

Finance Committee -

*August 23, 2016
5:00 P.M.*

Agenda



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.

Location: Justice & Municipal Center; Conference Room 200; 9002 Main Street, Bonney Lake, WA 98391

Call to Order: Deputy Mayor Randall McKibbin

Anticipated Attendees: Deputy Mayor Randall McKibbin, Councilmember Dan Swatman and Councilmember Tom Watson.

Anticipated Staff: Don Morrison, City Administrator; Jenna Richardson, HR Manager; Cherie Gibson, CFO; and John Vodopich, Public Services Director.

Updates and/or Reports:

1. Personnel Updates and/or Issues;

Old Business:

1. Approval of Finance Committee minutes.

New Business:

1. AB16-95 Cable Utility Tax Ordinance; Cherie Gibson
2. Funding on SDC Study in the upcoming budget.
3. Draft Legislative Budget discussion.

Closed Session:

Not anticipated

Adjournment:

There being no further business, the meeting adjourned approximately _____ P.M.

Finance Committee

*August 09, 2016
5:00 P.M.*

Meeting 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.

Location: Justice & Municipal Center; Conference Room 200; 9002 Main Street, Bonney Lake, WA 98391

Call to Order: Deputy Mayor Randall McKibbin called the meeting to order at 5:00 P.M.

Roll Call – Committee Members Present: Deputy Mayor Randall McKibbin, Councilmember Dan Swatman and Councilmember Tom Watson.

Other appointed staff members in attendance: Don Morrison, City Administrator; Cherie Gibson, CFO; Woody Edvalson, Administrative Services Director/City Clerk; John Vodopich, Public Services Director; and Dana Powers, Police Chief.

Updates and/or Reports:

1. Personnel Updates and/or Issues; Woody Edvalson, Administrative Services Director/City Clerk informed HR Manager Jenna Richardson is continuing to recruit for the Judicial 1 and Maintenance 2 positions. City Administrator Don Morrison explained the Maintenance 2 position has been narrowed down to 2 candidates. Morrison went on to state one of the candidates was unanimously recommended by the panel. This applicant has more certifications and experience so could potentially eliminate contractors such as Hermisons, and could assume Gary Leaf's responsibilities when he retires next year. However, if this possible choice were to be hired, it would be above the current pay scale and may need Committee approval. The second candidate has less experience, fits in the union contract, and also has a lower pay scale.
2. Chief Financial Officer Cherie Gibson asked for clarification from the Committee on how they wanted to proceed with assembling the eligibility list / hiring process for potential Police Officers so she could apply the information to the 2017 budget. It was decided the hiring should follow the police study and Gibson will leave the monies for salaries in the 2017 budget.

Old Business:

1. Minutes. By consensus, the Committee approved the minutes from the July 26, 2016 Finance Committee meeting.

New Business:

1. CFO Gibson presented the Cable Utility Tax agenda bill. After much discussion it was decided AB16-95 will be brought to the next Workshop to be further discussed.

Open Discussion:

1. Councilmember Tom Watson questioned if there would be an utility rate study going forward on the new budget. CFO Gibson thought it would be required with the new bond issuance.
2. Councilmember Watson also inquired as to whether or not the security cameras were added to the parks. City Administrator Don Morrison replied that it has not been done yet but is on the "to do" list.
3. Councilmember Watson wondered if the City of Bonney Lake might be able to get another unit to monitor speed like the one presently located on Locust Avenue. Watson questioned if there was some sort of grant available for such a thing. Chief of Police Dana Powers explained the city

owns 2 of the units, though one is broke down. She went on to explain it is more of a personnel issue, there is not enough availability to deploy it. She stated she has not seen any grants come through but suggested Councilmember Watson inquire with the company he has been working with regarding the possible purchase of a future unit.

Closed Session:

Adjournment:

There being no further business, the meeting adjourned 5:31 P.M.

City of Bonney Lake
City Council Agenda Bill (AB)

Department / Staff Member: Finance/Gibson	Meeting/Workshop Date: August 9, 2016	Agenda Bill Number: AB16-95
Agenda Item Type: Ordinance	Ordinance/Resolution Number: D16-95	Councilmember Sponsor: McKibbin

Agenda Subject: Amending Cable Utility Tax Rate

Full Title/Motion:
 An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Amending Section 5.04.030 of the BLMC and the Corresponding Portions of Ordinance 1398 Relating to Utility Tax

Administrative Recommendation: Approve

Background Summary:
 The City approved a Cable Franchise Fee in 2011. At that time, the Council intended to be part of the Rainier Cable Commission and have the revenue remain neutral. As such, that Council reduced the Utility Tax rate to 1.5%. All other external utility taxes are at 6% currently. This Ordinance would bring the cable utility tax current with the other external utilities. It is anticipated that this will create approximately \$275,000 in revenue for the General Fund.

