

CITY COUNCIL WORKSHOP

November 20, 2012
5:30 P.M.
MINUTES



"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

Location: Bonney Lake Justice Center, 9002 Main Street East, Bonney Lake, Washington.

I. CALL TO ORDER – Mayor Neil Johnson called the workshop to order at 5:37 p.m.

II. ROLL CALL:

Administrative Services Director/City Clerk Harwood Edvalson called the roll. Elected officials attending were Mayor Neil Johnson, Jr., Deputy Mayor Swatman, Councilmember McKibbin, Councilmember Mark Hamilton, Councilmember Jim Rackley, Councilmember Donn Lewis, Councilmember Katrina Minton-Davis, and Councilmember Tom Watson.

Staff members in attendance were City Administrator Don Morrison, Public Works Director Dan Grigsby, Community Development Director John Vodopich, Chief Financial Officer Al Juarez, Police Chief Dana Powers, Assistant City Attorney Kathleen Haggard, Administrative Services Director/City Clerk Harwood Edvalson, and Administrative Specialist II Renee Cameron.

III. AGENDA ITEMS:

A. Public Hearing (Continued): AB12-134 – A Public Hearing for Proposed Ordinance D12-135, Setting the Annual Ad Valorem Tax Levy for 2013.

Mayor Johnson opened the public hearing at 5:38 p.m. Administrative Services Director/City Clerk Edvalson said there were no speakers signed up to speak for the public hearing. The public hearing was closed at 5:38 p.m.

B. Public Hearing (Continued): AB12-156 – A Public Hearing for Proposed Ordinance D12-157, Adopting the 2013-2014 Biennial Budget.

Mayor Johnson opened the public hearing at 5:39 p.m. Administrative Services Director/City Clerk Edvalson said there were no speakers signed up to speak for the public hearing. The public hearing was left open and continued to the November 27, 2012 Council meeting at 7:00 p.m.

C. Discussion: AB12-167 – Resolution 2256 – Principles and Actions to Develop Eastown Sewer.

D. Discussion: AB12-168 – Resolution 2257 – Council Goals for Certain Public Works and Parks Facilities.

E. Discussion: AB12-141 – Ordinance No. D12-141 – Connection to Public Sewer Facilities.

Deputy Mayor Swatman said that he and Councilmember McKibbin prepared a PowerPoint presentation to discuss the three components for sewer and actions of Eastown which three components are presented in Agenda Items III.C. Resolution 2256 – Principles and Actions to Develop Eastown Sewer, III.D. AB12-168 – Resolution 2257 – Council Goals for Certain Public Works and Parks Facilities, and III.E. AB12-141 – Ordinance No. D12-141 – Connection to

Public Sewer Facilities. Deputy Mayor Swatman said the main issues are the principles and actions to develop sewer in Eastown, interest in funding sewer options by utilizing City funds which were available, as well as to developers, that have existing septic systems. He said the need for a sewer system in Eastown has been discussed extensively for quite some time and the recent utility latecomers agreement (ULA) with property owners in Eastown was unsuccessful. He said he and Councilmember McKibbin looked at all the issues and options and they are trying to build from bare ground up to a developer who wants to build with a developer agreement. He said just merely putting sewer in, establishing a ULA, or allowing developers to develop on an existing septic system does not solve all of the issues that could come about, especially with the Compass Point parcel because of the water system issues that end there. He said the later part of this resolution recognizes that several million dollars are available and that instead of putting them in the front end of the agreement, include them in the development part of an agreement. Councilmember McKibbin said this plan is to basically set up a timeline over a 10-20 year period for a future road map for staff and Council to use as a guideline.

Deputy Mayor Swatman said there are parties interested in doing a utility latecomer agreement, and the resolution has the septic component for existing septic systems, and the component for money available for development agreements in the end. All three of the components go together and it is a partnership which is laid out in a document so everyone can work off the same page. He said he and Councilmember McKibbin laid it out so that the Council in the future can understand it and proceed. He said it is not a perfect document and there will need to be compromise.

Councilmember Lewis said there needs to be some plan besides just putting the sewer system in, he said an entire future plan needs to be established. He thinks Deputy Mayor Swatman and Councilmember McKibbin have done a great job putting this plan together. Mayor Johnson asked if the resolutions and the ordinance need to be considered together and Deputy Mayor Swatman said it would be best if they all proceeded together, it is a "three-legged stool" that works together. Mayor Johnson asked about the \$2 million up front for the City to put in the sewer backbone and Deputy Mayor Swatman said overall it would be \$4 million. The \$2 million upfront to the ULA partner would get paid back and that would all be laid out in the developer agreement, which would determine how the \$2 million will best benefit the developer. Mayor Johnson asked if to facilitate this resolution a partner is required. Councilmember McKibbin said a ULA does require a partner. Mayor Johnson asked if the City can go out to bid before having a partner to establish a ULA, or if the ULA must be established first. Deputy Mayor Swatman said that it is his understanding that a partner is available and administration can contact them to see if they are willing to sign an agreement which would come forward to the Council for approval.

