

CITY COUNCIL MEETING

November 10, 2009
7:00 P.M.



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

MINUTES

"Where Dreams Can Soar"

Audio Time Stamp ↓

I. CALL TO ORDER – Deputy Mayor Dan Swatman called the meeting to order at 7:05 p.m.

A. Flag Salute – Deputy Mayor Swatman led the audience in the Pledge of Allegiance.

B. Roll Call:

City Clerk Harwood Edvalson called the roll. In addition to Deputy Mayor Dan Swatman, elected officials attending were Councilmember David Bowen, Councilmember Laurie Carter, Councilmember Dan Decker, Councilmember Mark Hamilton, Councilmember Dave King and Councilmember Jim Rackley. Mayor Neil Johnson, Jr. was absent.

[Staff members in attendance were City Administrator Don Morrison, Chief Financial Officer Al Juarez, Public Works Director Dan Grigsby, Assistant Police Chief Dana Powers, Community Services Director Gary Leaf, City Attorney Jim Dionne, Administrative Services Director/City Clerk Harwood Edvalson and Records & Information Specialist Susan Duis.]

C. Announcements, Appointments and Presentations:

1. Announcements: None.

2. Appointments:

- a. **AB09-163** – A Motion of the Bonney Lake City Council Appointing a Bonney Lake Representative to the Pierce County Conservation Futures Advisory Board.

Councilmember Decker moved to approve the motion. Councilmember Hamilton seconded the motion.

Deputy Mayor Swatman said the two nominees were Fred Jacobsen and Valerie Zifka, both of whom currently serve on the Park Board. He asked the nominees to introduce themselves and discuss the appointment. Fred Jacobsen said he sits on the Park Board and is also involved with the Veteran's Memorial Committee, Historical Society, and Beautify Bonney Lake, and publishes a local newsletter. Valerie Zifka said she has lived in Bonney Lake off and on since 1990 and currently sits on the Park Board and other groups in the community. She said she is interested in how Bonney Lake will grow and in maintaining livability for current residents. City Administrator Morrison said the Pierce County Conservation Futures Advisory Board meets primarily in the summer months, reviews grant applications, and makes recommendations to the County Council, who ultimately decides who gets grant funds.

Councilmember Rackley nominated Fred Jacobsen for the appointment. Councilmember Bowen seconded the motion.

Councilmember King nominated Valerie Zifka for the appointment. Councilmember Hamilton seconded the motion.

Fred Jacobsen received 3 votes, and Valerie Zifka received 4 votes.

Councilmembers Bowen, Carter and Rackley voted for Mr. Jacobsen. Deputy Mayor Swatman and Councilmembers Hamilton, Decker, and King voted for Ms. Zifka. Ms. Zifka was appointed to the board. Deputy Mayor Swatman thanked both the nominees for their work with the Park Board and volunteering for this appointment.

3. Presentations:

a. **Proclamation:** Great American Smokeout.

Deputy Mayor Swatman read the proclamation, which encourages smokers to give up smoking for twenty-four hours and proclaims a city-wide 'smokeout' in Bonney Lake on November 19, 2009.

D. Agenda Modifications:

Councilmember Rackley moved to add AB09-177 – Resolution 1983 – A Resolution of the City Council of the City of Bonney Lake, Pierce County, Washington, Authorizing an Agreement with the Washington State Administrative Office of the Courts to the agenda under Finance Committee Issues, Item A. Councilmember Decker seconded the motion.

Agenda modification approved 7 – 0.

7:16:39

II. PUBLIC HEARINGS, CITIZEN COMMENTS & CORRESPONDENCE:

A. Public Hearings:

1. **AB09-166 – Public Hearing on Revenue Sources and Possible Property Tax Increase for Fiscal Year 2010.**

Deputy Mayor Swatman opened the public hearing at 7:16 p.m.

Tom Olsen, 7210 192nd Ave E, said he has lived in Bonney Lake since 1991 and this is the first time he has come to speak to the Council. He said the Council should not increase property taxes in 2010. He said the economic crisis has led to job losses, financial difficulties, and increased strain on social services like the Food Bank. He said it would be wrong to take more money from families in need through higher taxes. He said essential services like public safety and street repairs should remain the same, but other things need to be put on hold. He asked the Council to help families and show leadership in fiscal responsibility.

Seeing no further speakers, Deputy Mayor Swatman closed the public hearing at 7:21 p.m.

B. Citizen Comments:

Ron Lemco, 19503 56th St E, said he has lived in Bonney Lake for about 50 years and has seen a lot of changes over the years. He recently had an issue with his utility bill after moving from one rental home to another. He was unable to change his name on the accounts as a renter. He sent a payment to the old account, and it took seven weeks before he received a refund check. The water was later turned off at his new address, but he said neither he nor his landlord received a notice from the City. He said he paid the amount in full and the \$100 reconnection fee under protest. He feels his situation was not handled properly and that the City should notify owners with a door hanger or letter prior to being shut off. He asked that his \$100 fee be refunded.

