

CITY COUNCIL MEETING

City of

**March 28, 2006
7:00 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"

Audio Time
Stamp ↓

I. CALL TO ORDER – Mayor Neil Johnson called the meeting to order at 7:01 p.m.

- A. Flag Salute - Mayor Johnson led the audience in the Pledge of Allegiance.
- B. Roll Call [A1.3]

City Clerk Edvalson called the roll. In addition to Mayor Johnson, elected officials attending were Deputy Mayor Swatman, Councilmember David Bowen, Councilmember Phil DeLeo, Councilmember Mark Hamilton, Councilmember Dave King, Councilmember Cheryle Noble and Councilmember Jim Rackley.

Staff members present were Administrative Services Coordinator Don Morrison, Planning and Community Development Director Bob Leedy, Public Works Director Daniel Grigsby, Interim Finance Director Joe McGovern, Interim Police Chief 'Buster' McGehee, Judge James Helbling, Senior Human Resources Analyst Jennifer Young, Payroll Officer Annette Maib, Deputy City Attorney Jeff Ganson and City Clerk Harwood Edvalson.

C. Announcements, Appointments and Presentations [A3.6.9]

- 1. Announcements: None.
- 2. Appointments: None.
- 3. Presentations: None.

D. Agenda Modifications: *See Other Reports – Section III D.*

II. PUBLIC HEARINGS, CITIZEN COMMENTS & CORRESPONDENCE

7:02:15

A. Public Hearings: [A3.6.12]

- 1. **2006 Amended Budget** – Mayor Johnson opened the public hearing for comment on the proposed 2006 Amended Budget at 7:02 p.m. There being no public comment, he closed the public hearing at 7:03 p.m.

7:03:25

B. Citizen Comments:

Scott Weber, 11317 177th Ave. E., addressed the Council regarding sewer connections in Naches Terrace, specifically SDC charges. He described how residents are being asked to pay the current SDC charge of \$8200 with additional latecomer agreements costs of \$1300. He noted that when the homes were constructed, the City was not ready to hook up the subdivision to the City's sewer system. If it had been, the residents would have only paid about \$4,000 for connection fees. He asked the Council to consider requiring the lower amount, since through no fault of the residents, the City was unable to offer sewer service at that time. He noted that an adjacent developer was allowed to be grandfathered under existing development standards because he filed his plans days before the new development standards became effective. He said the residents of Naches Terrace should be grandfathered under the old connection fees. He suggested as an alternative that the residents be offered a payment plan and allowed to pay the \$4,000 by a certain date, or pay the full charge if not paid by that date.

Councilmember Rackley asked if the City could adjust down the charges in this case. Deputy City Attorney Jeff Ganson replied that he was reluctant to respond without further review. He added that his office is considering, at staff request, whether a payment plan can be approved. He cautioned against setting a precedent which will have city-wide impact. Councilmember King spoke in favor of a payment plan for these residents. Councilmember Hamilton noted the development was vested in the County before its later annexation into the City of Bonney Lake. Mayor Johnson concurred with Councilmember Rackley's request to review the current situation for Naches Terrace and determine if there are special circumstances which apply. He added that the City will look at all the options.

Dan Roach, Washington State Representative for the 31st Legislative District, provided an overview of the recently concluded legislative session in Olympia. At the conclusion of his remarks, he responded to Council comments and questions. Councilmembers Hamilton, Rackley and Bowen emphasized the need for support on improvements to the Rhodes Lake Road and the SR162 Corridors and the Regional Transportation Investment District. Representative Roach said that Senator Roach is working on a package to get these projects on the list of improvements funded by the state. He said the projects are ranked low in priority compared to bigger projects in King County. He added that the defeat of the RTID was political so a vote on the issue could be made in a non-election year. He noted that he was opposed because the three counties involved in the district are linked together and the project lists keep changing.