Councilmember McKibbin said they were looking at this as a marketing timeline starting from now. Deputy Mayor Swatman said their intention is to give the Public Works department a large bid window and time to work with the contractors so as to not rush the project, probably a year at the most. Councilmember McKibbin said that it would use the City's available funds and no bond would be required. Deputy Mayor Swatman said a lot of the previously proposed money was coming from moving the public works facilities, however, they know that the public works facilities plan isn't feasible now, so those monies will be available now to use toward the sewer backbone in Eastown. Councilmember McKibbin said that the ULA payments would go back to pay the sewer fund. Deputy Mayor Swatman said he knows there are interested parties in developing the Union Bank parcel and Councilmember McKibbin said he knows Public Works needs \$2 million set aside for the development agreements and this is what the City has to work with. He also said Public Works water and road needs are significant. He also said that maybe Public Works could use the Reed property for a heavy equipment yard. Deputy Mayor Swatman

said that some of the money coming from the project to build a public works facility, however, it doesn't seem to be very cost effective right now and he thinks this gives Administration some recommendations of some things they can do. He said he thinks Allan Yorke Park should be left alone to be maximized as a park.

Councilmember Hamilton asked when the funds would be initiated. He wanted to know that since the payback fee is not bonded, is there still a 20-year window for development and asked if the percentage of payback is approximately 60%. He said it is the other \$2 million that is he concerned about. He asked what other facilities would be included in this ULA. He asked where the money will come from unless the City sets aside debt service. Deputy Mayor Swatman said that is all in the details of the development agreement, which have not yet been established. He said the Council would really have to look hard at what it is being developed for each project. Councilmember Watson said the City will have to look at the payback coming in, like the City's agreement for the Franciscan development. Mayor Johnson said the City could have 15 developers at the same time and the City only has \$2 million to figure out which development would receive the use of the funds. Councilmember Minton-Davis thanked Councilmember McKibbin and Deputy Mayor Swatman and said she liked the language in this Eastown development plan and the ability to use existing septic systems. Councilmember Watson agreed with Councilmember Minton-Davis and said this is a good concept. He said the Council should pass these resolutions and the ordinance and move them forward. Councilmember Hamilton said he wants to know that the investment money is going to be there. He said if the City earmarks it then a developer knows what is really available. Deputy Mayor Swatman said a developer is not concerned about what the City has earmarked, they are concerned about the amount of money it will take them to develop. Councilmember Hamilton said it has to be legal and funds used appropriately. Councilmember Lewis said a development agreement has to come to the Council so they will have decisions to make as to what development may come in to the City, each agreement will be considered by the current Council, as it comes forward.

Deputy Mayor Swatman said in talking with some of the Eastown property owners they are in no rush to develop and get permits, but he wants to be clear property owners will have to connect to sewers once they are available. Assistant City Attorney Haggard said in reviewing the sewer code, there are some provisions that were not included in the proposed amendment that should be included and to clarify Chapter 13.12 so they are consistent before these resolutions and the ordinance go to Council for final approval. Public Works Director Grigsby asked for clarification of Paragraph 7 of Resolution 2256 which states that commercial properties are ones that generate sales tax and he wanted to clarify that that could include multi-family houses, not just retail commercial properties. Deputy Mayor Swatman clarified that yes that is the intent. Agenda Items III.A, III.B., and III.C. were forwarded to the December 11, 2012 meeting for action.

F. Council Open Discussion.

Park Board Meeting: Councilmember Watson said that at the November 19th Park Board Meeting the Park Board agreed to move forward with a marketing plan for the Metropolitan Park District (MPD) to go to an April 2013 election, and the Park Board agreed that the City Council would serve as the MPD Board. A recommendation will be coming to the Council at the next Workshop. Councilmember Minton Davis said Facility and Special Projects Manager Gary Leaf compiled some useful tools and information which was very beneficial as to what worked and didn't work for other cities in their ballot measures.

Budget Meetings: Councilmember Watson said he was concerned that the Council didn't receive the budget information sooner and he would have liked to have received it much sooner. He said he would like to have time to discuss a number of issues with the department heads. Councilmembers asked to spend extensive time on the December 4th Workshop to discuss the budget and move the Finance Committee meeting to an earlier time, as well as having a meeting on December 18th. Mayor Johnson asked Councilmembers to get all of their questions to staff so they can be addressed accordingly. He said that the budget has not changed much over the last few years, but he understands the Council's desire to thoroughly review the budget. Councilmember Hamilton said he knows that the Council will be reviewing the budgets extensively over the next two years, especially if the Metropolitan Park District is approved, so there would be impacts on the budget even though the MPD would be a separate budget.

