitt, Mayor

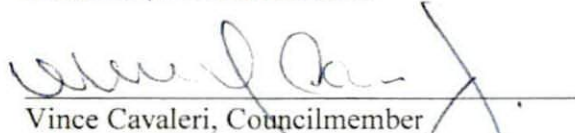


Brian Holtzclaw, Mayor Pro Tem



Sean Kelly, Councilmember

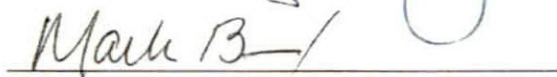
Donna Michelson, Councilmember



Vince Cavaleri, Councilmember



Mike Todd, Councilmember



Mark Bond, Councilmember