Councilmember DeLeo asked for assistance for a private individual with mail delivery problems who lives just outside the City on 214th. Representative Roach asked to be provided the information. Councilmember King asked for comment on ESB 6342 and the election of municipal judges and on the stream-lined sales tax. Representative Roach responded that he, like the City, does not support the election of municipal judges because of the additional costs to cities and the potential loss of autonomy. He said the stream-lined sales tax pits some cities against others in the redistribution of the sales tax. He said the real reason that the issue did not move

forward is because the large brick and mortar retailers will use the stream-lined sales tax to petition for a tax on the internet to help protect their erosion of their sales share. He said the political volatility of this issue means this issue will come up next year in a non-election year.

Deputy Mayor Swatman asked about the potential property tax initiative which will be much like Oregon's, essentially negating any of the advances made through the Growth Management Act. Representative Roach said the legislature has generally failed to respond to public pressure. He said the public back-lash will likely be sweeping. Councilmember Bowen asked Representative Roach to look at the possibility of restoring the crossings under SR410 for pedestrian use. Representative Roach said he will ask the people at the Washington State Department of Transportation to look at it. Mayor Johnson thanked Representative Roach for his visit and comments.

Marci Preston, 17608 114th St. E., said she is a resident of Naches Terrace and understands there is a fee to connect to the sewer. She asked that the Council consider the \$4000 fee to connect rather than the higher current fee. She said there are many who may wish to pay the fee now, rather than be responsible for a higher fee in the future.

Deputy Mayor Swatman said he understands the position that the residents are in, but is concerned about all the other citizens in Bonney Lake who may need to connect to the sewer. Councilmember Bowen asked if the sewer capacity existed at the time the homes were constructed. Deputy Mayor Swatman said the capacity was there, but the fee at that time was not a system development charge.

Robert Burns, 11311 176th Ave. E., noted that he has already been connected to the City sewer system for a portion of the wastewater from his property. He questioned whether it was proper to pay an SDC if he is already connected to the sewer. He added that the other portion of his property is connected to the community drain field which is going away.

Winona Jacobsen, 9100 189th Ave. E., asked if the City is aware of the Sumner proposal to construct a large water tank within Pierce County's jurisdiction on the steep slope below SR410. She described some of the negative impacts which would occur if the tank were to fail. She asked the City to make comments to Pierce County during the comment period closing on April 4th, and express the City's and residents' concerns.

Councilmember Noble asked for clarification that this is a project by the City of Sumner, but located in unincorporated Pierce County. Director Leedy responded that it is. He said his staff is preparing comments for review by Mayor Johnson. Mayor Johnson said he will make those comments available for review by the City Council. Councilmember Hamilton noted there is already a water tank near the same location.

Fred Jacobsen, 9100 189th Ave. E., asked that the Council pull Resolution 1546 from the Consent Agenda and add some additional language regarding planting along Fennel Creek. He also mentioned the Multiple-Sclerosis Walk at Pt. Defiance Park

this Saturday at 9:00 a.m. He asked that anyone willing to donate in support of the Walk contact him. Finally, Mr. Jacobsen mentioned there will be a planting on Saturday from 9 a.m. – Noon along Clark's creek. He added they are looking for volunteers to help with that planting.

Dan Walker, 11306 176th Ave. E., noted that the builder of Naches Terrace put up \$3600 per home at the time of construction. He asked if the \$161,000 and interest would be used to offset the current connection charges.

Councilmember Rackley responded that the funds will be used for installation of pipes and that any remaining will offset the assessments for the latecomer agreements impacting the development. Mayor Johnson said the City will look into the accumulated interest, if any, and its possible application.

Louisa Smith, 20112 Church Lake Rd., said she paid \$150 in 1963 for a water connection. She said under the prevailing thought this evening, she should have bought two at the lower rate. Ms. Smith added that the last time the City discussed increasing its Urban Growth Area, citizens in the unincorporated County said they did not want to be part of the City of Bonney Lake. She said many of the development problems in the area have come from the unlimited building allowed in the County. Addressing the Consent Agenda, Ms. Smith said she believes it serves a useful purpose to move the Council's business along during meetings. She added that items can always be removed for further discussion. She concluded by commenting on the condition of traffic in Bonney Lake. She noted there are problems, but there are problems all over the region.

