

CITY COUNCIL WORKSHOP

**August 18, 2009
5:30 p.m.**

MINUTES

City of



"Where Dreams Can Soar"

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

Audio Time Stamp ↓

I. Call to Order:

Mayor Neil Johnson, Jr. called the Workshop to order at 5:33 p.m.

II. 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, City Engineer John Woodcock, Community Services Director Gary Leaf, Administrative Services Director/City Clerk Harwood Edvalson, Human Resources Officer Jenna Young and Records & Information Specialist Susan Duis.]

III. Agenda Items:

5:33:15

A. Council Open Discussion:

Historical Society Calendars: Mayor Johnson said 2010 Historical Society calendars are now available and may be purchased from Winona Jacobsen.

WSU Forest Proposed Comprehensive Plan Amendment: Mayor Johnson said the WSU Draft Environmental Impact Statement (DEIS) is available to review and comment through September 14, 2009. A public hearing on all the comprehensive plan applications is scheduled for September 2, 2009 at the Planning Commission Meeting. He said the plans he has seen look favorable for low-impact development and traffic flow mitigation. Councilmembers encouraged the public to submit comments and attend public hearings.

Bonney Lake Days: Mayor Johnson and the Council thanked staff and citizens for their hard work on Bonney Lake Days. Mayor Johnson said there was a great turnout and citizens appreciated all the events. Councilmember Rackley said he has heard discussions of reducing the event to one day, and he feels this event is one of the best ways for people to meet their councilmembers and neighbors. Mayor Johnson said Special Events Coordinator David Wells has suggested setting up a group to discuss next year's event, and whether to hold the event over two or three days. Councilmember King said several people commented on the excellent sound system, and said they would like to see a farmer's market or street festival. He said this might be a good addition once construction on Main St. and the Interim Justice Center is completed. He also thanked Al Catanzaro in Community Development for creating the event maps and charts. Councilmember

Carter said she appreciated the brochures on natural yard care options that Public Works staff provided.

Interim Justice Center Update: Mayor Johnson said bids were opened for construction of the Interim Justice Center on Monday, August 17th and the apparent low bid was \$3.37 million from Sierra Construction. Many of the 16 bids received came in under \$4 million, while the engineer’s estimate was \$4.2 million to \$5.4 million.

Myers Road Construction: Councilmember King asked about the construction on Myers Rd. earlier in the day. He said he had not heard about it and was surprised to find the road closed. City Engineer John Woodcock said he would look into the issue.

Water Supply Update: City Engineer Woodcock said he has provided updated information to Councilmembers on the city’s water supply. The City supplied water to Tapps Island and expects to continue providing water to the City of Auburn for about four more weeks.

Initiative 1033: Councilmember King said he has been researching State Initiative 1033, which was submitted to the ballot by Tim Eyman. He said a study by the Association of Washington Cities raises concerns that the initiative could negatively affect cities and communities. He asked if other councilmembers would consider a resolution stating the Council’s opposition to the initiative. Councilmembers Carter and King will draft a proposed resolution for the Council to discuss at a future workshop.

Special Events: Councilmember Carter said upcoming special events include Kids Club on Tuesdays, Tunes at Tapps on Wednesdays, the Health & Wellness Expo on August 29, Bonney Lake Night at the Rainiers on August 31, and Beautify Bonney Lake on September 19. She said Bark in the Park was postponed to 2010 due to a lack of vendors.

Community Garden: Councilmember Bowen asked if there was any interest in a pea patch or community garden program. Councilmembers discussed the need for volunteers for a garden or dog park option. Councilmember Rackley offered to start a subcommittee and invited interested councilmembers to email him so they could review the options.

5:54:47

B. Review of Council Minutes: July 21, 2009 Council Workshop, July 28, 2009 Council Meeting, and August 11, 2009 Council Meeting.

Councilmember Carter noted two errors on the July 21, 2009 minutes. On p. 5, Tunes at Tapps should be listed on Wednesday nights, not Thursday. On p. 2, information on the sales tax revenues should be revised to read “17% below ~~83%~~ below the previous year’s revenues”. The minutes were moved forward to the August 25, 2009 Meeting with corrections.

