

**CITY COUNCIL
WORKSHOP**

**March 1, 2016
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.

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

- I. Call to Order** – Deputy Mayor Randy McKibbin called the meeting to order at 5:30 p.m.
- II. Roll Call:** Administrative Services Director/City Clerk Harwood Edvalson called the roll. In addition to Deputy Mayor Randy McKibbin, elected officials attending were, Councilmember Dan Swatman, Councilmember Justin Evans, Councilmember Donn Lewis, and Councilmember Tom Watson. Councilmember Katrina Minton-Davis and Councilmember James Rackley were absent. Mayor Neil Johnson, Jr. arrived at 5:35 p.m.

Councilmember Watson moved to excuse Councilmember Minton-Davis and Councilmember Rackley. Councilmember Lewis seconded the motion.

Motion approved 5 - 0.

Staff members in attendance were City Administrator Don Morrison, Public Works Director Dan Grigsby, City Engineer John Woodcock, Community Development Director John Vodopich, Senior Planner Jason Sullivan, Chief Financial Officer Cherie Gibson, Chief of Police Dana Powers, City Attorney Kathleen Haggard, City Attorney Jeff Ganson, Administrative Services Director/City Clerk Harwood Edvalson, and Administrative Specialist II Renee Cameron.

III. Agenda Items:

- A. Presentation:** Utility Bond – Public Works Center – Jim Nelson, D.A. Davidson.

Jim Nelson of D.A. Davidson presented a PowerPoint presentation/information regarding the proposed utility bond to finance the proposed new Public Works Center. He advised that the City of Bonney Lake has a revenue bond financing need to fund approximately \$12,000,000 in capital improvements for the City's water & sewer system; that the City is timing the revenue bond sale near a low in the interest rate market; that long-term interest rates have dropped 0.30% since the Federal Reserve raised short-term interest rates on December 16, 2015; that this revenue bond financing will require another presentation to Standard & Poor's, that the current rating grade for the City's water & sewer system is "AA+"; and that the bond financing process will take approximately 2 to 3 months to complete, involving drafting documents, adoption of the bond ordinance, and marketing the bonds to prospective investors. He said one way to increase the City's rating is to update its financial management policies.

Councilmember Watson asked how much the interest rate would drop with "AAA" rating. Mr. Davidson said that can depend on a variety of issues and strategies, and is a difficult question to answer. He advised that if Council authorized proceeding with two series of bonds which could lower the interest rate, there would be additional financing costs and the risk of interest rates moving during that period. He advised that this bond could/would include public and private loans/leases the City has that are bank qualified. Councilmember Swatman said it appears to be a good time to adjust interest rates, and Mr. Davidson agreed.

Councilmember Watson asked whether the bonding can include furnishings, copiers, partitions, equipment, etc., and Mr. Davidson advised that capital improvement purposes can include furnishings. City Administrator Morrison advised what the next steps would be to move forward, including getting building design, which would need to be completed within the three year period. Mr. Davidson advised that it would take 8-10 weeks to set the final interest rate, and calculate the parity debt service coverage ratio which looks at the last five years of the net operating revenue to make sure the City can cover the bond; otherwise a utility rate increase may be required. City Administrator Morrison said from what he has seen, a utility rate increase would not be necessary. Mr. Davidson said and there are options for a 25 year financing alternative which would lower the annual debt service payment.

This item was for presentation/ informational purposes only, and no action was taken.

B. Council Open Discussion

Lions Club Death by Chocolate. Councilmember Watson reminded everyone of the Lions Club, Death by Chocolate dinner/fundraising event on Saturday, March 12th at Bonney Lake High School. He said doors will open at 5:00 p.m., with dinner served at 6:00 p.m. which will be prepared by the Panthers Culinary Arts Nationals Team. He hopes to have Council in attendance. He summarized all of the events which the Lions Club supports and sponsors.

Bonney Lake Wrestling Team. Councilmember Lewis shared that the Bonney Lake Wrestling Team came in 3rd in the State last week, which is the highest ranking they have achieved to date. He said Adriana Dare finished 6th, making her the second girl in Bonney Lake to finish in the top 8. He said Avery Meyer and Brandon Kaylor both won state champion titles for their weight divisions.