Councilmember Rackley noted that the County is still allowing growth. He referenced the plans to build 3,000 homes in addition to those already contemplated in the Cascadia Development.

Dan Decker, 20401 70th St. E., asked why his trash bill from DM Disposal increased 5% when the new recycling container delivered to his home now diverts about 1/3 of his refuse stream away from the landfill. He also commented on the Naches Terrace sewer connection issue stating that he believes grandfathering at the older rates should be allowed. He also suggested that the City look at ways to benefit veterans of all the U.S. wars. Finally, he asked why the City is planning to build a trail along Fennel Creek. He expressed concern for degradation of the environment because of the trail and trail use.

Councilmember King replied that the contract with DM Disposal provides for an increase as the cost of business increases. He noted the County increased the tipping fees at the dump, that the county-wide recycling program required capital costs for trucks to handle the preferred containers, and the general cost of labor and materials has increased. He said it is unfortunate, but the increase is justified. Mayor Johnson added that now glass is included in the waste stream, that added weight has offset some of the weight which has been otherwise diverted to recycling. Councilmember King added the cost effectiveness of the recycling program is also subject to the demand and pressures of the spot market for recyclables.

Mayor Johnson called for comments on Consent Agenda Items.

Fred Jacobsen, requested the Council pull Resolution 1546 from the Consent Agenda and add the proposed language.

At 8:20 p.m., Councilmember Rackley moved the Council take a ten minute break. Councilmember King seconded the motion.

Motion approved 7 – 0.

At 8:33 p.m., Mayor Johnson brought the meeting back to order.

C. Correspondence: None.

8:33:30

III. COUNCIL COMMITTEE REPORTS:

[A3.6.4]

A. Finance Committee

Deputy Mayor Swatman said the Finance Committee met earlier in the evening and discussed the following:

1. Resolution 1544 – an agreement to perform background checks;
2. Resolution 1540 – an employment agreement with the City Administrator;
3. Questions and answers on the proposed budget amendment;
4. An explanation from the Finance Director on the need for rate increases in wastewater and storm water utilities and why the HDR study did not evaluate the same need; and
5. Resolution 1554 – a proposed resolution for a professional planning services agreement with AHBL.

B. Community Development Committee

Councilmember Rackley said the Committee met on March 20th. He listed six items which had been forwarded from the Committee to the Council meeting for consideration on the current agenda:

1. Resolution 1546 – the Stream Team Agreement;
2. Resolution 1548 – Stump Grinding Services;
3. Resolution 1550 – Leaky Water Main Replacement Engineering;
4. Resolution 1549 – Utility relocation on South Prairie Road;
5. Resolution 1551 – Outfall study to Fennel Creek; and
6. Resolution 1552 – Replacement Project for Lift Station 17 Pumps.

C. Public Safety Committee

Councilmember DeLeo said the Public Safety Committee has not met since the last Council meeting. He said the regular April 4th meeting has been canceled and that the Committee will hold a special meeting on April 10th.

D. Other Reports:

Councilmember DeLeo reminded the audience of the April 11th Kiwanis Prayer

Breakfast at 7:00 a.m. at the Senior Center. He encouraged immediate registration so that sufficient food is planned for the event.

Councilmember DeLeo reported he attended a recent Rainier Cable Commission meeting where it was reported that the Commission has submitted a request for a \$262,000 federal grant to study a regional WIFI program for Pierce County and its constituent cities.

8:37:52

E. Agenda Modification:

Deputy Mayor Swatman moved to add Resolution 1554 to the Council agenda as item A of Section V. Councilmember Noble seconded the motion.

Motion approved 7 – 0.