Deputy Mayor Swatman said the Finance Committee deals with utility billing issues, and notification is problematic due to the large number of customers the water district serves. He said in the past the City called people with delinquent accounts, but many abused the process. He said that Mr. Lemco should have received some sort of notification before the water was turned off. Chief Financial Office Al Juarez provided Mr. Lemco with his contact information and said he would research the issue and get in touch with him.

C. Correspondence: None.

7:33:09

III. COUNCIL COMMITTEE REPORTS:

- A. Finance Committee: Deputy Mayor Swatman said the committee met at 5:30 p.m. earlier in the evening and discussed proposed Ordinance D09-159, and Resolutions 1980, 1981, and 1983.
- B. Community Development Committee: Councilmember Rackley said the committee has not met since the last Council meeting.
- C. Public Safety Committee: Councilmember King said the committee met on November 2, 2009 and heard testimony from a citizen regarding drag boats on Lake Tapps. He said more study must be done before any new legislation can be drafted. He said the committee next meets on December 7, 2009.
- D. Other Reports:
- Community Leaders' Coffee: Councilmember Carter attended the Community Leaders' coffee on October 28, 2009 with Superintendent Gil Mendoza. Councilmember Rackley and City Administrator Morrison also attended. The group discussed a proposed school levy, which would be on the February 9, 2010 special election ballot. She said the school budget has been cut while staff costs have increased and the number of students qualifying for low-income lunches have increased 3%. She said the school district is one of the largest employers in the area and the levy would require a simple majority for approval.

AWC Regional Meeting: Councilmember Carter attended the Association of Washington Cities regional meeting in Tacoma on October 28, 2009. The group discussed the State budget cuts and strategies for proposing policies or other items to the legislature that do not incur any new costs for the State.

7:36:56

IV. CONSENT AGENDA:

- A. **Approval of Payroll:** Payroll for October 16-31, 2009 for checks 28583-28614 including Direct Deposits and Electronic Transfers in the amount of \$ 541,874.38.
- B. **Accounts Payable Checks/Vouchers:** Accounts Payable checks/vouchers #57126 thru 57173 (including wire transfer #'s 5087477, 10152009 & 10222009) in the amount of \$131,372.53; Accounts Payable checks/vouchers #57174 for A/R Refund in the amount of \$337.70; Accounts Payable checks/vouchers #57175 thru 57219 in the amount of \$170,225.36; Accounts Payable checks/vouchers #57220 thru 57226 for A/R Refunds in the amount of \$7,674.00; Accounts Payable checks/vouchers #57227 for Utility Refund in the amount of \$165.87.
- C. **AB09-165 – Ordinance D09-165 –** An Ordinance of the City Council of the City of Bonney Lake, Pierce County, Washington, Amending Chapter 19.08.120 of the Bonney Lake Municipal Code and Section I of Ordinance No. 1205 Relating to School Impact Fees.
- D. **AB09-160 – Resolution 1978 –** A Resolution of the City Council of the City of Bonney Lake, Pierce County, Washington, Authorizing the Mayor to Sign a Lease Agreement with East Pierce Fire and Rescue to Continue Renting a Portion of the Public Safety Building.
- E. **AB09-162 – Resolution 1980 –** A Resolution of the City of Bonney Lake, Pierce County, Washington, Awarding the Contract for the Construction of the Sewer Trunk Line Improvement - SRI67 to Valley Avenue Slip Lining Project to PIPEnology, Inc.
- F. **AB09-167 – Resolution 1981 –** A Resolution of the City Council of the City of Bonney Lake, Pierce County, Washington, Authorizing the Mayor to Sign an Amendment to the Agreement with Parametrix to Design Sidewalk, Curb, and Gutter Improvements along 192nd Avenue. (Previously Approved by Resolution 1883)
- G. **AB09-175 –** A Motion of the City of Bonney Lake City Council Setting a Public Hearing for the Regular Council Meeting of November 24, 2009 at 7:00 p.m. or Shortly Thereafter to Consider Mid-Biennial Budget Modifications.
- H. **AB09-176 –** A Motion of the Bonney Lake City Council to hold a Public Hearing for the 2009 Comprehensive Plan Updates at the November 24, 2009 City Council Meeting.

**Councilmember Rackley made a motion to approve the Consent Agenda.
Councilmember Decker seconded the motion.**

Motion approved 7 – 0.

7:37:23

V. FINANCE COMMITTEE ISSUES:

- A. **AB09-177 – Resolution 1983** – A Resolution of the City Council of the City of Bonney Lake, Pierce County, Washington, Authorizing an Agreement with the Washington State Administrative Office of the Courts.

Councilmember Decker moved to approve Resolution 1983. Councilmember Rackley seconded the motion.

