

CITY COUNCIL MEETING

August 9, 2016
6:00 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 – Mayor Neil Johnson, Jr. called the Meeting to order at 6:01 p.m.

- A. Flag Salute: Mayor Johnson led the audience in the Pledge of Allegiance.
- B. Roll Call: Administrative Services Director/City Clerk Harwood Edvalson called the roll. In addition to Mayor Johnson, elected officials attending were Deputy Mayor Randy McKibbin, Councilmember Justin Evans, Councilmember Donn Lewis, Councilmember Katrina Minton-Davis, Councilmember James Rackley, Councilmember Dan Swatman, and Councilmember Tom Watson.

Staff members in attendance were City Administrator Don Morrison, Administrative Services Director/City Clerk Harwood Edvalson, Chief Financial Officer Cherie Gibson, Police Chief Dana Powers, Public Services Director John Vodopich, City Attorney Kathleen Haggard, and Deputy City Clerk Susan Haigh.

- C. Agenda Modifications: None.
- D. Announcements, Appointments and Presentations:

1. Announcements:

- a. **Proclamation:** Chief for a Day – Chief Logan.

Mayor Johnson read the proclamation aloud and introduced Chief Logan. Police Chief Powers spoke about Logan and his family. She said Logan will serve as 'Chief for the Day' on August 18, 2016 and represent the Police Department at Bonney Lake Days and other events.

2. Appointments:

- a. **AB16-94** – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Ratifying The Mayor's Appointment Of Claire DeFrancesco To The Arts Commission Position No. 8 (Student) For A One-Year Term Expiring April 6, 2017.

Councilmember Lewis moved to approve the Mayor's Appointment to the Arts Commission. Councilmember Watson seconded the motion.

Mayor Johnson said the Arts Commission has been doing a lot of good work, and he is pleased to see another commissioner come on board.

Motion approved 7 – 0.

3. Presentations:

- a. **Presentation:** Public Works Center Bonding – Jim Nelson, D. A. Davidson & Co.

Mr. Nelson provided a presentation about the City’s bonding outlook. He said the City is currently rated AA+ (the second-highest rating), although Standard & Poor’s rating services gave the city a “negative outlook” which may reduce the city’s bond rating in the next two-year period. He said the City is timing the Public Works Center (PWC) revenue bond at a time of near-historic low interest rates. He provided recommended actions including updating the city’s financial management policy, scheduling a utility rate study, and considering a utility rate increase. He reviewed the next steps for a bond ordinance, with Council approval proposed on September 13, 2016, providing bond funds at the end of September 2016.

Councilmember Rackley asked if a new utility bond will affect the city’s general fund bonding capability. Mr. Nelson said the city’s general obligation bonds are rated AA+ and stable, and the proposed utility bonding would not impact the city’s general bond rates. Mr. Nelson explained that the bond rating is locked in based on the review done at the time of bonding. Mayor Johnson thanked Mr. Nelson for his time.

II. PUBLIC HEARINGS, CITIZEN COMMENTS & CORRESPONDENCE:

- A. Public Hearings: None.

- B. Citizen Comments:

Dave Lorence, 9103 204th Ave E, Bonney Lake, spoke about his concerns about the proposed Fennel Creek Lift Station Assessment Reimbursement Area (ARA). He described the overall process, communications with homeowners, and major changes to the estimated ESUs, benefiting parcels, and costs since it was first brought forward. He questioned the reduction in the lift station’s estimated capacity and said homeowners in Kelly Glade hope to work with the city and want clarification of the process and timeline. He said the combined cost of the ARA, permits, and utility fees is about \$20,000 per residential property.

- C. Correspondence: City Clerk Edvalson noted the Council received correspondence from William T. Lynn of Gordon Thomas Honeywell, regarding proposed Ordinance D16-96 and proposed Resolution 2532 (Fennel Creek Lift Station).