8:38:26

IV. CONSENT AGENDA: [A3.6]

Councilmember Hamilton asked that Resolution 1544 be pulled and moved to VB. On the agenda. Councilmember Rackley asked that Resolution 1546 be pulled and moved to VID. on the agenda. Deputy Mayor Swatman moved to approve the Consent Agenda as modified. Councilmember Noble seconded the motion.

- A. **Approval of Minutes:** Approval of Minutes from March 7, 2006 City Council Workshop and March 14, 2006 City Council Meeting.
- B. **Checks/Vouchers:** Accounts payable checks/voucher #43381 thru 43509 and wire transfer #1820675 in the amount of \$658,935.69. [F4.9]
- C. **Payroll:** Payroll for March 1-15, 2006 for checks 24710-24750, including Deposits and Electronic Transfers in the amount of \$265,562.22. [F4.9]
- D. **AB06-16 – Resolution 1517** - A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing A Contract With Databar Inc. For Lock Box And Reconciliation Services. [F4.5.4]
- E. ~~**AB06-55 – Resolution 1544** - A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing A Client Services Agreement With Pinnacle Investigations For Pre Employment Background Checks. [A4.7]~~
- F. ~~**AB06-69 – Resolution 1546** - A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing A Contract With The Pierce Conservation District's Stream Team Program For 2006. [O4.14.11]~~
- G. **AB06-71 – Resolution 1548** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing A Contract With West Coast Stump Grinding For The Grinding Of Limbs And Debris From The Storm. [O4.14.1]
- H. **AB06-73 – Resolution 1550** - A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing an Agreement with RH2 Engineering for Leaky Water Main Replacement [O4.10.1]

- I. **AB06-78 - Resolution 1553** - A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing An Agreement With All Points Media To Display Anti-Tobacco Posters At Allan Yorke Park's Skateboard Park On Behalf Of The State Department Of Health. [05.9]

Motion approved 7 – 0.

8:40:08

V. **FINANCE COMMITTEE ISSUES:**

- A. **AB06-79 – Resolution 1554** - A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing An Agreement With AHBL For Development Review Services.

Deputy Mayor Swatman moved to approve Resolution 1554. Councilmember Rackley seconded the motion.

Director Leedy explained that the assistant and associate planners have moved on to jobs with larger cities, and that the City has not yet been able to fill the permit coordinator position. He said the department is swamped with work. He added that AHBL has done work for the City in the past and is familiar with the City's municipal code. He estimates they will be used for approximately 3 months to handle some of the major and more complex projects.

Councilmember Bowen asked if the cost to applicants will be the same as if done in-house. Director Leedy responded the additional expense will be absorbed by the City, because the fee structure is already set by ordinance. He did not think the additional cost will be significant.

Motion approved 7 – 0.

- B. **AB06-55 – Resolution 1544** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing A Client Services Agreement With Pinnacle Investigations For Pre-Employment Background Checks. [A4.7]

Deputy Mayor Swatman moved to approve Resolution 1544. Councilmember Rackley seconded the motion.

Councilmember Hamilton asked why this service is needed. Administrative Services Coordinator Morrison responded that the company will do background checks on new hires. He said the additional information will be a good addition to the background interviews done by the staff. Councilmember Hamilton said he is concerned that the company provides no guarantee of its results. He questioned their reliability. Deputy Mayor Swatman noted that the firm has been used before by the City. Councilmember King said the information does not constitute a criminal investigation and will be limited to what is commonly available by computer.

Motion approved 7 – 0.

8:46:22

VI. COMMUNITY DEVELOPMENT COMMITTEE ISSUES:

- A. **AB06-72 – Resolution 1549** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing A Proposal With Qwest The For Utility Relocation From 201st To South Prairie Rd. E. For The South Prairie Road Improvements Project. [O 4.8.1]

Councilmember Rackley moved to approve Resolution 1549. Councilmember Hamilton seconded the motion.

