

**COUNCIL WORKSHOP**

October 15, 2002  
5:30 p.m.

**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.*

*"Where Dreams Can Soar"*

**Call to Order**

Mayor Young called the workshop to order at 5:35 p.m. In attendance with Mayor Young were Deputy Mayor Swatman, Councilmember DeLeo, Councilmember Johnson, Councilmember King, Councilmember Palecek and Councilmember Rackley. Councilmember Bricker was absent. Staff members attending were Finance Director John Weidenfeller (arrived after roll call), Planning & Community Development Director Bob Leedy, Public Works Director Seth Boettcher (arrived after roll call), Assistant Public Works Director Gary Leaf (arrived after roll call) Judge James Helbling, Deputy City Attorney Jeff Ganson, Lt. Mike Strozyk, and City Clerk Gayle Butcher.

**Agenda Items**

1. Open Discussion

Mayor Young requested an executive session to discuss property acquisition and potential litigation. Council concurred.

Mayor Young led a discussion seeking Council opinions related to the upcoming Pierce County hearing on parks. The issue is consideration of Real Estate Tax (REET) funds for regional parks and partnering with cities to share the costs. Council discussed how the proposal would impact the City's park vision to provide better athletic parks versus open space. Councilmember King asked that the Park Boards of Bonney Lake and Buckley discuss the proposed matching fund program. Council was not opposed to the proposed concept and Mayor Young would clarify the County's proposal at a later date.

Mayor Young announced that an application for the Senior Center's Stone Soup Program was being prepared and that it does not require matching funds.

Deputy Mayor Swatman said that Park Board and Design Commission Minutes needed to be posted on the City's website.

Mayor Young asked that each member of the Council check his or her information on the website to make sure it was accurate.

Councilmember King said that he and Deputy Mayor Swatman had discussed the possibility of having District No. 22 Fire Chief Packer brief Council on the upcoming levy vote. The Fire District's recent newsletter presented a good explanation of the levy request, and due to the need for Year 2003 budget discussions, Councilmember King is withdrawing his request for a presentation.

Councilmember Johnson thanked the Public Works staff for replacing the stop sign at 81<sup>st</sup> and Myers Road. He asked whether further stop sign issues should be discussed this evening

or whether these safety issues should be referred on to the Public Safety Committee. Council discussed traffic calming devices and additional police enforcement. Council concurred that further discussion would be reviewed by the Public Safety Committee.

Deputy Mayor Swatman asked that Public Works Director Boettcher provide him with an electronic copy of the City's SEPA/fluoride response.

Finance Director John Weidenfeller noted that he had re-listened to the September 3, 2002 workshop tape and that the \$1,000 limit referenced what was in the existing ordinance.

Councilmember Rackley asked for clarification on Mayor Young's proposed property tax cut. Mayor Young asked the discussion be part of the budget discussion later this evening.

2. Draft Minutes: October 1, 2002 and October 8, 2002

The following corrections were made to the October 1 minutes:

Mayor Young reconvened the workshop at 9:30 ~~ap~~.m.

Deputy Mayor Swatman said that he has received some questions regarding the Initiative and Referendum process and that Council **needs to adhere to the 90-day time period cannot consider an ordinance until the 90-day period ends.**

The following corrections were made to the October 8 minutes

Deputy Mayor Swatman asked about ribbon-cutting ceremonies for the opening of **Office Home** Depot and Wal-Mart. Mayor Young said the opening for **Office Home** Depot is Noon on October 19, and he would confirm the date for Wal-Mart.

### Old Business

1. Wetland Inventory/Mapping Comments

Planning and Community Development Director Leedy said that work is continuing on developing an inventory and checking with other jurisdictions on their policy development and definitions of "best available science." Included in the review is comparing current development buffer authorization to more stringent wetland protection buffers.

2. Discuss ADU Amendment Language

Council discussed the language amendment to the Accessory Dwelling Unit ordinance. Councilmember DeLeo urged keeping an ADU within 1200 square feet and Deputy Mayor Swatman asked for consideration of ADU options in other zoning classifications, such as R-1. Planning and Community Development Director Leedy said the Planning Agency would review the ordinance and then it would be brought back to Council.

3. ADU Sewer Connection

In discussing sewer connections for Accessory Dwelling Units, Public Works Director Boettcher explained the residential equivalent rate structure as it relates to multi or single family residences. Council consensus reached to move forward the proposed ordinance. Deputy City Attorney Ganson noted that the connection changes couldn't be made retroactive.

#### 4. Sign Code Report

A brief update on the sign code enforcement was held. The code enforcement report would be given to Council on a monthly basis.