Culinary Arts National Competition. Councilmember Lewis congratulated the Bonney Lake High School Culinary Arts team for their ProStart Invitation State championship, and earning the right to travel and cook at the national competition in April in Grapevine, Texas. He said the team also won the spirit award with a \$250 prize to use however the team chooses for the culinary program.

PCRC General Assembly Meeting/Alternates. Councilmember Lewis said he, Deputy Mayor McKibbin, and Councilmember Swatman attended the Pierce County Regional Council General Assembly meeting in DuPont on February 25th. He said during the meeting they found out that the City's Zoo/Trek Authority Board Nominee (Councilmember Justin Evans) has to be either the City's Pierce County Regional Council (PCRC) primary or alternate representative. He said he spoke with Deputy Mayor McKibbin who is willing to have Councilmember Evans serve as the City's PCRC alternate, and Councilmember Evans has agreed to serve as the PCRC alternate. Councilmember Lewis would like Council to modify the agenda, so Council can act on the motion to replace Deputy Mayor McKibbin with Councilmember Evans as the City's PCRC Alternate, so his name is not removed from the Zoo/Trek Authority Board Position No. 2 Voting Ballot, keeping Councilmember Evans eligible to serve.

Agenda Modification. Councilmember Lewis asked for a motion to suspend the rules to add an action item to the agenda, Item III.F.

Councilmember Lewis moved to suspend the Council rules to add an item to the agenda Item F, to replace Deputy Mayor McKibbin as the PCRC Alternate, with Councilmember Evans. Councilmember Watson seconded adding an Item F for discussion and action.

Motion approved 5 – 0.

2nd Annual A March to Give - Strong Against Cancer Toy Drive. Councilmember Evans provided a flyer and shared his families' involvement for the 2nd Annual A March to Give – Strong Against Cancer Foundation Toy Drive during the months of March and April to support the Seattle Children's Hospital Strong Again Cancer Campaign. He asked for support to reach this year's toy drive goal.

Sumner School District Superintendent. Mayor Johnson advised that Dr. Sara Johnson is retiring in June/July from the Sumner School District.

Sumner School District Parks and Recreation Program Ad-Hoc Committee. Mayor Johnson advised he has another meeting scheduled on March 3rd with the Sumner School District Parks and Recreation Program representatives to further discuss recreational opportunities at the WSU forest. He advised that he will report back to the Ad-Hoc Committee.

Passport Hours. Mayor Johnson said he is working on expanding the hours for processing passports to provide service during standard business hours. City Administrator Morrison said they are also considering changing to an appointment based process. He advised that last year the City processed 1,475 passports.

These items were for discussion purposes only, no action was taken.

- C. Review of Council Minutes:** February 16, 2016 Workshop, February 16, 2016 Special Council Meeting, and February 23, 2016 Meeting.

Councilmembers Lewis and Watson had minor corrections to the minutes, and the minutes were forwarded to the March 8, 2016 Meeting for action.

- D. Presentation:** AB16-15 – Land Use Matrix Amendment to Add NAICS to Code.

Senior Planner Jason Sullivan summarized the agenda bill and the memorandum contained in the agenda packet, and provided a presentation regarding the NAICS and Land Use Matrix Amendment. He advised that *Bonney Lake 2035* and the Planning Commission's 2016 – 2018 work plan directs staff to amend the City's land use matrix to include the NAICS code(s) for listed uses. The NAICS uses a production-oriented conceptual framework to group establishments into industries based on the primary activity of the business: in other words, establishments that do similar things in similar ways are classified together. He said given the size of the land use matrix and the NAICS, the City Council will have a number of

discussions focusing on different sections of the land use matrix. The focus of this presentation was regarding four sections of the land use matrix: (1) Educational Uses; (2) Cultural, Religious, Recreational, and Entertainment Uses; (3) Industrial Use; and (4) Essential Public Facilities. Council consensus was to delete Warehousing and Trailer-Mix Concrete Plant from the Industrial Use matrix.

