

CITY COUNCIL WORKSHOP

**June 16, 2009
5:30 p.m.**

MINUTES



The City of Bonney Lake's Mission is to protect the community's livable identity and scenic beauty through responsible growth planning and by providing accountable, accessible and efficient local government services.

Website: www.ci.bonney-lake.wa.us

"Where Dreams Can Soar"

Audio Time Stamp ↓

Call to Order:

Mayor Neil Johnson, Jr. called the Workshop to order at 5:30 p.m.

Roll Call: [A1.3]

Administrative Services Director/City Clerk Edvalson called the roll. In addition to Mayor Johnson, elected officials attending were Deputy Mayor Dan Swatman, Councilmember David Bowen, Councilmember Laurie Carter, Councilmember Dan Decker, Councilmember Mark Hamilton, Councilmember David King and Councilmember James Rackley.

[Staff Members in attendance were City Administrator Don Morrison, Chief Financial Officer Al Juarez, Community Development Director John Vodopich, Police Chief Mike Mitchell, Public Works Director Dan Grigsby, Utilities Engineer Doug Budzynski, City Engineer John Woodcock, Community Services Director Gary Leaf, City Attorney Jim Dionne, Administrative Services Director/City Clerk Harwood Edvalson and Records & Information Specialist Susan Duis.]

5:30:20

1. **Council Open Discussion:**

Locust Ave Speed Bumps

Councilmember Rackley said the speed bumps on Locust Avenue were put in many years ago, and asked if they were still necessary. Police Chief Mitchell said the combination of speed bumps, speed zone signs and flashing lights on Locust Avenue are effective in slowing down traffic. Public Works Director Grigsby added that the speed bump has become smaller over the years as it has worn down.

Off Leash Dog Park

Deputy Mayor Swatman suggested a group of interested citizens, Park Board Commissioners and Planning Commissioners could create an interest group to consider options and issues for off leash dog parks. He said the City could pass out information at summer events. Councilmembers discussed available sites, such as the recently purchased Moriarty Property. Councilmember King said one suggested temporary use for the property was a community garden. Community Services Director Leaf said the City eventually plans to develop the property for other uses but in the meantime, it could be temporarily used for the purposes discussed.

Councilmember Bowen also suggested the City consider using part of the land for a community garden, which is very popular in other cities. Councilmember King suggested the City survey residents at upcoming events to see what kind of interest people have in a dog park or garden option. Mayor Johnson said information would be provided at the City's information stand at Bonney Lake Days and other events.

Ball Park Well

Deputy Mayor Swatman asked if the City could do more to inform water customers about the Ball Park Well water quality. Councilmembers noted that the City's 2008

water quality report shows the water from this well exceeds all quality standards, and is higher quality than bottled water, but customers often complain about the taste and smell of water from this well.

Garbage Fee Ordinance

Deputy Mayor Swatman asked the Council about having exceptions for some customers for special circumstances. City Administrator Morrison said the City's garbage ordinance requires universal service, and staff is compiling a list of customers who do not have active service for the Finance Committee to review. Councilmembers discussed possible exceptions for 'snow birds' who live out of town for several months each year, senior discounts, or alternatives for those who do not create much garbage. City Administrator Morrison said he and Director Leaf met with D.M. Disposal and discussed rates, senior discounts, etc. He said D.M. offers a 'micro' can which is 10 gallons. He said part of the garbage service rates help pay for public services like community refuse pick up, the city-wide spring clean up event, and other costs. He said the company encourages recycling by providing a free container. Also, D.M. Disposal estimates that the cost of hauling garbage yourself to the Prairie Ridge Transfer Station is still more costly than the 10 gallon can service charge.

Fennel Creek Tour

Deputy Mayor Swatman said he went on a tour of the Fennel Creek area with the Chamber of Commerce. He said it's important to connect the city's natural beauty with commerce and tourism, and consider open land as an asset.

Sumner Treatment Plant Mitigation

Deputy Mayor Swatman said after flooding this year it is likely some mitigation measures will be needed at the Sumner Sewer Treatment Plant, such as dredging, dikes or levies. He said it is likely that cities in the area will be asked to pay for these projects and the City should watch this closely.

River Task Force

Councilmember Carter said the Pierce County Conservation District held their first river task force meeting on June 11, 2009. She said the group meets midday on weekdays and the City may want to ask them to change the time so a councilmember could attend.

City Staff

Councilmember Decker asked if the Council could be supplied with a list of all City employees with seniority, to get an idea of how many staff members each department has. The City Administrator said a report can be run that lists all employees and their dates of hire, though seniority considerations vary between the two unions.