#### 5. Title 14, public notice

A brief discussion was held regarding the public notice sign size and written notice. Deputy Mayor Swatman asked that the 10-calendar day notice be changed to 10 working days. Planning and Community Development Director Leedy will further discuss signage size and color of posted notice with staff, and a proposal would be brought back to Council.

At 6:40 p.m. Mayor Young called for an executive session to discuss property acquisition and potential litigation. Mayor Young reconvened the meeting at 7 p.m. and requested a 10-minute recess. Mayor Young reconvened the meeting at 7:10 p.m.

#### 6. City Hall Space Needs Discussion

A discussion was held related to the Planning, Building and Public Works Administration personnel moving to the Juarez Building with placement of a doublewide addition on the Juarez building site. Mayor Young noted this could be accomplished within 30-60 days at a cost of approximately \$100,000. This proposal would be done in lieu of and to save the proposed \$1M move to the Public Safety Building as recommended by the Cal Jordan study. Mayor Young stated the \$1M would be targeted for a City Hall move in about one year. Councilmember DeLeo asked if the Youngberg building would be torn down for additional parking and if a 2-story doublewide had been considered. Councilmember Rackley said he supported the Juarez move as a temporary fix. Councilmember King noted the City was not saving \$1M, but he did agree that city-owned properties needed to be maximized. He noted the \$100,000 being spent on a temporary fix remained inadequate to meet the space needs. Mayor Young stated he was keeping a frugal budget. Planning and Community Development Director Leedy would check on the possibility of a 2-story doublewide.

#### 7. Discuss public hearing testimony, Fonk Latecomer Agreement, Resolution No. 917

Public Works Director Boettcher said he had discussed the latecomer agreement with Mr. Fonk and Mr. Fonk had agreed to a 3-year term versus a 15-year term and that this solves prorata share concerns. Deputy Mayor Swatman stated this was an excellent compromise. Council concurred to move the agreement forward.

#### 8. Skatepark

Public Works Director Boettcher apologized to Council for an oversight related to the construction of the Skatepark. He said the sales tax was inadvertently omitted from the bid specifications and that sales tax due is about \$31,000. He explained some of the measures

that the contractor has agreed to that would lessen the sales tax impact. Other sources of funding would be through a change order process if needed.

### **New Business**

1. Out-of-State Travel, Resolution No. 1019

Council consensus was reached for Mayor Young to attend the National League of Cities Conference in Salt Lake City, Utah during the first week of December 2002.

2. Assistant Planner Funding, Resolution No. 1038

Due to the Eden Systems Upgrade and training schedule Planning and Community Development Director Leedy explained the dire need for an assistant planner. The position has been vacant for some time and the Year 2003 budget is proposed to include salary and benefits. The request is to fill the position with temporary assistance now and funds would come from the Contingency Fund.

Finance Director John Weidenfeller said that positions being requested for funding in Year 2003, in addition to the assistant planner position, are 2 engineering positions. He further noted no other new permanent positions are being requested, but there are requests for extra hires.

Councilmember DeLeo noted that with the increase in Municipal Court, another full-time court clerk position would be in order since the court clerks are always here on Saturdays. He is concerned with "burn-out" of good people. Finance Director John Weidenfeller said one of the court clerks was on maternity leave for a good portion of the year.

Council consensus to move forward with the assistant planner position.

3. Discuss Joint Planning Agency Meeting

Council discussed setting a special workshop on October 29, 2002 at 5:30 p.m. to conduct a 45-minute joint meeting with the Planning Agency, and then to discuss water rates, garbage rates and the garbage contract.

4. Budget Discussion

Deputy Mayor Swatman was concerned that the proposed November 16 Saturday Budget workshop was too late in the month. Council discussed setting the date to November 9. Mayor Young noted he would need to leave early that day.

Mayor Young presented his property tax cut proposal. He explained that he is recommending a property tax-rate cut from \$1.60 to \$1.50 per \$1,000 assessed valuation, and to pass an ordinance to bank the excess levy capacity so that it is not lost in coming years. Mayor Young said that in developing the budget with Finance Director Weidenfeller and with the proposed sales tax revenue, the tax reduction (approximately \$93,000) would say to the community that the economic development brought in to the city is of value. He hopes that a new City Hall could be built without a levy. Mayor Young noted the proposed Year 2003 is

frugal, and that while the cut is not large, it is at least a tax cut. He is also presenting the material now because the ad valorem taxes must be voted upon by November 15, 2002.