Attachments:

BUDGET INFORMATION				
Budget Amount	Current Balance	Required Expenditure	Budget Balance	Fund Source
				<input checked="" type="checkbox"/> General
				<input type="checkbox"/> Utilities
				<input type="checkbox"/> Other

Budget Explanation:

COMMITTEE, BOARD & COMMISSION REVIEW				
Council Committee: Finance Committee	<i>Approvals:</i>		Yes	No
	Chair/Councilmember R. McKibbin		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Committee Date: August 9, 2016	Councilmember T. Watson		<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Councilmember D. Swatman		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Forwarded to: Workshop /16	Consent Agenda: <input type="checkbox"/> Yes <input type="checkbox"/> No			
Commission/Board Review:				
Hearing Examiner Review:				

COUNCIL ACTION	
Workshop Date(s):	Public Hearing Date(s):
Meeting Date(s): August 23, 2016	Tabled to:

APPROVALS		
Director:	Mayor:	Date Reviewed by City Attorney: (if applicable)

ORDINANCE D16-95

AN ORDINANCE OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, AMENDING SECTION 5.04.030 OF THE BONNEY LAKE MUNICIPAL CODE, AND THE CORRESPONDING PORTIONS OF ORDINANCE NO. 1398 RELATING TO UTILITY TAX.

WHEREAS, the Bonney Lake Municipal Code currently imposes taxes on cable television service at a rate of one and one half percent of total gross subscriber revenue; and

WHEREAS, the Code imposes a six percent rate on other utilities such as garbage collection, gas, telephone service, and electricity; and

WHEREAS, the City has determined the cable tax should be imposed at the same rate as these other private utilities.

NOW, THEREFORE, the City Council of the City of Bonney Lake do hereby ordain as follows:

Section 1. Section 5.04.030 and Ordinance No. 1398 is hereby amended to read as follows:

- A. There is levied upon, and there shall be collected from, every person, firm or corporation engaged in furnishing, for a monetary consideration, the city and the inhabitants thereof with electricity and electrical energy for lighting, heating, power, and other public purposes, within or partly within the corporate limits of the city, an annual tax for the privilege of so doing, such tax to be equal to six percent of the total gross subscriber revenues from business and residential electrical power service in the city.
- B. There is levied upon, and there shall be collected from, every person, firm or corporation engaged in carrying on a telephone business for hire, including cellular telephone service, within or partly within the corporate limits of the city an annual tax for the privilege of so doing, such tax to be equal to six percent of the total gross operation revenues within the city. Gross operating revenues for this purpose shall not include charges which are passed on to the subscribers by a telephone company pursuant to tariffs required by regulatory order to compensate for the cost to the company of the tax imposed by this chapter.

“Telephone business” means the business of providing access to local telephone network, local telephone switching service, toll service, or coin telephone services, or providing telephonic, video, data or similar communication or transmission for hire, via a local telephone network, toll line or changes, or similar communication or transmission system. It includes cooperative or farmer line telephone companies or associations operating an exchange. “Telephone business” does not include the providing of competitive service.

“Cellular telephone service” means a two-way voice and data telephone/telecommunications system based in whole or substantially in part on wireless radio communications, which are not subject to regulation by the Washington State Utilities and Transportation Commission (WUTC). This includes cellular mobile service. The definition of cellular mobile service includes other wireless radio communications services such as specialized mobile radio (SMR), personal communications services (PCS), and any other evolving wireless radio communications technology which accomplishes a purpose similar to cellular mobile service. Cellular telephone service is included within the definition of “telephone business” for the purposes of this chapter.

“Competitive telephone service” means the providing by any person of telecommunications equipment or apparatus, or service related to that equipment or apparatus such as repair or maintenance service, if the equipment or apparatus is of a type which can be provided by persons that are not subject to regulations as telephone companies under RCW Title 80 and for which a separate charge is made.

- C. There is levied upon, and there shall be collected from, every person, firm or corporation engaged in furnishing, for a monetary consideration, natural gas or manufactured gas for lighting, heating, power, and other public purposes, within or partly within the corporate limits of the city, an annual tax for the privilege of so doing, such tax to be equal to six percent of the total gross subscriber revenue from business and residential gas service, both natural and manufactured, in the city.
- D. There is levied upon, and there shall be collected from, every person, firm or corporation engaged in carrying on the business of selling or furnishing water for domestic or industrial consumption, or sewer service, within or partly within the corporate limits of the city, a tax equal to eight percent of the total gross income from such business in the city. Effective January 1, 2015, the tax rate shall be equal to 10 percent of the total gross income from such business in the city. Effective January 1, 2016, the tax rate shall be equal to 12 percent of the total gross income from such business in the city.
- E. There is levied upon, and there shall be collected from, every person, firm or corporation engaged in carrying on the business of selling or furnishing garbage service, including recyclables and yard waste, within or partly within the corporate limits of the city, a tax equal to six percent of the total gross income from such business in the city.
- F. There is levied upon, and there shall be collected from, every person, firm or corporation engaged in carrying on the business of selling or furnishing cable television service, for domestic or commercial consumption, within or partly within the corporate limits of the city, a tax equal to ~~one and one-half~~ six percent of the total gross subscriber revenue from such service.
- G. There is levied upon and there shall be collected from every person, firm or corporation engaged in carrying on the business of selling or furnishing stormwater service, within or partly within the corporate limits of the city, a fee or tax equal to eight percent of the total gross revenues from such business in the city. Effective January 1, 2015, the tax rate shall be equal to 10 percent of the total gross income from such business in the city. Effective

January 1, 2016, the tax rate shall be equal to 12 percent of the total gross income from such business in the city.

Section 2. This Ordinance shall take effect and be in force 5 days after passage and publication, as required by law.

PASSED by the City Council and approved by the Mayor this ____ day of _____, 2016.

Neil Johnson, Jr., Mayor

AUTHENTICATED:

Harwood T. Edvalson, MMC, City Clerk

APPROVED AS TO FORM:

Kathleen Haggard, City Attorney