Downtown Regional Storm Pond

Councilmember Hamilton asked if the Downtown Regional Storm Pond project is complete; Director Grigsby confirmed that it is complete and was finished at or under budget. City Administrator Morrison confirmed that the project used stormwater funds and the balance was paid through the Civic Center bond as part of the downtown improvements. He said he would send more information on what portion of the project was paid by stormwater funds to Councilmembers. Deputy Mayor Swatman asked about residents around Downtown hooking into the new stormwater system. Director Grigsby said the City does not intend to create a stormwater benefit district, as the

regional storm pond is the City's investment in the downtown area. He said as pipes along Old Sumner Buckley Highway are hooked into the regional stormwater system, stormwater ponds in the area can be deactivated and put to other uses.

Weed Abatement

Councilmember Hamilton asked if the City is spraying weeds in the city, and whether residents can opt out. Public Works Director Grigsby said the City is doing weed abatement spraying now, and all residents were notified and told how to opt out. He said no one submitted the form to opt out this year, though a couple of residents put signs in their yards asking not to be sprayed, so they were skipped.

Boat Launch

Councilmember Hamilton asked if the boat launch is set on a timer or if it has sensors; Community Services Director Leaf confirmed it uses sensors to raise and lower the bollards, and not a timer.

Noise Complaints

Councilmember Hamilton asked about noise complaints about boats on Lake Tapps. Police Chief Mitchell said complaints come in every year but the current noise ordinance is not enforceable as the noise from boats does not exceed the decibel level in a given location for the required time period. He said officers can enforce 'modified exhaust' laws but it is still difficult to enforce noise issues on the lake.

Boat Launch Passes

Deputy Mayor Swatman asked whether boat launch passes could be active for a year from the date purchased, rather than for the calendar year. CFO Juarez said currently pass cards are active through the calendar year so they can be used each boating season. He said he is open to ideas and his staff has already implemented some ideas provided by Councilmembers.

Interim Justice Center Update

Councilmember Rackley asked about the status of the IJC design and construction. Community Development Director Vodopich said the building department is doing a second review of plans. City Administrator Morrison said the City hopes to advertise the construction bid in three to four weeks. Construction will begin in 2009 though the project may not be complete in 2009 as was originally scheduled.

6:16:53

2. **Review of Council Minutes:** June 2, 2009 Council Workshop and June 9, 2009 Council Meeting.

The minutes were moved forward to the July 14, 2009 Meeting for approval with no corrections.

At 6:17 p.m. Councilmember Bowen moved for a five minute break. Councilmember Rackley seconded the motion.

Motion approved 7 – 0.

The workshop was brought back to order at 6:24 p.m.

6:24:28

3. **Discussion:** Review of City's Long-range Financial Model.

City Administrator Morrison explained the handouts provided to Council. They show revised six-year financial models based on very conservative projections for revenues. He said the City saw signs of the coming recession 18 months ago and by being frugal, saved about two million dollars of reserve funds. Sales taxes took a significant dip in the last quarter and permits and fees continue to decline. CFO Juarez explained the key points of the six-year models. He said the first sheet uses very conservative projections, while the second is somewhat more optimistic. The sheet uses the unaudited revenues and expenditures for the first part of 2009 and projects out based on those figures. This year the budget planned to spend down \$1.2 million in reserve funds. He said when debt service expenses are factored in, \$1.6 million in reserve funds will be spent in 2009. City Administrator Morrison said the City should consider options to reduce expenditures so more drastic measures are not needed a couple years into the future. Mayor Johnson said both unions and administrative staff will meet on June 17, 2009 to discuss options such as furloughs. He said all employees are aware of the financial situation, and he wants to do whatever he can to avoid laying off employees.

CFO Juarez next described the Option B six-year model, which assumes all departments will save an additional 7% each year and factors in other potential savings such as 6 days of furloughs for each employee in 2009. Councilmembers discussed options, and how growing populations in the area could affect services in coming years. Councilmembers expressed concerned about deciding appropriate actions to adjust the budget given the uncertain economic conditions.

Deputy Mayor Swatman noted that on both projections the City will run into deficits by 2011 or 2012. He said the City needs to make several changes and said these changes should not be put off. Councilmember Rackley suggested the Council wait until the autumn of 2009 before considering any drastic changes, as the financial situation will be more clear by that time. Councilmembers thanked the City Administrator and CFO for their work on these models. Councilmember Hamilton said he felt the administration is doing a good job overall. He said the actions taken so far seem appropriate and does not want the City to overreact as some other cities have done. Councilmember King agreed and thanked staff for their diligence in finding opportunities to save money. Mayor Johnson suggested the Council wait to make any specific recommendations about the budget until after he has met with the unions, and they have had a chance to meet with their members. He said he would provide updated timelines and information to Council regularly in the meantime, and continue discussions at a future workshop.

The workshop was recessed for a six minute break at 7:23 p.m. and was brought back to order at 7:32 p.m.

7:32:59

4. **Discussion:** AB09-51 – Ordinance D09-51 – Sewer Schedule 'A' Update.