III. COUNCIL COMMITTEE REPORTS:

- A. Finance Committee: Councilmember McKibbin said the Committee met at 5:00 p.m. earlier in the evening and discussed personnel updates and a proposed cable utility tax ordinance.
- B. Community Development Committee: Councilmember Lewis said the Committee did not meet on August 2, 2016 due to National Night Out; the Committee's next meeting is scheduled on August 16, 2016.
- C. Economic Development Committee: Councilmember Minton-Davis said the Committee met earlier in the afternoon and discussed the regional economic development commission. The Chamber of Commerce is hosting a meeting on August 18, 2016 at Al Lago Restaurant, where Bonney Lake Permit Center Lead Jenn Francis will present.
- D. Public Safety Committee: Councilmember Watson said the Committee has not met since the last Council Meeting.
- E. Other Reports:
Pierce County Regional Council: Councilmember Lewis said the Puget Sound Regional Council (PCRC) meeting was cancelled this month.

IV. CONSENT AGENDA:

- A. **Approval of Accounts Payable and Utility Refund Checks/Vouchers**: Accounts Payable checks/vouchers #74295-74354 (including wire transfer #20160705) in the amount of \$664,533.35.
Accounts Payable checks/vouchers #74356-74407 (including wire transfer number 18554649) in the amount of \$338,830.33.
VOIDS: Check #74086 – replaced with check #74355.
- B. **Approval of Payroll**: July 16-31, 2016 for checks #33083-33104 including Direct Deposits and Electronic Transfers is \$ 630,208.26.
- C. **AB16-93 – Ordinance D16-93 – An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Amending Chapter 8.44 Of The Bonney Lake Municipal Code And Ordinance Nos. 851 And 705 Relating To Emergency Management.**

**Councilmember Lewis moved to approve the Consent Agenda.
Councilmember Watson seconded the motion.**

Consent Agenda approved 7 – 0.

V. **FINANCE COMMITTEE ISSUES:** None.

VI. **COMMUNITY DEVELOPMENT COMMITTEE ISSUES:** None.

VII. **ECONOMIC DEVELOPMENT COMMITTEE ISSUES:** None.

VIII. **PUBLIC SAFETY COMMITTEE ISSUES:** None.

IX. **FULL COUNCIL ISSUES:**

Mayor Johnson clarified Council procedure with the City Attorney, and Council consensus was for staff to present information prior to opening the floor to take action on the remaining agenda items.

A. **AB16-96 – Ordinance D16-96 – An Ordinance Of The City Of Bonney Lake, Pierce County, Washington, Amending Chapter 13.16 Of The Bonney Lake Municipal Code And The Corresponding Portions Of Ordinance No. 1528 Related To Latecomer Agreements And Assessment Reimbursement Areas.**

City Attorney Haggard explained proposed Ordinance D16-96, which started as a desire to revise the requirement that Assessment Reimbursement Areas must be recorded within 30 days of Council action, which can be difficult as it requires staff to determine estimated costs, rather than use the final actual costs, in a specific time range. She said the city's existing code is a mix of language based on past revisions to the Revised Code of Washington by the State legislature.

She said the proposed ordinance removes the 30-day recording requirement, and consolidates and removes redundancies to clean up the code. It also provides staff with authority to approve small latecomer agreements administratively, with Council approval still required for more complex agreements and larger benefiting areas. The proposed ordinance also removes the City's discretion to deny a latecomer agreement, which is based on revisions to State laws. Finally, the proposed ordinance addresses the City's self-imposed process for how assessments are calculated. She said it defers to State standards, and allows staff to make calculations for engineering and finance administratively, rather than including this level of detail in the municipal code.

City Attorney Haggard recommended the Council take action on the proposed ordinance prior to taking action on the Fennel Creek Lift Station ARA resolution. Councilmembers discussed the requirement to read the ordinance at two meetings and that action could be taken at the next Workshop.

Councilmember Evans asked for clarification on language that has been stricken out in the proposed ordinance; City Attorney Haggard explained that repeated or redundant language was combined and clarified.

Councilmember Swatman moved to table proposed Ordinance D16-96 to the August 9, 2016 Council Workshop for action. Councilmember Watson seconded the motion.

Motion to table proposed Ordinance D16-96 approved 7 – 0.

- B. **AB16-70 – Resolution 2532** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing Formation Of An Assessment Reimbursement Area For Construction Of The Fennel Creek Sewer Lift Station. (Pursuant to Public Hearing May 24, 2016; Tabled for Discussion from June 14, 2016 Council Meeting.)