Deputy Mayor Swatman said he understands that Qwest has an easement outside of the City's existing easement that the City must mitigate in this project. He questioned why the necessary right-of-way seems to be expanding each time this issue is brought to Council. He expressed concern that the City may be paying for and building more improvements than it really needs. Director Grigsby said the City will soon be given a full set of drawings from Pierce County, who is managing the construction. He said some of the mitigation expenses are cheaper than court costs would be to condemn the property.

Motion approved 7 – 0.

- B. **AB06-75 – Resolution 1551** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing An Agreement With CTS Engineers For A Stormwater Management Study Of Two Streams That Outfall Into Fennel Creek. [O 4.7.1]

Councilmember Rackley moved to approve Resolution 1551. Councilmember Hamilton seconded the motion.

Director Grigsby explained that the Council asked staff to determine if the outfall capacity of the drainages from Lake Bonney and Lake Debra Jane are adequate. Councilmember Hamilton expressed concern that the consultants may need to enter private property. Director Grigsby said a notification letter will be prepared as was similarly done for the study of the 192nd Ave. E. Corridor. Councilmember Hamilton also suggested that the results of any water quality sampling be shared with the Stream Team. Director Grigsby said it will be shared.

Councilmember King questioned the scope of work specified for insitu sampling. He expressed concern that the provision for one sampling will not be able to take into account the seasonal variations of the water quality in the lakes. Director Grigsby said this study is only concerned with the quality of the water at the outfalls. Mayor Johnson suggested that the information on sampling from the Stream Team will also be shared with this consultant.

Motion approved 7 – 0.

- C. **AB06-77 – Resolution 1552** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing An Agreement With Omega Construction, Inc. For The Lift Station 17 Pump Replacement Project. [O 4.10.2]

Councilmember Rackley moved to approve Resolution 1552. Councilmember DeLeo seconded the motion.

Director Grigsby said this is phase two of this project. He said the lift station is the main pump used to send wastewater down the hill to the treatment plant. He said the old pump was worn and causing damage to the foundation of the pump site. He said this portion of the project will be the actual installation of new pump equipment specially manufactured for this site. Deputy Mayor Swatman asked why this item was not a candidate for the Consent Agenda. Councilmember Rackley said the Committee failed to check the appropriate box on the transmittal form to put it on the Consent Agenda.

- C. **AB06-69 – Resolution 1546** –A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing A Contract With The Pierce Conservation District’s Stream Team Program For 2006. [O4.14.11]

Councilmember Rackley moved to approve Resolution 1546. Deputy Mayor Swatman seconded the motion.

Councilmember Rackley moved to amend the Resolution by adding bullet item 4 of Attachment A, which should read, “4. Assist with planning, coordination, and implementation of the Fennel Creek planting (subject to funding and time availability).” Councilmember Hamilton seconded the motion.

Councilmember Hamilton asked Mr. Jacobsen why this amendment is needed. Mr. Jacobsen said he hopes the City will work with the Stream Team to accomplish tree planting and riparian restoration along Fennel Creek.

Motion to amend approved 7 – 0.

Deputy Mayor Swatman expressed concern stating that the contract should not include work to be done solely for the benefit of the owners of Lake Debra Jane, a private lake. Councilmember King responded that the water sampling for the lake will be done with all volunteer labor. He said none of the efforts on Lake Debra Jane will be funded through this agreement.

Amended motion approved 7 – 0.**VII. PUBLIC SAFETY COMMITTEE ISSUES: None.**

9:04:55

VIII. FULL COUNCIL ISSUES:

- A. **AB06-44 – Ordinance 1182** – An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Creating A Streets Capital Improvement Fund And Amending Ch. 19.04 BLMC And Ord. No. 984. [A3.5.5] [F4.25.1]

Deputy Mayor Swatman moved to adopt Ordinance 1182. Councilmember Rackley seconded the motion.

Motion approved 7 – 0.

- B. **AB06-51 – Ordinance 1184** – An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Creating A General Government Capital Improvement Fund. [A3.5.5] [F4.25.2]

Councilmember Noble moved to adopt Ordinance 1184. Deputy Mayor Swatman seconded the motion.

