

CITY COUNCIL WORKSHOP

June 4, 2013
5:30 p.m.

AGENDA



"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

*The City Council may act on items listed on this agenda, or by consensus give direction for future action.
The Council may also add and take action on other items not listed on this agenda.*

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

I. Call to Order: Mayor Neil Johnson

II. Roll Call:

Elected Officials: Mayor Neil Johnson, Jr., Deputy Mayor Dan Swatman, Councilmember Mark Hamilton, Councilmember Donn Lewis, Councilmember Randy McKibbin, Councilmember Katrina Minton-Davis, Councilmember James Rackley, and Councilmember Tom Watson.

III. Agenda Items:

A. **Council Open Discussion.**

Pg. 3 B. **Review of Council Minutes:** May 21, 2013 Workshop, and May 28, 2013 Meeting.

Pg. 13 C. **Discussion:** AB13-69 – Motion Ratifying Administrative Policy No. 200.030 – Accounts Receivable.

Pg. 25 D. **Discussion:** AB13-76 – Reed Property Residence

Pg. 35 E. **Discussion:** AB13-77 – Proposed Cancellations of June 25, 2013 Council meeting and August 6, 2013 Council Workshop

IV. Executive Session: Pursuant to RCW 42.30.110(b), the City Council may hold an executive session. The topic(s) and the session duration will be announced prior to the executive session.

V. Adjournment

For citizens with disabilities requesting translators or adaptive equipment for listening or other communication purposes, the City requests notification as soon as possible of the type of service or equipment needed.

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CITY COUNCIL WORKSHOP

**May 21, 2013
5:30 P.M.**

DRAFT MINUTES



“Where Dreams Can Soar”

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Website: www.ci.bonney-lake.wa.us

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

I. CALL TO ORDER –Mayor Neil Johnson, Jr. called the workshop to order at 5:33 p.m.

ROLL CALL:

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

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

Motion approved 6-0.

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

II. AGENDA ITEMS:

A. Council Open Discussion

Association of the United States Army. Councilmember Watson reminded the Council that the City is involved with the Association of the United States Army and on May 22nd, from 5-6 p.m. they will be celebrating their kick-off for the Bonney Lake Chapter at the Harborstone Credit Union. Councilmember Watson encouraged other Councilmembers to attend.

SwimSafe. Councilmember Watson thanked everyone involved in the SwimSafe information contained in this week’s Bonney Lake Courier Herald. Mayor Johnson advised the emergency phone at Allan Yorke Park should be up and running in the next two weeks.

Code Enforcement. Councilmember Watson read a letter from a resident regarding code enforcement issues they have had with a neighbor. Mayor Johnson said he will have Code Enforcement staff follow up with the issues presented.

2013 Budget. Councilmember Rackley said staff did a good job on the budget.

Proud Dad. Councilmember Lewis said he wanted to make a personal announcement that his son would be appearing on Jeopardy this Thursday night, and he is hoping for a more than one night appearance but will have to wait and watch to see how well he does.

WSU/Mid-Town Park. Councilmember Hamilton said he spoke with George Brown and they discussed his use of the WSU Forest and the Mid-Town Park. He said he would like to see more information provided on the City's website regarding Mid-Town Park and the trail assets within the WSU forest. He would like to see the park promoted as a safe park and let citizens know it is patrolled by police. Chief Powers announced that this summer they will have the bike patrol and an ATV unit within the park providing patrol. Councilmember Watson said Beautify Bonney Lake is currently focusing more on Mid-Town Park.

B. Review of Council Minutes – May 7, 2013 Workshop, May 11, 2013 Special Meeting, and May 14, 2013 Council Meeting.

The minutes were forwarded to the May 28, 2013 Meeting for action, with revisions.

C. Discussion: (Continued from 5/7/2013 Workshop) AB13-65 – Ordinance D13-65 – Amend Portions of Chapter 8.04 of the BLMC Relating to Garbage and Solid Waste Service and Fees.

Facilities & Special Projects Manager Leaf said the proposed draft ordinance memorialized the changes Council discussed at the May 14th Council Workshop to have the City code compatible with the previously proposed Mandatory Refuse Service Fee. He said this proposed ordinance would also clean up a number of minor outstanding issues in the city code. Councilmember Rackley asked about where the 1.5% fee came from and Manager Leaf responded that is DM Disposal's fee.

Ordinance D13-65 was forwarded to the May 28, 2013 Meeting for approval.

D. Discussion: AB13-68 – Resolution 2304 – Awarding a Professional Services Agreement with Parametrix for Eastown Sanitary Sewer Profile Survey Base Map for the Future Frontage Road.

Public Works Director Grigsby said this issue was discussed at the last Finance Committee meeting. He provided the Council with answers to questions the Finance Committee had in regards to the agreement. He said Council and staff discussed how they would determine what the elevations and locations of the dry sewer line in Eastown should be, which is a requirement in the agreement to develop the area and allow commercial temporary septic systems. The requirement is to install dry sewer lines when the developers install their temporary septic systems.

Deputy Mayor Swatman said this issue was previously to the Finance Committee and he wanted to make sure that the full Council had the opportunity to ask any questions they may have regarding the survey. Councilmember Hamilton asked if now is the correct time to do this project or if the City should wait until the economy picks up and then spend the money. Councilmember Rackley said that Council has previously approved allowing the property owners to connect to septic until sewer is available and to do that the City is required to provide an elevation so he believes it needs to be done now. Councilmember Watson agreed with Councilmember Rackley. City Administrator Morrison said he has been assured that once the City provides the elevations and location then it will be reliable and a developer will not have to wait to move forward with

installing a temporary septic system. Councilmember Lewis said it is important to do the survey because if a property owner or developer chooses to connect to septic and run a dry line, the City would be responsible to make corrections if correct locations are not provided. Councilmember Rackley asked how long it will take for the survey to be completed. Director Grigsby said he can get an estimate from Parametrix, however, he estimates it will be approximately three months.

Resolution 2304 was forwarded to the May 28, 2013 Meeting for action.

III. EXECUTIVE SESSION: Pursuant to RCW 42.30.140(4)(b), the Council entered a closed session with the Human Resources Manager Jenna Richardson at 5:54 p.m. to discuss labor negotiations, and pursuant to RCW 42.30.110(1)(i) the Council held an Executive Session with the Facilities & Special Projects Manager to discuss potential settlement for 20 minutes. The Council returned to chambers at 6:14 p.m. No action was taken.

IV. ADJOURNMENT:

At 6:14 p.m., Councilmember Rackley moved to adjourn the Council Workshop. Councilmember Lewis seconded the motion.

Motion to adjourn approved 6-0.

Harwood Edvalson, MMC
City Clerk

Neil Johnson, Jr.
Mayor

Items presented to Council for the May 21st City Council Workshop: None

- Public Works Director Dan Grigsby – *Memorandum dated March 28, 2013 Regarding AB13-68-Resolution 2304 – Awarding a Professional Services Agreement with Parametrix for Easttown Sanitary Sewer Profile Survey Base Map for the Future Frontage Road – City of Bonney Lake.*

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.

CITY COUNCIL MEETING

May 28, 2013
7:00 P.M.

DRAFT 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 & Municipal Center, 9002 Main Street East, Bonney Lake, Washington.

I. CALL TO ORDER – Mayor Neil Johnson, Jr. called the meeting to order at 7:00 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 Dan Swatman, Councilmember Mark Hamilton, Councilmember Donn Lewis, Councilmember Randy McKibbin, Councilmember Katrina Minton-Davis, Councilmember Jim Rackley, 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, Administrative Services Director/City Clerk Harwood Edvalson, City Attorney Kathleen Haggard, and Records & Information Specialist Susan Duis.

C. Announcements, Appointments and Presentations:

1. Announcements: None.

2. Appointments: None.

3. Presentations:

a. **Presentation:** Recognition of Robert Dalton for Service as a Civil Service Commissioner.