Councilmember Rackley said his initial reaction is that the property tax reduction is not responsible in light of the increases in spending. Councilmember King compared the Year 2003 sales tax revenue projections with the Year-end 2002 retail sales and use taxes. He noted year 2002 is projected at \$1.5M. Councilmember King questioned why the Year 2003 sales tax projection was \$1.2M, which means \$300,000 less than Year-end 2002. Councilmember King questioned 1) how could the City have a property tax reduction when sales taxes are \$300,000 lower than this year's collection, and 2) if this is a conservative sales tax projection, the question is why? Finance Director John Weidenfeller said he is conservative and he doesn't know whether the current economic boom would continue, so he programmed the projections at 3%. Finance Director John Weidenfeller said he did not know the impacts of Wal-Mart or Office Depot, but he expects it to be positive. In reviewing the budget page that Councilmember King was referring to, Mayor Young noted that the projection wasn't 3% but a reduction. Finance Director Weidenfeller said "it's a reduction from what came in, Mr. Mayor, but it's an increase from what was projected." Mayor Young confirmed the figure was 3% from what was projected. Finance Director John Weidenfeller emphasized that he was being conservative and that the budget can be adjusted at mid-year.

Councilmember Rackley asked about the property tax revenues for the recent annexations. Finance Director John Weidenfeller confirmed that those revenues were included in this year's budget. He pointed out the \$1,399,328 includes the recently annexed areas (at the 1.5% property rate). Finance Director John Weidenfeller also confirmed that his calculations included everything that the Assessor-Treasurer's Office from Pierce County allows. Deputy Mayor Swatman asked for clarification on what is included in the ordinance. Finance Director John Weidenfeller indicated the calculations were figured off an amount of \$932,746,302 and he briefed Council on the 101% rule under I-747 and that \$1.60 is the maximum a city could collect under state statutes. He further broke down the assessed valuation information as \$.50 for Library and \$1.50 to the Fire District, and said what the Council is giving up is \$93,000 in assessed valuation rather than taking the maximum the City could assess. Finance Director John Weidenfeller said the \$93,000 stays in the peoples pockets. Councilmember Rackley clarified his question; the budget indicates an increase of \$246,000 in property tax revenue from year 2002 to year 2003. He wanted to know if the increase includes all the newly annexed areas plus the new infrastructure. Finance Director John Weidenfeller confirmed that it does - at the \$1.50 assessed valuation and the utility pieces are not included. Deputy Mayor Swatman pointed out that when areas are annexed, the return on the property values is not a lot compared to the amount of services the city must provide. Finance Director John Weidenfeller said he has been conservative in several other areas, such as calculating the cell phone tax for the newly annexed areas. Again, he emphasized looking at the budget at mid-year. Councilmember Johnson said the 3% was added to what was budgeted last year. Finance Director John Weidenfeller said he did not use a straight 3%, but did some ballpark projections on things that were not real clear. Councilmember Johnson wondered why the actuals for 2002 were not used. Finance Director John Weidenfeller responded by saying for lots of reasons, i.e., he was not sure the economic boom would continue, he believes the country is going to war, and he is trying to be conservative based on an unknown entity. Councilmember Johnson said he understood being conservative, but Councilmember Johnson believed the budget should be more closely projected with what is expected to be the new retail sales

revenues this year and next year, because it looks like the swing is \$1M. Finance Director John Weidenfeller said he did not go through all the sales tax data or do any sophisticated modeling due to lack of time. Councilmember Johnson pointed out that businesses do grow during a recession and he would prefer a more realistic budget. Finance Director John Weidenfeller said he understood what Councilmember Johnson was saying, but when faced with a proposed tax cut and more information coming, figures would be adjusted by the time the preliminary budget is published November 20.

Councilmember King pointed out that the tax reduction proposal is a \$.10 per thousand in assessed valuation, which, for a \$200,000 residence, is \$20. When looking at the increased water, sewer and now 4% increase in trash collection, the average citizen would not see the \$20 property tax reduction because most property tax is paid through the mortgage payment. Councilmember King feels positive that the City is reducing taxes, and he would like to see tax reduction carried on through the years if at all possible. Councilmember Rackley believes if the city cannot sustain the property tax for more than a year, he questions the reduction.

Councilmember King noted the \$93,000 tax reduction is in the same year as I-695. Finance Director John Weidenfeller said the I-695 reduction is \$163,000 and the City could lose another \$83,000 if the car tab initiative passes. Mayor Young stated he would not have proposed the reduction if he did not believe it could be sustained for several years. Deputy Mayor Swatman pointed out that all other cities max out the property taxes, and he was not sure whether that perspective is good or bad. Councilmember King is not opposed to making a philosophical change. Councilmember DeLeo said he believes the City cannot increase water, sewer, and garbage rates and say that taxes have been cut. Councilmember Johnson said Council would need to take a hard look at the various budget issues during the next several weeks.

Motion by Deputy Mayor Swatman, second by Councilmember Johnson, to adjourn at 8:15 p.m.

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Bob Young, Mayor

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Gayle Butcher, City Clerk