Initiative 502: Councilmember Hamilton said that he has questions about the taxes this passed initiative creates and asked if the City would receive any percentage of the 25% tax from it. City Attorney Haggard advised the City would not. City Attorney Haggard told the Council about a webinar that is being held next week to provide some answers to many of the questions being raised by cities. She said in one year, once the Washington State Liquor Control Board gets its regulations in place, cities will see legal dispensaries. However, since a dispensary would violate federal law most cities will not license dispensaries, which is the position that the City of Bonney Lake is taking.

Fundraiser for Roach Gymnastics Gymnast: Councilmember Watson asked to have the City support the fundraising for the gymnast, Jacoby Miles, who was paralyzed last week during a routine exercise at Roach Gymnastics.

Tree Lighting Festival and Pancake Feed: The Christmas tree lighting is on Saturday, December 1st, at 6:00 p.m., and the East Pierce County Fire & Rescue annual pancake feed is in the morning on December 1st at the Sumner Fire Station.

G. Review of Draft Minutes: November 6th Workshop, and November 13rd Meeting.

The November 6, 2012 Council Workshop, and the November 13, 2012 Council Meeting minutes were forwarded to the November 27, 2012 Council Meeting for action.

H. Discussion: 2013-2014 Biennial Budget

Councilmember Minton-Davis said the Council Goals and Objectives need to be updated and she would like to see them be reviewed at the retreat in January. Councilmembers agreed that they will get their questions regarding the budget together to discuss with administration and staff to be discussed at the Council Workshop on December 4th. Councilmember Rackley asked if the budget online will be updated as the changes are made. Mayor Johnson said the updated budget will be done online once all of the changes are approved and made. Councilmember Watson said he was concerned why the 2006-2007 is the comparison years instead of using 2004 which he felt was more comparable. Mayor Johnson said it is mainly because of growth that has occurred. City Administrator Morrison said the City doesn't want to go back more than a couple of years. Deputy Mayor Swatman said the Council needs to approve a balanced budget, but he doesn't see that the revenues and expenditures match and that administration has found a way to close the gap, by means of surplusing property. Councilmember Watson asked why Administration would agree to sell property versus reducing expenditures. Councilmember Hamilton said the proposed surplus property is property the City has no need for as it does not intend to use it for City Hall, however, the City does intend to secure an easement on the property for trails. Mayor Johnson

said if the City surpluses the property then the funds can be put toward paying for the improvements and needs for the Justice Center, which is the City's new city hall. City Administrator Morrison said the funds received from the sale of the surplus property would fill the budget gap for approximately three (3) years, however, he would also like the City to look at using part of the funds toward refinancing the 800 MHz system debt service. Deputy Mayor Swatman said he would like to see the City and Council look at other options including a transportation benefit district for increasing car tabs which would be strictly used for transportation projects, however, there are other expense options available that should be looked at.

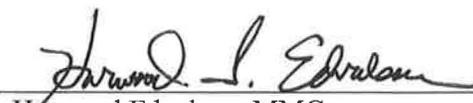
Councilmember Watson said he has a concern about depleting the water fund and asked why the City is not going back to increase these funds. City Administrator Morrison said all of those funds got built up and when the economy crashed the funds were depleted. Councilmember Watson said he would like to see more money come in before the money is spent. He is also concerned about the Community Development Committee not proceeding with projects because the funds are not available. Mayor Johnson said it is tough and the Justice Center has created a budget gap, as well as the 800 MHz debt service, however, it is what the City needed to do at the time and to move into the future. He said the City is lean and mean compared to other cities, however, we have incentive plans and Eastown sewer that the City plans to do that we need staff to do them. Councilmember Watson asked why the budget calls for a 2% cost of living adjustment for employees when there is a reduction in services. Mayor Johnson said there are things that restrict what can be done with the union and the police guild. City Administrator Morrison said he doesn't agree with Councilmember Watson's argument and the City hasn't brought on any new positions in 6 years; except for a grant funded position and the intent of creating a position of a probation officer. Councilmember Lewis said staff has worked remarkably well with less and they are finding ways to work to make the City better for the residents and the businesses.

Mayor Johnson asked the Council to get their questions sent in and Administration will have the department heads provide answers. Councilmember Hamilton said he wants department heads to do more with less and reduce their budgets. Mayor Johnson commended staff for how efficient they are and said they are always coming up with good ideas to benefit the City and residents.

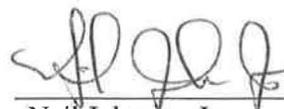
IV. ADJOURNMENT:

**At 7:06 p.m., Councilmember Rackley moved to adjourn the Council Workshop.
Councilmember Watson seconded the motion.**

Motion to adjourn approved 7-0.



Harwood Edvalson, MMC
City Clerk



Neil Johnson, Jr.
Mayor

Items presented to Council for the November 20th Workshop:

- Chief Financial Officer Juarez – *Schedule A Total Revenue & Expenditures General Fund 2012-2017 Analysis and Schedule B General Fund Expenditures 2012-2017 Analysis*