Mayor Johnson thanked Commissioner Dalton for his many years of service to the City as a Civil Service Commissioner. Police Chief Powers presented Mr. Dalton with a plaque from the Police Department. Mr. Dalton thanked the City and said all citizens should find a way to serve their community. Councilmember Rackley said Mr. Dalton has also served on his Homeowner's Association for 15 years. Councilmember Hamilton said he was a Civil Service Commissioner with Mr. Dalton in the past, and noted that Mr. Dalton was on the Commission when the City had its own fire department.

b. **Presentation:** Recognition of High School Students Athletic & Academic Achievements.

Mayor Johnson moved this item from item c. to item b. due to the large number of people in attendance for the awards recognition. Mayor Johnson recognized students at area high schools, in particular the Bonney Lake High School Boys

Soccer Team, who won Bonney Lake High School's first-ever State Championship.

At 7:18 p.m., Mayor Johnson adjourned the Meeting for a 5-minute recess. Mayor Johnson called the Meeting back to order at 7:23 p.m.

Mayor Johnson said BLHS Assistant Principal Brian Scheerer was in attendance earlier, and said he wanted to congratulate the team and thank the City and community for their support. Mayor Johnson presented certificates to BLHS Valedictorian Chelsea Crawford, who was in attendance. He said the certificates for those not in attendance will be sent to the schools to be distributed.

c. **Presentation:** AB13-71 – Stormwater Pollution Prevention Art Contest Awards.

Assistant City Engineer Andrew Fonda explained the National Pollutant Discharge Elimination System (NPDES) permit and the City's Stormwater Management Program (SWMP). He said the annual art contest is one way the City meets these federal requirements. He said the winning artwork will be used to create a calendar, which is distributed for free to citizens and schools. He and Mayor Johnson presented the winning artists with a certificate and \$50 prize. Assistant City Engineer Fonda said he will give calendars to participating schools, hopefully before winter break. Mayor Johnson thanked Assistant City Engineer Fonda for his hard work on this project. He noted that although no grant funds were available, the project was continued this year and is fully funded by the City utility. He said he hopes to expand this type of program in the future.

Councilmembers Hamilton, McKibbin, and Lewis thanked the Mayor and staff for keeping the program going, noting that it is important for the community.

D. Agenda Modifications: None.

II. PUBLIC HEARINGS, CITIZEN COMMENTS & CORRESPONDENCE:

A. Public Hearings: None.

B. Citizen Comments:

Chief Jerry Thorsen, East Pierce Fire & Rescue, thanked the City for its partnership in the SwimSafe program. He announced that EPF&R received a "Heart Safe Communities" award. He said EPF&R plans to use the former Albertson's building in Bonney Lake for training drills. He also provided a copy of EPF&R's 2012 Annual Report.

Councilmember Hamilton said that in the past he had been critical of how EPF&R kept the public informed, and thanked Chief Thorsen for being transparent with the agency's financial information. Councilmember Watson said he appreciates that EPF&R is using available space in the City for their important training drills.

C. Correspondence: None.

III. COUNCIL COMMITTEE REPORTS

- A. Finance Committee: Deputy Mayor Swatman said the committee met at 5:30 p.m. earlier in the evening and reviewed personnel issues and employment openings. The Committee discussed the Evergreen Point Watermain Project and a proposed building code ordinance. The Committee also reviewed its meeting notes and discussed city properties available for future sewer lift stations. In response to a question from Councilmember Rackley, he said the Committee made a positive recommendation about the Evergreen Point Watermain project.
- B. Community Development Committee / Economic Development Focus Group: Councilmember McKibbin said the Community Development Committee met on May 21, 2013. He said Councilmember Lewis attended the meeting, where members discussed the Shoreline Master Plan.
- C. Public Safety Committee: Councilmember Hamilton said the committee has not met since the last Council Meeting.
- D. Other Reports:
- Association of the United States Army: Councilmember Lewis said he and Councilmember Rackley attended the AUSA kickoff event on May 22, 2013 at the Harborstone Credit Union in Bonney Lake. He said he, Councilmember Watson and Mayor Johnson are members of AUSA and encouraged others to join.
- Families First Coalition: Councilmember Lewis said he attended the White River FFC meeting in Buckley on May 20, 2013 at Glacier Middle School. The group heard a report about the Buckley Youth Activity Center and discussed statistics for teen alcohol and tobacco use. The group's next meeting is on June 4, 2013.
- Pierce County Regional Council: Councilmember Hamilton said he attended the PCRC meeting on May 16, 2013. The Operations Committee discussed options to hire a lobbyist, and Councilmember Hamilton said those from other cities described their experiences with lobbyists as very positive. The Committee also discussed and recommended funding for three rural town center transportation projects. He noted the importance of tying in local projects with larger regional impacts/projects to get funding.
- SwimSafe: Mayor Johnson said he attended the SwimSafe Community Meeting on May 22, 2013 along with Police Chief Powers, EPF&R Chief Thorsen, the Pierce County Sheriff, County Representative Dan Roach, and representatives from area school districts. He said about 50 citizens attended and the meeting was the culmination of months of coordination and work. He noted that the Allan Yorke Park memorial block has been installed and the emergency phone is installed and working at the park. He said Cascade Water Alliance has announced it will pay for the memorial plaques and for an LED sign at the lake as well. Mayor Johnson said he spoke with a CWA representative about the proposed Flume Trail, which will be a topic for future discussions.

IV. **CONSENT AGENDA:**

- A. **Approval of Minutes**: May 7, 2013 Workshop, May 11, 2013 Special Meeting, and May 14, 2013 Meeting.

- B. **Approval of Accounts Payable and Utility Refund Checks/Vouchers:** Payroll for May1st -15th, 2013 for checks #31103 - 31125 including Direct Deposits and Electronic Transfers in the amount of \$ 449,033.33.
- C. **Approval of Payroll:** Accounts Payable checks/vouchers #66125-66196 (including wire transfers #20130502, 20130503) in the amount of \$507,739.48. Accounts Payable checks/vouchers #66197-66227 for Utility refunds in the amount of \$2,970.55. VOIDS: 66016 – Duplicate payment; 66094 – Duplicate payment.
- D. **AB13-65 – Ordinance D13-65** – An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Amending Chapter 8.04 Of The Bonney Lake Municipal Code Relating To Garbage And Solid Waste.
- E. ~~**AB13-68 – Resolution 2304**~~ – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Awarding The Professional Services Agreement With Parametrix For The Eastown Sanitary Sewer Profile Survey Base Map For The Future Frontage Roads. *Moved to Full Council Issues, Item D.*

Deputy Mayor Swatman requested that Item E. (Resolution 2304) be moved to Full Council Issues, Item D.

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

Consent Agenda approved as amended 7 - 0.

V. FINANCE COMMITTEE ISSUES:

- A. **AB13-67** – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, To Accept As Complete The Sewer Trunk Line Improvements - Myers Road To Main Street Project With Insituform Technologies, LLC.

Deputy Mayor Swatman moved to approve motion AB13-67. Councilmember Watson seconded the motion.

Public Works Director Grigsby said this action completes a long process to allow the City to close out the project and any remaining issues.

Motion AB13-67 approved 7 – 0.

VI. COMMUNITY DEVELOPMENT ISSUES: None.

VII. PUBLIC SAFETY COMMITTEE ISSUES: None.

VIII. FULL COUNCIL ISSUES:

- A. **AB13-63 – Resolution 2302** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Declaring Property To Be Surplus, And Authorizing The Mayor To Dispose Of It In Accordance With BLMC 2.70.100. (Located at xxx 192nd Ave E, corner of 192nd Ave E and Sumner-Buckley Hwy, Parcel 0520338001).

Councilmember Lewis moved to approve Resolution 2302. Councilmember Watson seconded the motion.

Deputy Mayor Swatman asked the Mayor to inform the Council of any future sale, and to ensure that the City allocates land for the future Fennel Creek Trail. City Administrator Morrison said the trail easement is 20' but the City will likely do an updated wetlands report to determine the necessary buffer. Councilmember Rackley said the trail easement will not affect the commercial value or use of the parcel, since it is in the wetland area.