Director Grigsby said the intent of the proposed ordinance is to update the 23-year-old Schedule A, and also to revise and clarify language in the code. He said the rate is based on 2005, and the rate is adjusted by the Consumer Price Index (CPI) and is currently \$9,099. He said the city's consultants from FCS Group will present more information on suggested rates for multifamily, etc. at a future workshop. The proposed ordinance clarifies system development charges and calculations. Utilities Engineer Doug Budzynski said he inserted optional language that would allow developers of non-

residential buildings to make SDC payments over a 12-month period. This would give developers more time and he did not believe the City would lose money by developers abandoning a project before paying the full amount. Deputy Mayor Swatman noted that a monthly payment option would require a process within the Finance Department to collect payments with tax, etc.

Director Grigsby explained the comparison of SDC rates at various cities. He said the city's rate is higher than most other cities in the state, but factors such as rapid population growth, an expanding system, and the need to replace aging pipes affect the costs. For example, he said Sumner is not projected to grow as rapidly and does not need updates to their infrastructure as soon. Mr. Budzynski also noted that the SDC rates on the list may not be direct comparisons for total costs. For example, he said in Lakeland the charge for initial hook up is \$900, but a monthly capacity charge that lasts for 15 years is added, which makes the actual connection cost about \$8,500. Mayor Johnson asked if monthly customer sewer fees help pay for this type of project. Director Grigsby said customer fees do not go into CIP project funds and there is no infrastructure renewal component in the current rate structure. He said currently SDC charges for development funds all these projects. He said the FCS Group consultants will present an option to begin an incremental build up in sewer rates to replace these funds in the future.

Director Grigsby said other issues including multifamily rates are being researched. The consultants are ready to present their information on Operations and Management funds and SDCs at an upcoming workshop. After that, any comments will be incorporated into the draft ordinances and presented to Council for approval. Mayor Johnson asked to place the presentations on the agenda for the July 7, 2009 Workshop.

The Workshop was recessed for a five minute break at 8:23 p.m. The Workshop was called back to order at 8:30 p.m.

8:31:11

5. **Discussion:** AB09-98 – Transportation Impact Fees.

Director Grigsby described the City's TIF history, explaining how the City did not collect TIF until 2003. The TIF rates stayed the same from 2003 until 2006 when the City developed its 20 Year Transportation Plan, set a new TIF rate, and set it to increase annually through a CPI adjustment. He said the current rate is \$3,995. He explained the various attachments provided, including the top ten Transportation Improvement Projects, excerpts from the Municipal Code, the full TIP list, etc. He noted that the TIF and SDC funds helped the City complete a number of important projects that could not have been completed otherwise. City Engineer John Woodcock provided more information on specific TIP projects and how they impact the City.

Director Grigsby said based on current calculations of the City's 20-year TIP list, the City could justify a TIF of \$6,347 per trip. He said the data shows that the current rate of \$3,995 is justified and could be higher. He said if multiple projects were taken off the list and not replaced, such as 200th St E, 198th St E, and 192nd, some of the fees might have to be refunded to developers, and this still would not significantly reduce the justifiable TIF rate below current rates. Councilmembers discussed the listed projects and data and consensus was the current rate structure is sound and justifiable, and did not recommend reducing TIF rates. Councilmember Hamilton said the City has implemented an incentive program for Downtown development and permit extensions

to help developers, and suggested the City wait before implementing further cuts to development fees. Mayor Johnson noted a vehicle and vessel licensing business has moved into a vacant space Downtown and was able to take advantage of the Downtown incentive ordinance. The cost of their improvements to the building fell below the threshold, so they did not have to pay additional fees. City Engineer Woodcock said developments can do their own traffic study if they feel the calculations are not realistic for their business. He said several banks have done their own traffic studies and were able to secure lower TIF rates. He added that no fee is charged if there is no change of use for a property. If the new business has a higher traffic use, they would pay the difference.

Councilmember Bowen said he is not comfortable with the presented figures and feels the model may be flawed. He said people may drive less as budgets get tight and gas prices increase, changing the traffic impacts in the City. Councilmember King said the calculations are based on a trusted national standard and no one can say how much transportation will change in 20 years. Director Grigsby noted that the City must update the TIP every six years to meet state requirements so it will be adjusted as needed.

6. **Executive Session:** None.

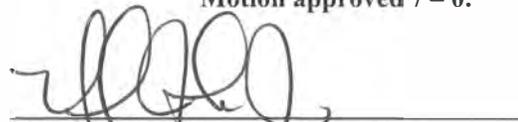
9:35:46

7. **Adjournment:**

At 9:35 p.m., Councilmember Rackley moved to adjourn the workshop. Councilmember Decker seconded the motion.

Motion approved 7 – 0.


Harwood T. Edvalson, CMC
City Clerk


Neil Johnson, Jr.
Mayor

Items submitted to the Council Workshop of June 16, 2009:

- City of Bonney Lake – *Financial Planning Model, 2009-2014 (Original revised version and Option B)* – Chief Financial Officer Al Juarez.