Motion approved 7 – 0.

- C. **AB06-52 – Ordinance 1185** – An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Creating A Parks Capital Improvement Fund And Amending Ch. 19.06 BLMC And Ord. No. 1018. [A3.5.5] [F4.25.3]

Councilmember King moved to adopt Ordinance 1185. Councilmember Noble seconded the motion.

Motion approved 7 – 0.

- D. **AB06-39 – Ordinance 1181** – An Ordinance Of The City Of Bonney Lake, Pierce County, Washington, Creating A New Chapter 2.08 Of The Bonney Lake Municipal Code, Reorganizing The Internal Affairs Of The City, Establishing Departments And Offices Of The City, Defining The Functions, Powers, And Duties Of City Officers And Employees, And Repealing Ordinance Numbers 205, 506, 506A, 543, 543A, 690, 770, 774, 868, 782, 811, 813, 849, 851, 862, 883, 977, 983, And 992. [A3.5.5] [A4.3.3]

Deputy Mayor Swatman moved to adopt Ordinance 1181. Councilmember Noble seconded the motion.

Administrative Services Coordinator Morrison said this action culminates several months of work looking at the organization of the City. He said this ordinance establishes the departments, divisions and offices of the City. He said his research shows that about half of the Cities that operate under a Mayor-Council form of government have the organizational structure of the City laid out in their municipal code. He said this action puts official form to the structure, whereas, previously, the organizational structure was only established through the budget. He added that when change becomes necessary, the Council can amend the municipal code to

update the structure. He said the ordinance creates a city administrator position and a new department of community services. He said the responsibilities of the other departments are spelled out as well. Councilmember King commented that for once he is glad to see that more ordinances are being repealed than this action creates.

Motion approved 7 – 0.

- E. **AB06-18 – Ordinance 1180** – An Ordinance Of The City Of Bonney Lake, Pierce County, Washington, Establishing The Non-Union Salary Scale For Non-Represented Employees. [A4.3.1]

Deputy Mayor Swatman moved to adopt Ordinance 1180. Councilmember Rackley seconded the motion.

Councilmember Noble asked if there was something that shows where the individuals are in their ranges. ASC Morrison responded that information was included in the notebooks provided to the Council last month. He offered to provide another copy. He explained that the salary survey was based on a survey of cities in Pierce, King, Kitsap and Thurston Counties with populations from 7,500 to 30,000. He said this best approximates the labor pool for the exempt non-union positions covered by this proposed ordinance. Councilmember DeLeo asked about the structure of the salary table and why changes in the percentages between ranges is proposed. ASC Morrison responded that the new structure more closely approximates what other cities are doing, and essentially represents the industry standard.

Motion approved 7 – 0.

- F. **AB06-68 – Ordinance 1178** – An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Amending Ordinance No. 1169 And The Annual Budget For The Calendar Year 2006. [F3.9]

Deputy Mayor Swatman moved to adopt Ordinance 1178. Councilmember Noble seconded the motion.

Interim Finance Director Joe McGovern summarized the proposed budget amendment. He noted that the \$71 million budget is bolstered by a \$31 million fund balance. He said the projected expenditures are considerably less than \$71 million. He noted that the General Fund has about \$10.5 million in projected expenditures. He said the amended budget is constructed conservatively. He concluded with a description of the seven new positions proposed in the budget-- two new police officers, two new maintenance workers, two new positions in the proposed Customer Services Department and one position for an executive assistant in the Executive Department.

Councilmember Rackley asked about the announced increases in Public Employee Retirement System contributions. ASC Morrison confirmed that both the employer and employee contributions will rise substantially over the next few years. Councilmember Rackley suggested that the City plan now how to cover the

mandatory increases.