Resolution 2302 approved 7 – 0.

- B. **AB13-74 – Resolution 2306** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing The Mayor To Sign A Labor Agreement With AFSCME Local 120 Representing The Public Works & General Government Employees, From January 1, 2013 Through December 31, 2014.

Councilmember Rackley moved to approve Resolution 2306. Councilmember Lewis seconded the motion.

Mayor Johnson thanked the negotiation team, including Human Resources Manager Richardson, Administrative Services Director/City Clerk Edvalson, and City Administrator Morrison for their work on this agreement. Councilmember Hamilton also thanked the “rank and file” staff who approved the contract.

Resolution 2306 approved 7 – 0.

- C. **AB13-73** – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Appointing Three Voting Delegates To The 2013 AWC Annual Conference Business Meeting.

Councilmember Watson moved to approve motion AB13-73. Councilmember Lewis seconded the motion.

Deputy Mayor Swatman, Councilmember Lewis, and Councilmember Rackley volunteered to serve as delegates.

Motion AB13-73, appointing Deputy Mayor Swatman, Councilmember Lewis, and Councilmember Rackley as 2013 AWC Voting Delegates, approved 7 – 0.

- D. **AB13-68 – Resolution 2304** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Awarding The Professional Services Agreement With Parametrix For The Easttown Sanitary Sewer Profile Survey Base Map For The Future Frontage Roads. Moved from Consent Agenda Issues, Item E.

Councilmember Rackley moved to approve Resolution 2304. Councilmember Watson seconded the motion.

Responding to questions from Councilmember Rackley, Public Works Director Grigsby explained that the property owners can now develop their Easttown properties on a septic

system, but in doing so they must construct a dry line to hook into the future sewer system. In order to do so, the City must first determine the height of future roads, and therefore the depth of the dry line pipes, so these projects can move forward. He added that this study is needed to continue the overall Eastown Sewer Project for the City. Councilmember McKibbin said he requested this item be removed from the Consent Agenda so he could vote 'no'.

**Resolution 2304 approved 5 –2.
Councilmember McKibbin and
Councilmember Minton-Davis voted no.**

IX. EXECUTIVE SESSION: None.

X. ADJOURNMENT:

**At 8:18 p.m., Councilmember Rackley moved to adjourn the Council Meeting.
Councilmember Watson seconded the motion.**

Motion to adjourn approved 7 - 0.

Harwood Edvalson, MMC
City Clerk

Neil Johnson, Jr.
Mayor

Items presented to Council at the May 28, 2013 Meeting:

- Chief Jerry Thorsen – *2012 Annual Report* – East Pierce Fire & Rescue.

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City of Bonney Lake, Washington
City Council Agenda Bill (AB)

Department/Staff Contact: Finance / Al Juarez	Meeting/Workshop Date: June 4, 2013	Agenda Bill Number: AB13-69	
Agenda Item Type: Motion	Ordinance/Resolution Number:	Councilmember Sponsor:	
Agenda Subject: A motion to ratify Accounts Receivable Policy 200.030			
Full Title/Motion: A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, To Ratify Accounts Receivable Policy 200.030.			
Administrative Recommendation: Approve attached policy			
<p>Background Summary: Accounts Receivable (AR) is a material, liquid asset reported on an entity's Balance Sheet. Pursuant to generally accepted accounting principles (GAAP), entities should take great care to properly value and report their respective receivables. Improperly reporting accounts receivable depicts an incomplete picture of an entity's financial condition and may be misleading to readers of financial statements and/or potential investors.</p> <p>The WA State Auditor's Office (SAO), for a number of years, has recommended that the City of Bonney Lake adopt an AR policy. In developing the attached AR policy we have identified several subsidiary applications that are integral to an AR system; i.e. Responsibilities of staff; Invoicing procedures; Cash collections; Cash receipting; NSF payments; Collection agency procedures; and, Accounting for uncollectible accounts.</p> <p>The objective of this policy is to ensure consistency in the City's treatment of receivables in order to: Illustrate ways to take advantage of cash flows; Assist in collection delays; Minimize and control bad debt; Value and subsequent liquidation of AR; and, Provide a fair presentation of AR in the City's financial statements.</p>			
Attachments: Proposed AR Policy			
BUDGET INFORMATION			
Budget Amount	Current Balance	Required Expenditure	Budget Balance
Budget Explanation: N/A			
COMMITTEE, BOARD & COMMISSION REVIEW			
Council Committee Review:	Finance Committee	<i>Approvals:</i>	Yes No
	Date: 1 st Review	Chair/Councilmember Dan Swatman	<input type="checkbox"/> <input type="checkbox"/>
	3/12/13; 2 nd Review	Councilmember Randy McKibbin	<input type="checkbox"/> <input type="checkbox"/>
	5/14/13	Councilmember Mark Hamilton	<input type="checkbox"/> <input type="checkbox"/>
	Forward to: 6/4/13 Workshop	Consent	
		Agenda: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Commission/Board Review:			
Hearing Examiner Review:			
COUNCIL ACTION			
Workshop Date(s): 6/4/13		Public Hearing Date(s):	
Meeting Date(s):		Tabled to Date:	
APPROVALS			
Director: Al Juarez	Mayor:	Date Reviewed by City Attorney: (if applicable):	

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Administrative Policy and Procedure City of Bonney Lake, Washington

SUBJECT: Accounts Receivable Policy		
	Policy No. 200 - 030	Pages: 10
Effective Date:	Supercedes: NA	
Developed by: Finance Department	Department Head Approval: Al Juarez	Mayor/Administrator Approval: Don Morrison

1. PURPOSE

This accounts receivable policy establishes guidelines relating to the use of a utilities receivable system and a general/miscellaneous receivable system; management of a receivable system; identification of bad debt; and write-off and recovery of receivables.

The objective of this policy is to ensure consistency in the City's treatment of receivables in order to : (1) illustrate ways to take advantage of cash flows; (2) minimize and control bad debt; (3) assist in collection delays; (4) valuing and subsequent disposal of accounts receivable; and, (5) provide a fair presentation of accounts receivable in the City's financial statements.

2. ORGANIZATIONS AFFECTED

All Departments and Divisions within the City

3. REFERENCES

RCW 19.16.500; RCW 35.21.290; RCW 35.67.200; RCW 43.09.240; RCW 62A.3-104; RCW 62A.3-515; BARS Manual, Vol 1; PT 3; CH 3; Page 10 - 11

4. DEFINITIONS

4.1 Account Receivable (A/R). Money owed to the City by a customer/consumer for products and/or services purchased on credit. Creating an account receivable is typically done by generating an invoice and mailing or electronically delivering it to the customer, who in turn must pay it within an established time frame.

4.2 Miscellaneous Account Receivable. This category of receivable shall include but not be limited to the following types of billings: (1) Grants; (2) False Alarms; (3) Damage Repair; (4) Leases; (5) Permits; and (6) Printing services and/or publications. It is the policy of the City that all miscellaneous billings (except interdepartmental) shall be processed through the automated Miscellaneous accounts receivable system.

4.3 Utilities Accounts Receivable. This category of receivables shall pertain specifically

to billings submitted to customers of our enterprise utility funds for the following goods and/or services: water, sewer, storm water, and/or garbage customers.

4.4 Designated Accounts Receivable Coordinator. Project managers, department or division staff assigned the duty to bill a third party for goods and/or services. It is the responsibility of this staff member to coordinate their respective AR practices with the Finance Department.

4.5 Collection Agency. A third party collection company/agency retained by written contract, licensed under RCW 19.16.500 (1) (a) for the purpose of collecting public debts owed by any person, including any outstanding debts of utility billing services and/or miscellaneous receivables.

4.6 Debt. For purpose of this policy, debt is defined as money due the City for any reason.

4.7 Bad Debt. Bad debt is defined as money owed to the City, which has not been paid, due to non-response of the debtor or because negotiable items (i.e. checks, money orders) were not honored by the bank, credit union, etc. for any reason.