5:55:53

C. Discussion: AB09-130 - Planning Commission Recommendation - Alternatives for Nightclub Design Standards.

Community Development Director John Vodopich said this item was on the Planning Commission workplan. The Commission provided a menu of various alternatives and asked for input from the Council. Councilmembers discussed options to include downtown areas in the 'commercial performance standards' code, limiting specific activities near residential areas, requiring conditional use permits for outdoor seating, etc. Councilmembers Carter and Hamilton supported all the suggested amendments. Councilmember Rackley said the standards should be applied city-wide, not just to Downtown or Easttown. Councilmember Decker said restrictions on outdoor seating should apply to any business, not just nightclubs. Councilmember Carter said the ordinance should address mixed-use developments as well. As an example she asked what would be required for a building with a restaurant on the ground floor and condominiums above. Director Vodopich said he would take the Council's comments back to the Planning Commission for continued discussion and review.

6:05:22

D. Discussion: AB09-120 – D09-120 – Ordinance to Modify and Update the Sewer System Development Charge (SDC) (includes adding Multi-Family Rate & Sewer Schedule A).

City Engineer John Woodcock said a draft of this ordinance came before the Council at the July 21, 2009 Workshop, and this revised draft incorporates the Council's comments and other changes. City Administrator Morrison explained the changes and asked for Council input on various portions of the ordinance. He asked whether Council wants to raise the current rate of \$9,099 or not. He offered an option to consider the number of bedrooms in calculating SDCs. He said the Council should consider whether to adjust the SDC automatically each year, and which standard should be used – the Consumer Price Index (CPI) or the Construction Cost Index (CCI). Finally, he asked whether the proposed ordinance should be temporary with a 'sunset' date. Director Vodopich added that the proposed ordinance also clarifies when the permit center collects SDC charges from applicants, and removes the option for payments in installments.

Councilmembers discussed the options. Councilmember Decker said he did not think the City should define what qualifies as a bedroom. Councilmember Rackley said builders may describe rooms as 'bonus rooms' or offices to reduce their permit fees, when those rooms are actually intended for use as bedrooms. Councilmembers asked to review options for varying SDC fees based on the square footage size and/or number of bedrooms. City Engineer Woodcock said one of the intents of the ordinance is to encourage builders to build smaller multi-family units, not more 3-bedroom condominiums, which do not help add density and a variety of housing options.

Councilmember King spoke in support of continuing to use the CCI for annual fee adjustments, and suggested the code be updated annually to reflect the new fees. He said if staff brought an update ordinance to Council each year, it would also ensure Council remains aware of the current rates. Councilmembers spoke in favor of a 3-year sunset date for the ordinance. Mayor Johnson suggested the ordinance could be lined up with the other incentive ordinances passed by the Council earlier in 2009 so they would all sunset at the same time. Councilmember Carter suggested the SDC ordinance apply retroactively so developments already in progress could apply for the new rates. Councilmember Hamilton said the

Council should also consider offering multi-family rates for Water SDCs. Mayor Johnson said staff members will incorporate these suggestions and provide a revised draft for Council discussion.

6:42:51

E. Discussion: Option for an Ordinance Allowing the Use of a “Temporary Commercial Septic System” in Lieu of Connecting to the City Sewer System.

City Engineer Woodcock said a temporary commercial septic system is a possible solution to the Easttown sewer dilemma faced by some property owners. He said it would allow property owners to install a temporary septic system and develop their land for commercial use. The ordinance would require property owners to participate in future latecomers agreements, to hook up to sewer when it is installed in Easttown, and to pay applicable SDC charges. Mr. Woodcock reviewed the pros and cons provided in the agenda packet.

Councilmember Rackley said the Community Development Committee discussed this issue with about 6 property owners at its last meeting. He said the property owners just want assurance that the plan is moving forward and there is a timeline. Councilmember Bowen said septic systems are expensive to install but property owners are frustrated. He said the proposed ordinance at least gives them an option if sewers will not be installed soon. Councilmembers discussed options for property owners, possible timelines, and financing sewer projects. Extending sewer into Easttown may require a bond issue, even if SDCs and a latecomers agreement were used. Councilmember Bowen said any sewer plan should include a line under SR410 to properties to the South as well. Councilmember Hamilton said in Falling Waters, for example, dry lines were installed for future sewer hookup, and a septic system installed. However, Councilmembers noted the system at Falling Water has failed. Councilmember Carter pointed out that one of the ‘cons’ on Director Grigsby’s list was that black water could be damaging to the headwaters of Fennel Creek in Easttown. City Engineer Woodcock said dry lines are an option, but the plan must be fully designed before lines are installed. He said if the City wants to take control it could set a better timeline and focus resources on designing the system. Deputy Mayor Swatman said government is one of several solutions to the issue. He said homeowners could collaborate on a plan as well, though it may be difficult.