City Attorney Haggard explained revisions to the proposed Resolution 2532 for the Assessment Reimbursement Area (ARA) since it was brought forward for review and a public hearing. She said over the past weeks she has worked with Public Services Director Vodopich and staff to review the proposed resolution and feedback received at the Public Hearing.

She said the calculations used for the original resolution were complex, especially as the future development of some parcels is unknown. In order to provide a more straightforward calculation, the revised ARA takes the total cost for the lift station and divides it by the capacity in equivalent service units (ESUs), to arrive at a cost per ESU. This per-ESU fee would be applied to properties in the benefiting area based on the actual number of ESUs being used (rather than on current or potential future use). Director Vodopich said as they went through the process they had many conversations about how many ESUs should be applied to each parcel; for single-family lots this is straightforward, but for properties like Swiss Park, the City's parcel on 192nd, and the proposed Skystone development, the actual level of future development is uncertain. He said they opted for simple arithmetic and charging a fee based on the actual per-ESU cost for the lift station. He said owners will pay a per-unit fee based on how they develop their property.

City Attorney Haggard explained why the number of ESUs in the revised ARA resolution is lower than on the earlier draft. She said the Assistant City Engineer calculated the realistic usage capacity for the lift station as it is designed to be 495 ESUs, which is lower than the *maximum* capacity of 670 ESUs. She said the lift station being constructed now will have a 495 ESU capacity, and could be up-sized to maximum capacity in the future by upgrading the pumps. City Attorney Haggard said the Council has some discretion on determining the acceptable fee per ESU based on the information available.

City Administrator Morrison said he feels the proposed revised ARA resolution is a more reasonable and equitable approach, as it does not attempt to determine what will happen on each property in the future.

Councilmembers asked follow-up questions about ARA fees and future costs. Director Vodopich said a future City Council could impose an additional latecomer fee to cover the cost of the upgraded pumps if they are needed in the future, but that would be up to the Council at that time. Councilmember Watson asked what will trigger the ARA fee to be applied to a property. Director Vodopich said if the ARA is approved, the fee would be assessed only if sewer is available within 200' of a property and that property is either sold, or developed, or the owner opts to connect to the sewer.

Councilmember Minton-Davis asked if another public hearing is needed due to the major changes to the resolution. City Attorney Haggard said a public hearing is required if requested by a property owner. She said the Skystone developers implied in their letter that the City will not meet with them, but that is not the case. She said staff deferred a meeting while they worked on this amendment, and Council review was delayed by the cancellation of the August 2, 2016 Workshop.

Mayor Johnson said the city also needs to meet with residents of the Kelly Glade neighborhood, and should have more discussion and time to inform the public. Councilmember Swatman said he wants confirmation on issues about multi-family rates and other items.

Councilmember Lewis asked if the Council has any way to exempt properties from the requirement to hook up if they have a functioning septic system. City Attorney Haggard said this would require an amendment to the City's code. She said a resident on a working septic system would not be required to connect to sewer unless they sold the home. She noted that the Growth Management Act states that urban services will be required in urban areas, and any exemption for septic systems would need to be uniform across the entire city.

Mayor Johnson suggested the Council table this item to the first workshop in September, and in the meantime the City can reach out to the interested parties. City Attorney Haggard said a second public hearing may not be needed if all the groups have a chance to work with the city.

Councilmember Swatman moved to table Resolution 2532 to the September 6, 2016 Workshop for discussion. Councilmember Lewis seconded the motion.

**Motion to table Resolution
2532 approved 7 – 0.**

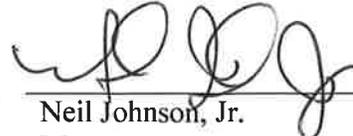
X. EXECUTIVE/CLOSED SESSION: None.

XI. ADJOURNMENT:

At 6:52 p.m. the Meeting was adjourned by common consent of the City Council.



Harwood Edvalson, MMC
City Clerk



Neil Johnson, Jr.
Mayor

Items presented to Council at the August 9, 2016 Meeting:

- William T. Lynn, Gordon Thomas Honeywell, for Skystone Apartments, LLC – Re: “AB16-96-Ordinance D16-96 and AB16-70 Resolution 2532 (Fennel Creek Lift Station)”
- Jim Nelson, D. A. Davidson & Co. – Presentation titled “Water & Sewer Revenue Bond Financing Discussion”.

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.