4.8 Customer. Any person, organization, or business receiving any type of goods and/or service or doing some type of business with the City of Bonney Lake.

4.9 Uncollectible. Refers to any funds due to the City of Bonney Lake, in which the City has attempted to collect, but has been unsuccessful.

4.10 Write Off. To cancel an unpaid or uncollectible debt. A write off of uncollectible accounts receivable from the City's accounting records does not constitute forgiveness of the debt and it is still payable by the debtor.

4.10.01 Situations that may result in writing off uncollectible receivables (examples).

4.10.01.a Getting delinquent accounts receivable back from the collection agency as uncollectible.

4.10.01.b Losing in a litigation involving accounts receivable.

4.10.01.c A debtor filing for bankruptcy and the bankruptcy court has determined that we would get little or nothing on the receivable.

4.10.01.d Being advised by the City Attorney that it would not be productive to sue a debtor.

5. RESPONSIBILITIES

5.1 Mayor and City Administrator. The City Administrator, subject to the general direction, broad policy guidance, and approval of the Mayor, is responsible for: A) Approving this policy and any revisions thereto; and B) Approving exceptions to the policies and procedures contained herein due to extenuating circumstances.

5.2 Chief Financial Officer (CFO). The CFO, in collaboration with the City Administrator, is responsible to establish guidelines, policy, procedure and tasks to manage the overall Accounts Receivable functions in accordance with generally accepted accounting

principles (GAAP), applicable RCW, BLMC, and BARS. The CFO is responsible for establishing prudent AR management that will address the following attributes: (1) maintain or cut average collection times; (2) reduction of bad debts; (3) enhancement of cash flow; and (4) capitalize on internal resources for cash collections and receipting.

5.3 Department Accounts Receivable Coordinator. Individual department coordinators are responsible and accountable for submitting the appropriate and required data to the Finance Department to be entered into the automated AR system. An example would be a project manager preparing all the appropriate documentation to produce a grant progress billing and then submitting said documents to Finance for entry into the AR system and subsequent mailing to the granting agency through the U.S. Postal Service. Coordinators are responsible for becoming knowledgeable about documentation requirements to be submitted to the Finance Department.

5.4 Finance Department. The finance department is responsible for oversight and management of an Accounts Receivable system that adheres to applicable authoritative guidelines; i.e. RCW, GFOA Best Practices, WA State BARS, GAAP and City of Bonney Lake Municipal Code.

The Finance Department is responsible for generating an official City accounts receivable invoice through the use of the automated AR module and subsequently mailing a complete AR package to the respective customer.

It is, however, the responsibility of an individual Department, Division (see definition of Department AR Coordinator) to produce appropriate supporting original documents to submit to Finance in order that the official invoice is prepared. An example would be a project manager preparing all the appropriate documentation to produce a grant progress billing and submitting said documents to Finance for entry into the AR system.

Adjustments to outstanding invoices will be initiated by the originating department, division, or user pursuant to information or forms required by the Finance Department. Only Finance personnel are authorized to adjust original invoices through the automated system. Negotiation of accounts receivable terms is the sole responsibility of the Finance Department in collaboration with the City Administrator.

Miscellaneous AR Invoice generation frequency will be on an as needed basis. This assumption will be periodically reviewed by the Chief Financial Officer (CFO) for possible revision.

Frequency of Utility Billing (UB) Invoices (billings) shall be on a monthly basis in a systematic, logical, and timely approach as established by the CFO in collaboration with the City Administrator and Utility Billing Supervisor.

The Finance Department is responsible for the determination of uncollectible accounts and establishing a procedure for submitting outstanding debts of Utility Billing services and Miscellaneous Accounts Receivable to a collection agency. (See section 6.7)

The Finance Department is responsible for the determination of Accounts Receivable write-offs. (See section 6.8)

6. STATEMENTS OF POLICY AND PROCEDURE

6.1 Integration with Related Financial Policies and Procedures. This accounts receivable (AR) policy sets city-wide standards for accounts receivable management and creates a framework that can be used to establish procedures for various financial operations. It is the intent of the AR policy to establish procedures that are consistent across the City yet are flexible enough to deal with a variety of situations in the most efficient and effective manner possible to improve the cash flow of the City. While the AR policy focuses on invoicing and collection of general accounts receivable or amounts owed to the City internal and external customers, it is not intended to circumvent or supersede other related City policies, state auditor guidelines, or GAAP. If an ambiguous or otherwise unclear situation arises, the CFO will consult with the City Administrator, Mayor, and/or City Council as needed for policy or procedural clarification.

6.2 Accounts Receivable (AR) - Miscellaneous. It is the policy of the City that all miscellaneous Accounts Receivable (except interdepartmental) shall be processed through the automated miscellaneous AR system.

- 6.2.1** Individual departments, divisions, or specific work units shall, through their designated AR Coordinator, provide all the appropriate supporting original documents to the Finance Department in order that an official City of Bonney Lake invoice is prepared. This step ensures that the transaction is appropriately entered into the accounting system for tracking, aging, and collection purposes. An example would be a project manager preparing all the appropriate documentation to produce a grant progress billing and then submitting the documents to Finance for entry into the AR system.
- 6.2.2** Official City invoices will be generated on an as needed basis. A copy of the original invoice will be submitted to the originating department for their internal records.
- 6.2.3** Adjustments to invoices will be initiated by the originating department, division, or work unit in a manner prescribed by the Finance Department. Only Finance staff is authorized to process adjustments, credit memos, etc. within the AR system.
- 6.2.4** All payments will be receipted by the Finance Department and processed within the AR system.
- 6.2.5** As determined by the Finance Department, period reports will be generated that reflect status and aging of accounts. On an as needed or requested basis, reports will be distributed to departments for review.
- 6.2.6** Unless otherwise instructed, statements will be mailed at month-end to all AR accounts with balances owing
- 6.2.7** It is the responsibility of the Finance Department to follow up with and actively pursue collection of all accounts receivable accounts.
- 6.2.8** Time payments on account may be considered for customers experiencing extenuating circumstances. Any situation that may include suggested payment arrangements must be reviewed with the CFO and/or City Administrator prior to acceptance.
- 6.2.9** Specific procedures pursuant to the handling of bad debts, referral to a collection

agency, and write offs are found in subsequent sections of this document.

6.3 Accounts Receivable - Utilities. This category of receivables pertains specifically to billings submitted to customers of our enterprise utility funds, which are water, sewer, storm-water, and/or garbage.

- 6.3.1 Procedures inherent to our automated utility billing (UB) system apply and are only subject to revision by the Utility Billing Supervisor in collaboration with the CFO.
- 6.3.2 For specific UB system procedures please see the standard operating procedures (SOP) manual maintained by our UB Lead staff member in collaboration with our UB Supervisor
- 6.3.3 UB system SOP manuals may be subject to periodic revisions due to system improvements and/or legislative changes enacted by City Council.
- 6.3.4 The SOP manual is intended to be a general guideline resource and at no time is this resource intended to usurp RCW, Bonney Lake Municipal Code, or general ethical conduct.
- 6.3.5 Specific procedure on the handling of bad debts, referral to a collection agency, and handling of returned checks are found in subsequent sections of this document.
- 6.3.6 General procedures pursuant to the extension of credit terms are outlined within the SOP manual maintained by the UB Supervisor. The UB Supervisor may, upon her/his discretion and/or collaboration with the CFO revise outlined terms due to extenuating circumstances on a case by case basis.