Councilmember Hamilton asked about the position of the Sewer Fund. Director McGovern said the EES rate study did not set rates for the level of revenue required for operations. He added that the restructured funding of the Equipment Rental and Replacement Fund and the reallocation of administrative charges put an additional drain on the Sewer Fund. He said the debt service on the bonds issued in 1999 was not appropriately allocated to the Sewer Fund, either. Finally, he noted that the rate study did not include ongoing capital projects and capital equipment acquisitions. Director McGovern said there are some offsets to the increased costs. He said that in all likelihood, the actual revenues will be greater than the forecast revenues in the budget. He said that a portion of investment income in the Sewer Fund might also be attributed to operations.

Councilmember Hamilton asked about the Water Fund. He asked if the City is charging too much in its rate structure. Director McGovern said it is true the Water Fund is in a more healthy position than the Sewer Fund. ASC Morrison said it may be that the rate increase programmed for next year could be reduced.

Councilmember King asked about Operations and Maintenance Capital Projects. Director Grigsby said the rates were structured to include the payment for capacity through the Tacoma water system. Councilmember Hamilton said it appears the rate studies were skewed. He asked for an explanation in the near future. Director Grigsby said the issue will be revisited in a few months when the 2007 Budget discussions commence.

Motion approved 7 – 0.

- G. **AB06-66 – Ordinance 1186** – An Ordinance Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Amending Chapter 2.24.070 Of The Bonney Lake And Ordinance No. 283 Relating To The Appointment Of The Secretary And Chief Examiner To The Civil Service Commission. [A3.5.5]

Deputy Mayor Swatman moved to adopt Ordinance 1186. Councilmember Hamilton seconded the motion.

ASC Morrison explained that the proposed ordinance gives the Civil Service Commission greater flexibility in appointing its Secretary and Chief Examiner. He said the old ordinance required residence or employment with the City. He said the proposed ordinance removes those requirements. He added that the Civil Service Commission supports the change.

Motion approved 7 – 0.

- H. **AB06-43 – Resolution 1540** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Approving The Appointment Of Don Morrison As City Administrator, And Authorizing The Mayor To Sign An Employment Agreement. [A4.3.6]

Deputy Mayor Swatman moved to approve Resolution 1540. Councilmember Rackley seconded the motion.

ASC Morrison distributed a change in the proposed agreement pursuant to the earlier Finance Committee discussion. Deputy Mayor Swatman said the original request for severance was for up to a year's salary. He added that Mr. Morrison has agreed to reduce that amount to six months. Councilmember DeLeo noted that the lettering in Section 11 needs to be corrected.

Deputy Mayor Swatman moved to amend the resolution and agreement to include the changes submitted by Mr. Morrison. Councilmember Rackley seconded the amendment.

Mayor Johnson said he was pleased to see the Council leaning to a 4-year agreement, which he had originally favored. He said he is pleased with the current proposal and expressed appreciation for Mr. Morrison's flexibility and City Attorney Dionne's assistance during this process. Councilmember Rackley said it makes sense to have a 4-year agreement. He hoped that the City will have Mr. Morrison even longer. Mayor Johnson expressed appreciation to the Council, staff and Mr. Morrison for their efforts in this process of reorganization. He said there is a good working partnership between all the parties. He said this organization will make it easy to keep the Council informed, and that Mr. Morrison will make it happen.

**Motion to amend approved 7 – 0.
Amended motion approved 7 – 0.**

IX. EXECUTIVE SESSION: None.

X. ADJOURNMENT

At 9:39 p.m., Deputy Mayor Swatman moved to adjourn the meeting. Councilmember Noble seconded the motion.

Motion approved 7 – 0.

Harwood T. Edvalson, CMC
City Clerk

Mayor Neil Johnson, Jr.

Documents submitted for or at the Council Meeting of March 28, 2006:

- Bonney Lake Resident – *Proposed Amendment to Attachment A – Resolution 1546* – Fred Jacobsen.

- City of Bonney Lake – *AB06-79 – Resolution 1554* – Don Morrison, Administrative Services Coordinator.
- City of Bonney Lake – *Sewer Fund – Comparing the Rate Study’s Forecast for 2006 with the 2006 Budget* – Don Morrison, Administrative Services Coordinator.