This item was added to the agenda during Agenda Modifications. Deputy Mayor Swatman said this is a straightforward agreement, where the AOC would reimburse the City for the purchase of two laptops and a printer for the Municipal Court. Councilmember Carter said the court needs special scanners for e-tickets, but this agreement would not cover purchase of that equipment at this time.

Motion approved 7 – 0.

VI. COMMUNITY DEVELOPMENT COMMITTEE ISSUES: None.

VII. PUBLIC SAFETY COMMITTEE ISSUES: None.

7:39:13

VIII. FULL COUNCIL ISSUES:

- A. **AB09-159 – Ordinance D09-159** – An Ordinance of the City Council of the City of Bonney Lake, Pierce County, Washington Declaring a Finding of Substantial Need for Property Taxes to be Collected in Year 2010, Pursuant to RCW 84.55.0101.

Councilmember Decker moved to approve Ordinance D09-159. Councilmember Hamilton seconded the motion.

Councilmember Rackley said that after discussing this item in Finance Committee, he feels the Council should take no action and let the property tax rate decline to 99.152% based on the implicit price deflator.

Councilmember Rackley moved to table proposed Ordinance D09-159 to the first workshop in December. Councilmember Decker seconded the motion.

Councilmember Rackley said delaying a vote on the ordinance would effectively kill it, since it would not be approved by the State deadlines.

**Motion failed 3 – 4.
Deputy Mayor Swatman and
Councilmembers Hamilton,
Carter and King voted no.**

Deputy Mayor Swatman said the Finance Committee has discussed the proposed ordinance for several weeks. He said he does not favor increasing the tax rate. He said the City would lose about \$46,000 if it does not raise the property tax rate. A 1% increase would increase the average property owner's taxes about \$60 next year.

Councilmember Hamilton said he is concerned how decreased property tax revenues will affect the city's budget in future years. Chief Financial Officer Juarez said the memo included in the Council packet explains how a decrease in tax revenues is compounded over multiple years. Councilmember Carter said if the Council lets the tax rate decrease, the revenue loss would snowball. She said the only way the City could correct it later on would be through a special election for a lid lift, which would cost the City a considerable amount. Councilmember Carter noted that a 1% increase in the utility tax would increase revenues by \$116,000, which is a much more significant amount.

Mr. Juarez explained that three options are before the Council: to pass Ordinance D09-159 and set taxes at 101% of 2009 rates; to pass Ordinance D09-159 and set taxes at 100% of 2009 rates (no change); or to do nothing and let the tax rate adjust to 99.152% of the 2009 rates based on the implicit price deflator.

Councilmember Decker said with unemployment at 10% or higher, he does not support increasing property taxes to 101% of 2009 rates. Councilmember Rackley said the City is benefitting greatly from reduced bids and costs for city projects, and thinks the City can do without the small amount of funds the proposed increase would provide. Councilmember King said this is the first time the implicit price deflator has been negative, and he thinks the decrease in property values and revenues is temporary and will recover in a couple of years. He commented that the city's savings on project bids do not affect the General Fund, where property taxes go. He said the amount of funds saved or lost in the proposed ordinance is very small in relation to the full budget. The City has not made any drastic job cuts, he said, and can work around this small decrease in revenues. He said he has confidence that the Mayor, City Administrator and Chief Financial Officer will make well-reasoned recommendations on the future budget.

Councilmember Bowen said he is also in favor of allowing the tax rate to decrease. He said raising taxes in the economic downturn would have a negative emotional affect on citizens. He said the City depends much more on sales tax revenues than property taxes, and positive feelings would help those rates. Deputy Mayor Swatman agreed and said the City government has responded to the economy with furloughs and cuts, and is showing citizens positive changes like the Downtown Improvements and Interim Justice Center projects. He said he would vote against the proposed ordinance.

Councilmember Rackley called for the question. Councilmembers asked for clarification on the motion before the Council. Administrative Services Director/City Clerk Edvalson explained that the motion is to approve the proposed ordinance, which would declare a 'finding of substantial need' for 2010 property taxes. Councilmember Rackley clarified that a 'no' vote would be a vote against the finding of substantial need, and in favor of allowing the tax rate to decrease.

**Motion failed 1 – 6.
Councilmembers Bowen,
Carter, Decker, King, and
Rackley and Deputy Mayor
Swatman voted ‘no.’**

IX. EXECUTIVE SESSION: None.

8:02:39

X. ADJOURNMENT:

At 8:02 p.m. Councilmember Rackley moved to adjourn the meeting. Councilmember Bowen seconded the motion.

Motion approved 7 – 0.



Harwood Edvalson, CMC
City Clerk



Neil Johnson
Mayor

Items submitted to the Council Meeting of November 10, 2009:

- City of Bonney Lake – AB09-177 – Resolution 1983 – A Resolution of the City Council of the City of Bonney Lake, Pierce County, Washington, Authorizing an Agreement with the Washington State Administrative Office of the Courts – Court Administrator Kathy Seymour.