6.4 Accounts Receivable - Cash Receipting. This policy section provides general guidance in recording receipts of cash.

- 6.4.1 Cash is defined as all currency including coins, checks, bank drafts, and postal and express money orders.
- 6.4.2 Cash is received by the City in many different ways. Examples include, but are not limited to, the following: Receipts at our front counter and at the Senior Center from walk in traffic; the U.S. Mail system; Drop box in front of City Hall; Internet and telephone payments via a third party that are electronically deposited to our bank; and lockbox activity through a third party that is electronically deposited to our bank.
- 6.4.3 Pursuant to RCW, the City is required to make deposits of cash within 24 hours of receipt.
- 6.4.4 Lockbox activity and electronic third party remittance batches are considered their own deposit. Each deposit is applied as a separate cash batch to facilitate balancing.
- 6.4.5 Cash received at City Hall utilities and miscellaneous receivables, Courts, and other locations are batched separately as their own deposit.
- 6.4.6 Specific procedure as to the compilation of each deposit is to be outlined by the Financial Operations Supervisor and coordinated with the CFO. Said procedures are applied consistently City wide, including the Courts system.
- 6.4.7 Daily balancing of all cash transactions is reconciled via the use of an excel spreadsheet maintained by the Financial Operations Supervisor and/or Accountant. This spreadsheet is the equivalent of a City checkbook that

records all cash activity (in and out) by account and illustrates daily cash balances. This spreadsheet is integral to our monthly bank statement reconciliation process which is handled by a separate individual to maintain appropriate internal controls.

6.5 Accounts Receivable - Cash Collections. This policy section provides general guidance as to the collection of accounts that have gone more than a specified number of days past their due dates without having been paid.

- 6.5.1 Most customers (UB or Misc AR) have defined payment terms in which to pay their invoices. When an invoice has gone 30 days past its due date without being paid, it appears on the past due list. Any item appearing on this report is subject to a collection activity.
- 6.5.2 Miscellaneous Accounts Receivable invoices are delivered with the term of net 30 days and considered delinquent after that time frame.
- 6.5.3 Utility Billing Accounts Receivable, monthly billings, are due upon receipt and are considered delinquent 30 days after invoice date.
- 6.5.4 In UB accounts, pursuant to RCW 35.21.290 and 35.67.200, owners of rental property will be ultimately liable for the tenant's delinquent billing. New tenants will not be able to establish an account in their name until the owner has brought the previous account current.
- 6.5.5 Specific handling of active UB delinquent accounts is outlined within the SOP manual maintained by the UB Lead and UB Supervisor. Ultimately the authority involved in these type active accounts is managed through the use of terminating utility service for non-payment. Bonney Lake Municipal Code section 13.04.80 addresses this topic.
- 6.5.6 In UB accounts where terminating service has not proven effective or where it is not a legal option, said accounts will be referred to a collection agency, pursuant to RCW 19.16.500.
- 6.5.7 A collection agency is involved only after the debtor has received, via certified mail, return receipt requested, a final demand notice and the City's intention to refer the account to a collection agency pursuant to RCW 19.16.500.
- 6.5.8 Inactive UB accounts will be submitted to a collection agency within 90 days of the last billing date and active accounts within 120 days.
- 6.5.9 Miscellaneous Receivable accounts will be submitted to a collection agency within 120 days of the last billing.
- 6.5.10 Direct coordination and collaboration with the Accounting Division of the Finance Department is to be accomplished prior to any accounts being referred to a collection agency.
- 6.5.11 In addition to submitting delinquent account to a collection agency, filing a lien with Pierce County is advised to protect the City's interests. This step will be at the discretion of the CFO and/or City Administrator.
- 6.5.12 Fees charged by the County for filing a lien will be passed on to the AR customer.
- 6.5.13 The minimum dollar amount of an invoice submitted to a collection agency will be \$25.00.
- 6.5.14 Inactive UB accounts and Miscellaneous AR accounts with balances under \$25

and over 180 days old will be considered for immediate write-off. (see section 6.8)

- 6.5.15 On an annual basis, a review of inactive UB and Miscellaneous AR accounts in collection status for over 2 years and exceeding \$25 will be considered uncollectible and submitted for approval to be written off. (See section 6.8)
- 6.5.16 UB accounts and Miscellaneous AR accounts will be reviewed periodically but at not time will the review be postponed longer than a three month interval, for accounts with credit balances. Refunds applicable to accounts with a credit balance should be processed immediately.

6.6 Accounts Receivable - Handling of Returned Checks. This policy section is to provide general guidance regarding the handling and collection of returned checks (NSF).

- 6.6.1 A returned check is defined as any check, money order, cashiers or travelers check that is dishonored and returned unpaid to the City.
- 6.6.2 It shall be the policy of the City of Bonney Lake that any check returned unpaid through the City's bank will be considered a fair and owing debt to the City.
- 6.6.3 All returned checks will incur a \$35 handling fee or as otherwise set by ordinance or resolution of the City Council. This fee is intended to cover the bank costs and processing fees associated with handling a returned check. A returned check may also be subject to collection fees and interest pursuant to RCW 62A.3 – 515, and RCW 19.16.500.
- 6.6.4 Returned checks will be held in the Finance Department for handling regardless of where the check was taken in; i.e. permit center, facility deposit, etc. If the check originated from a payment in another Department, the Finance Department will notify the applicable Department that an item has been returned unpaid.
- 6.6.5 For accounts other than UB, a 5 day grace period from the date the item was received, will be extended for the maker to replace the returned item with cash check or money order. If replaced within the grace period, the account is only subject to the \$35 handling fee articulated in 6.6.3.
- 6.6.6 If at the conclusion of the grace period the item has not been redeemed, the item is to be recorded as a miscellaneous receivable and the account becomes subject to referral to the City's Collection Agency. Pursuant to RCW 19.16.500 the account may be subject to additional fees levied by the collection agency.
- 6.6.7 Returned items that are payments on utility accounts will be charged back to the appropriate account (s). Additionally the \$35 NSF handling fee will be charged to the appropriate account (s).
- 6.6.8 For UB returned items, a grace period of up to but not exceeding 3 days may be allowed for redemption of the unpaid item at the discretion of the UB Lead and/or UB Supervisor.
- 6.6.9 Utility account payment arrangements will not be allowed on accounts with outstanding returned item charges. This article, however, may be subject to handling as an account with extenuating circumstances, which is determined on a case by case basis.
- 6.6.10 If any UB account experiences three or more such returned items in any six

month period, checks will no longer be accepted from the customer and only cash, money order, or cashiers checks will be accepted as payment on account.

- 6.6.11** In any UB account that experiences a returned item, the account must be brought current to ensure the account holder does not receive a final notice of impending shut-off.
- 6.6.12** If the charges are not paid prior to the shutoff date, it will result in water service for the account being shut off for nonpayment.
- 6.6.13** If the returned check was issued to the city after the customer received a shutoff notice and the payment prevented the water service from being shut off, the service becomes subject to immediate shutoff without further notice. It is recommended that this situation be communicated with the account holder but in no way should the ability to not make contact with the account holder be reason to prolong the shutoff order.
- 6.6.14** Returned checks that were issued as deposits or payment for events or activities that have not taken place may result in the cancellation of the reservation or enrollment if the item is not redeemed with the 5 day grace period.
- 6.6.15** Returned items issued for events that are scheduled to occur before the grace period expires are subject to immediate cancellation at the discretion of the Utility Billing Supervisor and/or CFO.
- 6.6.16** Returned checks that were issued for payment of any type of permit within the City may result in revocation of said permit (s). This determination is pursuant to the issuing Department in collaboration with the CFO and/or City Administrator.
- 6.6.17** The finance department will return the dishonored check back to the maker once the debt owing is paid in full.
- 6.6.18** If the debt has been referred to the City's Collection Agency, the customer in question needs to deal directly with the collection agency to settle their account. The Collection Agency will in turn remit amounts to the City on a predetermined payment arrangement.
- 6.6.19** If a debt has been referred to a collection agency and City staff still receives a check in the mail to settle the account; City staff should in turn mail the check directly to the collection agency for the appropriate handling. The collection agency will contact the customer in question of the appropriate handling to settle the account.

6.7 Accounts Receivable – Referral to a Collection Agency. This policy section is intended to establish consistent methods for referring accounts to an outside collection agency.