Mr. Sullivan said the goal will be to review the general term currently in the land use matrix and identify the NAICS code or codes that should be associated with the current permitted uses. As part of this process, the City is not looking to add new uses to the land use matrix. He advised that the remaining sections to be reviewed and revised will be Resource Management Uses; Transportation, Communication, Utilities; and Commercial Uses. Mr. Sullivan advised there will be two additional presentations to come to future Council Workshops.

E. Discussion: AB16-22 – Ordinance D16-22 – Creation of a Transportation Benefit District.

City Administrator Morrison summarized the agenda bill and proposed ordinance regarding the creation of a Transportation Benefit District (TBD) for the City. He advised there was a minor revision to the proposed ordinance from the one contained in the agenda packet. He said this item was previously discussed by Council at the Council Retreat on January 23, 2016.

Councilmember Swatman asked about the formation of the board, and City Administrator Morrison said the formation would take place with the City Council taking action regarding the TBD. City Attorney Haggard provided clarification that the 2015 legislation amended the statute to allow a city or a county that forms a TBD to absorb the TBD. She advised that creation of a TBD needs to first be approved and adopted, and then the City can absorb the TBD back into the City. She said once a city or county has established their mission for creation of a TBD, they can consider dissolution once it is no longer needed. She addressed dissolution of the board, funds held by the TBD, and the County's lack of authority regarding a TBD.

Councilmember Swatman asked about language addressing sales tax as an option. City Administrator Morrison said he didn't believe the sales tax language needed to be included, and City Attorney Haggard advised that the language she provided accounts for the financial ability to allow the City to adopt any financing mechanism the City is allowed by statute. Councilmember Swatman asked about limiting financing options, and City Attorney Haggard responded that limiting the options is allowed, if Council deemed it necessary.

Council directed the City Clerk's Office to set a Public Hearing for this item.

F. Discussion/Action: Replace the City's Pierce County Regional Council Alternate Representative.

This item was added for action during Council Open Discussion. Pierce County Regional Council (PCRC) requires that for a councilmember to serve on the Zoo/Trek Authority Board, that councilmember must serve as either the City's primary or alternate representative for the Pierce County Regional Council. A Motion was approved on February 9, 2016, nominating Councilmember Evans for the Zoo/Trek Authority Board representative for Position 2. Approval of replacing Deputy Mayor McKibbin with Councilmember Evans as the City's alternate representative for the Pierce Council Regional Council allows for Councilmember Evans' nomination to the Zoo/Trek Authority to be considered.

Councilmember Watson moved to have Councilmember Evans replace Deputy Mayor McKibbin as the City's Pierce County Regional Council Alternate Representative. Councilmember Lewis seconded the motion.

Motion approved 5 – 0.

IV. EXECUTIVE SESSION: Pursuant to RCW 42.30.110(1)(i), the Council adjourned to an Executive/ Closed Session with the City Attorney and selected staff at 6:28 p.m. for 30 minutes to discuss potential litigation. Mayor Johnson returned to chambers at 6:58 p.m. advising that pursuant to RCW 42.30.110 (1)(b), the Council would adjourn to an additional Executive/Closed Session with the City Attorney for an additional 10 minutes to discuss potential property acquisition. The Council returned to chambers at 7:10 p.m. No action was taken.

V. ADJOURNMENT:

Councilmember Watson moved to adjourn the Workshop at 7:10 p.m. Councilmember Evans seconded the motion.

Motion to adjourn approved 5 - 0.


Harwood Edvalson, MMC
City Clerk


Neil Johnson, Jr.
Mayor

Items presented to Council for the March 1, 2016 Workshop:

- Jim Nelson, D.A. Davidson – *PowerPoint Presentation re: Utility Bond – Public Works Center, as of February 26, 2016.*
- Councilmember Justin Evans – *2nd Annual A March to Give – Strong Again Cancer.*

Note: Unless otherwise indicated, all documents submitted at City Council meetings and workshops are on file with the City Clerk. For detailed information on agenda items, please view the corresponding Agenda Packets, which are posted on the city website and on file with the City Clerk.