Mayor Johnson asked staff to get input from Compass Pointe to get an update on their potential lift station construction. Councilmember Bowen asked that the proposed septic ordinance be revisited if a more firm timeline is not available by November 1, 2009.

At 7:17 p.m. Deputy Mayor Swatman moved for a ten minute recess. Councilmember King seconded the motion.

Motion approved 7 – 0.

The Workshop returned to order at 7:30 p.m.

7:30:56

F. Discussion: Long-range Financial Planning Models (Update).

Mayor Johnson presented those in attendance with an updated financial planning model. He said this version is more conservative in estimates for sales tax,

permits, goods and services. He said the model includes line items for 'additional revenues not included above,' which adds possible and probable revenues including the Public Safety Building lease, a recently awarded police grant, etc. The model shows reduced expenditures that would be realized through employee furloughs, general fund reduction and general staffing reductions of at least three employees in 2010. The next agenda item will be a discussion of a proposed policy to allow employees who sign up for furloughs voluntarily to receive vacation credits. Chief Financial Officer Juarez highlighted two positive revenue items on the model – investment interest and other revenues – which are estimated to come in above budget expectations. He said the model anticipates modest increases of 1% for line items in 2010 and 3% sales tax increase for inflation.

Councilmembers discussed the model and various line items. Councilmember Hamilton said the city's cost recovery bond for the Public Safety Building is set to expire soon. He suggested the City place a bond measure on an upcoming ballot for a similar bond to help pay off the recently acquired Moriarty property. CFO Juarez said he is looking at a possible opportunity to refinance City bonds through the 'Build America' bond opportunity with the City's bond attorney Jim Nelson. The Build America program is part of the current economic stimulus program, and the Interim Justice Center bonds may be eligible. He said he will continue researching this opportunity with the bond attorney. Councilmembers thanked staff for their work to bring updated budget information for review.

8:00:46

G. Discussion: AB09-123 – Ordinance D09-123 – Establishing Temporary Benefit Policies due to the Current Recession and Accompanying Reductions in City Revenues.

City Administrator Don Morrison said this item has been revised since the Finance Committee reviewed it on August 11, 2009. The Mayor suggested giving matching vacation hour credits to employees who volunteer to take furlough days by a certain date. After that date, if furloughs are made mandatory, employees who did not volunteer would not receive vacation credits for furlough hours. He asked councilmembers for input on vacation hour credits, how to deal with employees who would exceed the cap for vacation hours, and how employee benefits would be affected.

Deputy Mayor Swatman said he objected to the original draft ordinance's vacation credit option, but now that vacation credit is tied only to voluntary furloughs, he supports the proposed ordinance. Councilmember Decker asked if furloughs would affect employee seniority or retirement benefits. City Administrator Morrison said any furlough must be negotiated for union employees and seniority would be protected. Human Resources Officer Jenna Young said the State Legislature has addressed the retirement credit issue, and furloughs will not create a 'break in service' for employees' state retirement funds. The City Administrator said if 50% of employees participate in furloughs, the City would save \$91,800. Removing step increases would save an additional \$89,000. Councilmember consensus was to move the proposed ordinance forward with the changes discussed. Mayor Johnson said he will review the proposed ordinance with the unions and bring it back to Council in the future.

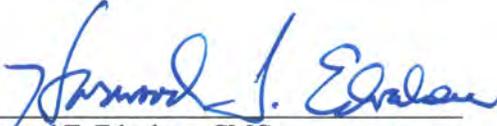
IV. **Executive Session:** None.

8:06:50

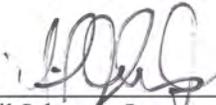
V. **Adjournment:**

At 8:06 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 August 18, 2009:

- City of Bonney Lake – *Financial Planning Model 2009-2014 (dated 8/14/2009)* – City Administrator Don Morrison.