- 6.7.1 All monies due the City are considered a fair and owing debt to the City of Bonney Lake.
- 6.7.2 All customers owing the City money, which has not been received within thirty (30) days of the original due date, will be sent a notice of the past due amount.
- 6.7.3 All customers that have not paid within sixty (60) days of the original due date will be sent a notice of the past due amount.
- 6.7.4 All customers who have not paid within ninety (90) days of the original due date will be sent a final notice in the form of a letter. The letter will specify

that if they do not pay their account in full within thirty (30) days from the date of the letter their account will be referred to a Collection Agency that the City contracts with. All collection agency fees, etc are prescribed by RCW 19.16.500 and borne by the AR customer.

- 6.7.5 At the discretion of the CFO in collaboration with the City Administrator, accounts that are referred to a collection agency may also be eligible for placement of a lien through Pierce County. This additional measure is to ensure the City's financial interest in the customer owing the City money.
- 6.7.6 Upon referral to a collection agency, detailed information of the assigned accounts should be provided to the Accounting Division.
- 6.7.7 Accounting is to segregate assigned accounts receivable within the General Ledger for future reference and disposition.
- 6.7.8 If at the conclusion of a two year period from date of referral, the Collection Agency is not successful in collecting any debt, the City will proceed with provisions to write-off the debt pursuant to section 6.8.

6.8 Write-Off of Bad Debt. It is the policy of the City to write-off bad debt. Accounts Receivable is a material, liquid Asset reported on and entities Balance Sheet. When uncollectible debt is carried on the balance sheet it gives an incomplete picture of the financial condition of the City. This policy section is intended to enable the City to reflect the value of its receivables and ensure that resources are used efficiently and not devoted to the recovery of uncollectible receivables. The timely identification of losses is an essential element in appropriately measuring the value of the City's assets. Carrying and reporting bad debt as a viable Accounts Receivable on the City's Balance Sheet overstates assets and may be considered misleading to potential investors.

- 6.8.1 Write-Off Not Forgiveness. A write off of uncollectible accounts receivable from the City's accounting system does not constitute forgiveness of the debt and it is still payable by the debtor.
- 6.8.2 The City shall maintain records of accounts written-off in accordance with Federal and/or State records retention rules.
- 6.8.3 Should a previous customer who has had their AR account written-off by the City, determine that it is in their best interest to do business with the City again, said old written-off AR account may be reinstated by the City and the reinstated debt becomes due and payable on demand by the City.
- 6.8.4 Methods to Write-Off Bad Debt. Pursuant to Generally Accepted Accounting Principles (GAAP), uncollectible accounts may be written off in one of two ways: (1) establishing a Reserve for Bad Debt Account; and/or (2) a Direct Write Off method.
- 6.8.5 Pursuant to IRS regulations, it shall be the City's Policy to use the Direct Write-Off method.
- 6.8.6 If after a period of two years, the City's designated Collection Agency determines that an account should be considered as uncollectible, the collection agency will return the bad debt account to the City.
- 6.8.7 Write-Off Limits – Levels of Authority. There are three (3) levels of write-off of uncollectible accounts receivable: 1) Administrative for small balances of

uncollectible accounts, 2) Administrative with Council oversight for medium balances of uncollectible accounts, and 3) Full Council approval for large balances of uncollectible accounts.

A. Small Balances. The Chief Financial Officer, after due diligence that involves investigation and assessment of the collectability of the AR, may process for write-off any delinquent AR account with a balance of up to the amount of one hundred fifty dollars (\$150).

B. Medium Balances. For AR accounts ranging between one hundred fifty dollars and one cent (\$150.01) and nine thousand nine hundred ninety-nine dollars and 99 cents (\$9,999.99), the CFO shall investigate the collectability of the AR and consult with the Mayor's Office and City Attorney as needed. If the CFO and City Administrator/Mayor determine that the AR is uncollectible, the list of accounts shall be transmitted to the City Finance Committee members for review. If the finance committee determines that there are sufficient issues regarding certain accounts that require full council review and approval, the Committee may transmit the list to the full Council for review and approval. If the Finance Committee determines that there are not remaining issues regarding the write-off of the accounts, said accounts may thereafter be written-off.

C. Large Balances. AR delinquent accounts of ten thousand dollars (\$10,000) or more shall be investigated and a disposition recommendation made to the Finance Committee. If the Finance Committee concurs to write-off the AR as uncollectible, the approval to write-off the account shall be transmitted to the full council, and the write-off made by motion of the full city council. The Agenda Bill proposing the write-off shall include, at a minimum, the account name; including any project name; location of the account and/or project; dollar amount of the delinquent account; aging of the account; reason(s) why the account is considered uncollectible, and any other information that may be pertinent for consideration of write-off.

6.8.8 Accounting Entries Following Write-Off. Upon obtaining concurrence outlined in section 6.8.6; 6.8.7; and, 6.8.8; the Chief Financial Officer shall prepare a journal entry to accomplish any Direct Write Off of Bad Debt.

7.0 Attachments

None

City of Bonney Lake, Washington
City Council Agenda Bill (AB)

Department/Staff Contact: Executive / Don Morrison	Meeting/Workshop Date: 4 June 2013	Agenda Bill Number: AB13-76
Agenda Item Type: Discussion	Ordinance/Resolution Number: NA	Councilmember Sponsor:

Agenda Subject: Former "Reed" Property Residence

Full Title/Motion: n/a

Administrative Recommendation: Repair and lease the residence

Background Summary: The former "Reed" property consists of two contiguous parcels, one a 1.31 acre vacant lot currently assessed at \$72,800, and the other an 18.79 acre parcel with a 2013 assessed value of \$606,500, \$404,900 of which is attributed to the residence. The residence is a valuable asset which should be repaired in order to become revenue producing. See Attached White Paper.
Attachments: White Paper; Assessor Information

BUDGET INFORMATION			
Budget Amount	Current Balance	Required Expenditure	Budget Balance
\$50,000	\$50,000	+/- \$44,500	
Budget Explanation: See attached white paper			

COMMITTEE, BOARD & COMMISSION REVIEW			
Council Committee Review:	<i>Approvals:</i>		Yes No
Date:	Chair/Councilmember NAME	<input type="checkbox"/>	<input type="checkbox"/>
	Councilmember NAME	<input type="checkbox"/>	<input type="checkbox"/>
	Councilmember NAME	<input type="checkbox"/>	<input type="checkbox"/>
Forward to:	Consent		
	Agenda: <input type="checkbox"/> Yes <input type="checkbox"/> No		
Commission/Board Review:			
Hearing Examiner Review:			

COUNCIL ACTION	
Workshop Date(s): 4 June 2013	Public Hearing Date(s):
Meeting Date(s):	Tabled to Date:

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

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White Paper
Former "Reed Property" Residence
7109 Barkubein Rd E

In 2003 the City signed a letter of intent with the Reed's on a nonrefundable \$10,000 per month option in addition to a proposed purchase price of \$1,400,000 for the property. This was primarily for a potential source of additional water rights. At that time, the Council eventually determined not to acquire the property.

A few years later, as part of the multi-agency agreement with the Cascade Water Alliance (CWA), the City was provided an opportunity to obtain a valuable new mitigated water right. In order to make the water claim and obtain the rights, a new water source in the White River Basin needed to be obtained. The Reed property, with its existing water well, and potential for additional water wells on the 20 acre site, was purchased in April 2010 via Resolution 2026 for a sum of \$1,060,000 in hopes of meeting the requirements for the mitigated water right claim.

Unfortunately, a subsequent test well of the site did not strike a deep useable water source suitable for the municipal water utility. Given the depth to which the test well was dug, it appears unlikely that additional test wells on the Reed property itself will be successful. Engineers now recommend that one or more additional test well sites somewhere Northwest of the Reed test site be identified. Per our agreement with CWA, the City has until the end of 2030 to establish water rights in the White River basin. After a sufficient water well is drilled, it takes a few years to process the paperwork with the state. So these additional test wells should be identified no later than 2025.

The City Council discussed the Reed property at its February 2012 Council Retreat, and considered a number of potential uses for the property. At that time there was general Council consensus to move forward with a use proposal from Anderson Dairy for use of the pasture. Council deferred any repairs to the house until a more clear idea of its importance to the resale of the property after the water rights are explored. \$50,000 was appropriated in the 2013 budget to rehabilitate the residence.

There has been some discussion that once a water well was developed and established, that the remaining property would be surplussed and sold. However, given the current economy and the Pierce County permitted construction of residential subdivisions contiguous to the Reed property, it is recommended that the City hold on to the property for future generations or until the value becomes sufficiently attractive to dispose of the property.

The House:

The former "Reed" property consists of two contiguous parcels, one a 1.31 acre vacant lot currently assessed at \$72,800, and the other an 18.79 acre parcel with a 2013 assessed value of \$606,500, \$404,900 of which is attributed to the residence. The County Assessor has assigned no value to the old farm buildings and sheds on the parcel. The residence is a valuable asset which should be improved and leased so as to become revenue producing and shift ongoing utility costs.

Built in 1948, with add-ons in 1966, the 3,000sq ft Farmhouse is in need of considerable repair. The following are key expenses in order to make it useable as a rental unit:

1. Replace roof--\$25,000
2. Replace, repair, and/or clean gutters, fascia and exterior--\$3,000
3. Chimney inspection, sweep, and/or cap x 4--\$1,000
4. Replace flooring as needed --\$2,500
5. Various interior repairs, maintenance and improvements to bring into code compliance and modernize --\$12,000
6. Repair/replace compressor to water tank and fixtures--\$1,000

Estimated rehabilitation costs: \$44,500

This estimated rehabilitation cost of \$44,500 cost may be adjusted depending on whether City hires the work out (contracted or temp employee), performs with staff, or undertakes as authorized tenant improvements. This could reduce the repair costs, but may also reduce rental income if the tenant is a handyman and is credited rent for repairs.

In addition to the cost of rehabilitation, there are current ongoing costs to consider. These costs are recurring whether the residence is leased or vacant.

- Staff time to maintain facilities and vegetation.
- Security costs and potential vandalism (this has been an ongoing issue)
- Utility costs:
 - Average annual electric cost for all facilities is \$5,120 (\$425/mo)
 - Average annual fuel oil cost to heat the home is \$3,860 (\$321/mo)

The estimated rental value of the rehabilitated residence is \$1,600 per month plus utilities.

It is important to note that every day the Reed home sits vacant, its value goes down ... and nobody gets any benefit from the home. Even though the residence is paid for, the City is still paying for WCIA insurance, yard maintenance, utilities, vandalism repair, etc. while producing zero (\$0) income.

Five Year Pro Forma Balance Sheet Estimate

Income

\$96,000 Rental Income (60 mos. @ \$1,600/mo)

Expenses

\$44,500 Initial Rehabilitation

\$12,000 Est. Maintenance and Repair Costs

\$56,500 Estimated Expenses

Less \$44,760 transferred utility costs

\$84,260 Net Gain to City

Note: The monthly rent may be reduced somewhat from estimated FMV for services as property security guard, if that is part of the lease arrangements.





Assessor-Treasurer electronic Property Information Profile

Building Characteristics for 0520261700

05/29/2013 01:35 PM

Property Details

Parcel Number: 0520261700
Site Address: 7109 BARKUBEIN RD E
Account Type: Real Property
Category: Land and Improvements
Use Code: 1101-SINGLE FAMILY DWELLING

Taxpayer Details

Taxpayer Name: CITY OF BONNEY LAKE
Mailing Address: PO BOX 7380
 BONNEY LAKE WA 98391-0944

Building ID:

4 building(s) on this parcel

1 2 3 4

General Characteristics

Property Type:	Residential	SF:	3,007	Fin. Attic SF:	0
Condition:	Average	Net SF:	0	Total Bsmnt. SF:	1,486
Quality:	Good	Atch. Garage SF:	672	Fin. Bsmnt. SF:	1,486
Neighborhood:	020108 / 0	Det. Garage SF:	0	Bsmnt. Gar. Door:	0
Occupancy:	Single Family Residential	Carport SF:	0	Fireplaces:	2

Built-As

Description	Year Built	Adj. Year Built	SF	Stories	Bed-rooms	Bath-rooms	Exterior	Class	Roof	HVAC	Units	Sprinkler SF
2 Story	1948	1966	3,007	2	5	4	Masonry Common Brick	n/a	Concrete Tile	Hot Water Baseboard	1	0

Improvement Details

Detail Type	Detail Description	Units
Basement	Bsmnt Conc 8 ft	1,486
Basement	Minimal Finish	1,486
Garage	Attached	672
Porch	Metal Roof	288
Porch	Open Slab	960
Porch	Wood Deck	520

Warning: Appraisal data provided is for informational purposes only and is incomplete for determination of value.

I acknowledge and agree to the prohibitions listed in RCW 42.56.070(9) against releasing and/or using lists of individuals for commercial purposes. Neither Pierce County nor the Assessor-Treasurer warrants the accuracy, reliability or timeliness of any information in this system, and shall not be held liable for losses caused by using this information. Portions of this information may not be current or accurate. Any person or entity who relies on any information obtained from this system does so at their own risk. **All critical information should be independently verified.**

Pierce County Assessor-Treasurer
Mike Lonergan
 2401 South 35th St Room 142
 Tacoma, Washington 98409
 (253)798-6111 or Fax (253)798-3142
www.piercecountywa.org/atr

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WEBSITE INFORMATION

Privacy Policy
 Copyright Notices



Assessor-Treasurer electronic Property Information Profile

Taxes / Values for 0520261700

05/29/2013 01:18 PM

Property Details		Taxpayer Details	
Parcel Number:	0520261700	Taxpayer Name:	CITY OF BONNEY LAKE
Site Address:	7109 BARKUBEIN RD E	Mailing Address:	PO BOX 7380 BONNEY LAKE WA 98391-0944
Account Type:	Real Property		
Category:	Land and Improvements		
Use Code:	1101-SINGLE FAMILY DWELLING		

Assessed Values							
Tax Year	Taxable Value	Assessed Total	Assessed Land	Assessed Improvements	Current Use Land	Personal Property	Notice of Value Mailing Date
2013	0	606,500	201,600	404,900		0	0 06/22/2012
2012	0	708,300	292,300	416,000		0	0 06/27/2011
2011	0	788,600	327,500	461,100		0	0 06/21/2010
2010	184,402	920,000	428,300	491,700	155,550		0 09/18/2009
2009	662,650	864,000	351,700	512,300	150,350		0 09/19/2008
2008	690,150	891,500	351,700	539,800	150,350		0 09/28/2007
2007	640,550	777,400	242,500	534,900	105,650		0 09/29/2006
2006	571,061	679,300	194,000	485,300	85,761		0 10/07/2005

Current Charges			Exemptions	
Balance Due: 0.00	Minimum Due: 0.00	as of 05/29/2013	Tax Year	Exemption

Paid Charges
For questions regarding any electronic payments you may have made, please contact **Official Payments Corporation at 1-800-487-4567**

Tax Year	Charge Type	Amount Paid
2013	State Forest Patrol Principal	17.90
	Weed Control Principal	3.52
	Surface Water Management Principal	103.17
	Pierce Conservation District Principal	5.00
	Total 2013	129.59
2012	State Forest Patrol Principal	17.90
	Weed Control Principal	3.52
	Surface Water Management Principal	108.39
	Total 2012	129.81
2011	State Forest Patrol Principal	17.90
	Weed Control Principal	3.52
	Surface Water Management Principal	103.17
	Total 2011	124.59
2010	Property Tax Principal	2,290.39
	State Forest Patrol Principal	17.90
	State Forest Patrol Interest	0.54
	State Forest Patrol Penalty	0.72
	Weed Control Principal	1.44
	Surface Water Management Principal	105.27
	Surface Water Management Interest	3.16
	Pierce Conservation District Principal	2.50
	Total 2010	2,421.92
2009	Property Tax Principal	7,753.40
	Property Tax Interest	503.97
	Property Tax Penalty	542.74
	State Forest Patrol Principal	17.90
	State Forest Patrol Interest	1.17
	State Forest Patrol Penalty	1.26
	Weed Control Principal	2.89
	Weed Control Interest	0.18
	Surface Water Management Principal	95.70
	Surface Water Management Interest	5.23
	Pierce Conservation District Principal	5.37
	Pierce Conservation District Interest	0.33
	Total 2009	8,931.11

Tax Year	Exemption
2013	Municipal Corp and Misc Taxing Districts
2012	Municipal Corp and Misc Taxing Districts
2011	Municipal Corp and Misc Taxing Districts
2010	Municipal Corp and Misc Taxing Districts

Tax Code Areas			
Tax Year	TCA	Rate	
2013	680	17.121028	
2012	680	15.179333	
2011	680	13.880091	
2010	680	12.420630	
2009	680	11.700594	
2008	680	11.643251	
2007	680	12.261157	
2006	665	13.427330	

Receipts			
Date	Number	Amount Applied	
03/05/2013	6891624	129.59	
04/13/2012	6372872	129.81	
04/28/2011	5887737	190.59	
04/21/2010	5175603	2,355.92	
01/08/2010	5097110	4,366.63	
10/09/2009	4854753	4,564.48	
12/12/2008	4510551	4,476.55	
04/17/2008	3989793	4,072.75	
04/23/2007	3509989	3,980.20	
04/04/2007	3389264	3,980.19	
11/02/2006	3291201	3,887.17	
05/01/2006	3009979	3,887.16	
10/28/2005	2681696	3,376.77	
05/17/2005	2501269	3,376.77	
11/08/2004	2185766	3,493.95	
04/22/2004	1769615	3,493.95	

ULID Information



Assessor-Treasurer Electronic Property Information Profile

Land Characteristics for 0520261700

05/29/2013 01:35 PM

Property Details		Taxpayer Details	
Parcel Number:	0520261700	Taxpayer Name:	CITY OF BONNEY LAKE
Site Address:	7109 BARKUBEIN RD E	Mailing Address:	PO BOX 7380 BONNEY LAKE WA 98391-0944
Account Type:	Real Property		
Category:	Land and Improvements		
Use Code:	1101-SINGLE FAMILY DWELLING		
Location		Size	
LEA:	020108	SF:	818,492
RTSQQ:	05-20-26-11	Acres:	18.79
		Front Ft:	0
Amenities		Utilities	
WF Type:	n/a	Electric:	Power Installed
View Quality:	n/a	Sewer:	Sewer/Septic Installed
Street Type:	Paved	Water:	Water Installed

Warning: Appraisal data provided is for informational purposes only and is incomplete for determination of value.

I acknowledge and agree to the prohibitions listed in RCW 42.56.070(9) against releasing and/or using lists of individuals for commercial purposes. Neither Pierce County nor the Assessor-Treasurer warrants the accuracy, reliability or timeliness of any information in this system, and shall not be held liable for losses caused by using this information. Portions of this information may not be current or accurate. Any person or entity who relies on any information obtained from this system does so at their own risk. **All critical information should be independently verified.**

Pierce County Assessor-Treasurer
 Mike Lonergan
 2401 South 35th St Room 142
 Tacoma, Washington 98409
 (253)798-6111 or Fax (253)798-3142
www.piercecountywa.org/atr

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Assessor-Treasurer electronic Property Information Profile

Parcel Map for 0520261009

05/29/2013 01:37 PM

Property Details

Parcel Number: 0520261009
Site Address: 7109 BARKUBEIN RD E
Account Type: Real Property
Category: Land and Improvements
Use Code: 9100-VACANT LAND UNDEVELOPED

Taxpayer Details

Taxpayer Name: CITY OF BONNEY LAKE
Mailing Address: PO BOX 7380
 BONNEY LAKE WA 98391-0944



RTSQ Maps: Normal (200 Scale) | Detailed (100 Scale)
 For additional mapping options, visit [Public GIS](#)

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Assessor-Treasurer electronic Property Information Profile

Parcel Summary for 0520261009

05/29/2013 01:36 PM

Property Details

Parcel Number: 0520261009
Site Address: 7109 BARKUBEIN RD E
Account Type: Real Property
Category: Land and Improvements
Use Code: 9100-VACANT LAND UNDEVELOPED

Taxpayer Details

Taxpayer Name: CITY OF BONNEY LAKE
Mailing Address: PO BOX 7380
 BONNEY LAKE WA 98391-0944

Appraisal Details

Value Area: PI2
Appr Acct Type: Residential
Business Name:
Last Inspection: 11/04/2008 - Physical Inspection

Tax/Assessment

Current Tax Year: 2013
Taxable Value: 0
Assessed Value: 72,800

Related Parcels

Group Account Number: n/a
 Mobile/MFG Home and Personal Property parcel(s) located on this parcel: n/a
 Real parcel on which this parcel is located: n/a

Tax Description

Section 26 Township 20 Range 05 Quarter 14 : BEG AT SW COR OF JAMES WILLIAMSON DC IN SEC TH N ALG W BDRY OF SD DC 270 FT TH E 450 FT TH S 270 FT TH W 450 FT M/L TO BEG LESS PREMISES OWNED BY PSP L DESC AS FOLL BEG AT SW COR OF JAMES WILLIAMSON DC IN SEC TH N ALG W BDRY SD DC 550 FT TH SELY TO A PT ON S LI SD DC 300 FT E OF BEG TH W 300 FT TO BEG SUBJ TO RDS EXC BARKUBEIN CO RD EXC POR CYD TO P CO BY ETN 4092778

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City of Bonney Lake, Washington
City Council Agenda Bill (AB)

Department/Staff Contact: Admin Srvc / Edvalson	Meeting/Workshop Date: 4 June 2013	Agenda Bill Number: AB13-77
Agenda Item Type: Discussion	Ordinance/Resolution Number:	Councilmember Sponsor:

Agenda Subject: Cancellation of June 25, 2012 Council Meeting and August 6, 2013 Council Workshop

Full Title/Motion: A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Canceling The Regular Council Meeting Of June 25, 2013 And The Regular Council Workshop Of August 6, 2013.

Administrative Recommendation: Discuss and provide direction.

Background Summary: The Bonney Lake City Council will be participating in activities of the Association of Washington Cities Annual Conference in Kennewick, WA the week of June 25th. As all of the Council will be in attendance at the conference, it is anticipated that the meeting will be canceled. In addition, the City will celebrate National Night Out Against Crime on August 6, 2013. The Council has canceled their regular workshop in some years to participate in parades and events throughout the community. It is not anticipated that cancellation of either of these meetings would have a significant impact in the City's business workflow. However, should Council have a concern about cancellation of the August 6th Workshop, there are five Tuesdays in the month of July. The workshop could be rescheduled to July 30th.

Attachments: none

BUDGET INFORMATION			
Budget Amount	Current Balance	Required Expenditure	Budget Balance
n/a			
Budget Explanation: No impact.			

COMMITTEE, BOARD & COMMISSION REVIEW			
Council Committee Review:	<i>Approvals:</i>		Yes No
Date:	Chair/Councilmember		<input type="checkbox"/> <input type="checkbox"/>
	Councilmember		<input type="checkbox"/> <input type="checkbox"/>
	Councilmember		<input type="checkbox"/> <input type="checkbox"/>
Forward to:	Consent Agenda:		<input type="checkbox"/> Yes <input type="checkbox"/> No
Commission/Board Review:			
Hearing Examiner Review:			

COUNCIL ACTION	
Workshop Date(s): 4 June 2013	Public Hearing Date(s):
Meeting Date(s):	Tabled to Date:

APPROVALS		
Director: <i>HTE</i>	Mayor: <i>NHJ</i>	Date Reviewed by City Attorney: N/A (if applicable):