

## CITY COUNCIL WORKSHOP

February 21, 2017  
6:00 P.M.

### MINUTES



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

- I. **CALL TO ORDER** – As both the Mayor and Deputy Mayor were not in attendance, Administrative Services Director/City Clerk Harwood Edvalson called the workshop to order at 6:00 p.m.
- II. **ROLL CALL:** Administrative Services Director/City Clerk Edvalson called the roll. Elected officials in attendance included Councilmember Justin Evans, Councilmember Donn Lewis, Councilmember Katrina Minton-Davis, Councilmember James Rackley, Councilmember Dan Swatman, and Councilmember Tom Watson. Deputy Mayor Randy McKibbin and Mayor Neil Johnson, Jr. were absent.

**Councilmember Rackley moved to appoint Councilmember Swatman as Deputy Mayor Pro Tem for the Workshop. Councilmember Lewis seconded the motion.**

**Motion to appoint Councilmember Swatman as Deputy Mayor Pro Tem approved 6 – 0.**

**Councilmember Rackley moved to excuse Mayor Johnson and Deputy Mayor McKibbin's absences. Councilmember Watson seconded the motion.**

**Motion approved 6 – 0.**

Staff members in attendance were City Administrator Don Morrison, Administrative Services Director/City Clerk Harwood Edvalson, Chief Financial Officer Cherie Gibson, Public Services Director John Vodopich, City Attorney Kathleen Haggard, Deputy City Clerk Susan Haigh, and Planning & Building Services Manager Jason Sullivan. Police Chief Dana Powers arrived at 6:13 p.m.

### III. AGENDA ITEMS:

- A. **Presentation:** JustServe.Org and Service Opportunities for the Community – Alan & Jeri Gamblin.

Alan and Jeri Gamblin provided information about JustServe.org, a website for organizations to post community projects and needs, and to help volunteers find service opportunities in their local area. They said volunteers are available to help post projects to the website. They said they are reaching out to cities in the area to share information about the website and help connect volunteers with projects in the community. They said postings cannot involve commercial or fundraising activities, cannot discriminate, and cannot relate to political activities or

proselytizing. The website is affiliated with the Church of Jesus Christ of Latter-Day Saints.

City Administrator Morrison said other cities and groups like United Way are partnering with JustServe.org to advertise community events and needs for increased volunteer involvement. He said volunteers often come from service clubs, schools, and sometimes from outside the local area if they want to help with a particular project. He suggested City projects like Parks Appreciation Day, Beautify Bonney Lake, and others might be good for this website. Councilmember Katrina Minton-Davis thanked the Gamblins and said she is involved with several groups that could use the site for their service events and programs.

**B. Presentation: SR410/204th Intersection Improvements Financing – Jim Nelson.**

Jim Nelson of D. A. Davidson presented information on the bonding market and opportunities to fund approximately \$4 million for the proposed SR 410/204th Intersection project. He said the City is rated AA+ which is the second highest grade. He described options for a private placement, which currently has slightly lower costs for 15-year financing than a public bond sale. He said the main factors impacting costs are the length of the payment schedule and other needs for the bond financing. He answered Council questions and confirmed the Council must pass an ordinance to actually authorize the bonds.

City Administrator Morrison said the City committed to the 204th Street intersection project as part of the Visconsi/Costco Development Agreement, and Finance staff have been reviewing the estimated costs and bonding options. In response to questions from Councilmember Watson, City Administrator Morrison said the Costco project is driving the 204th Intersection improvement, and the project is nearly ready to go out to bid. He said they will want funds available by the time the project is ready to award, so the bonding process would need to start soon. He said Costco plans to open in 2018 and the tax revenue stream would be used to pay off the bonds, though the City can make interest only payments initially.

Mr. Nelson said an estimated \$400,000 in tax revenue is expected from the new Costco store, and funds would be secured by the general fund to make bond payments, which should not exceed what Costco has agreed to pay.

Deputy Mayor Pro Tem Swatman asked about the engineer's estimate for the project; Public Services Director Vodopich said the work is estimated to cost \$3.3 million, but with contingencies and construction services added in the total cost is estimated at approximately \$4 million.

Councilmember Rackley spoke in favor of moving forward with bond financing due to the low rates, and said the investment will pay off in the future. Councilmembers Lewis, Watson, and Rackley said they support moving ahead

with the private placement bonds option. Deputy Mayor Pro Tem Swatman said the Council needs to be cautious and be certain of Costco moving forward to completion before moving ahead with these bonds.

Director Vodopich said Visconsi closed on the property last week, and then confirmed that Costco has since purchased the planned portion for the new store from Visconsi. He said the City was not obligated to approve the 204th St Intersection project until Costco had purchased the property. He and City Attorney Kathleen Haggard confirmed that the project will follow state bidding requirements.

Mr. Nelson noted that the project costs may end up being lower or higher than the \$4 million estimate. He said the bond attorney can write the ordinance with flexibility to include other items related to the project, in case the construction costs fall under \$4 million. If the project costs are higher, however, the City may need to start over and would lose its locked-in rates. He said it is good to wait until a firm cost estimate is ready before requesting proposals from banks. Chief Financial Officer Cherie Gibson said if it is over by a small amount it probably could be addressed with an interfund loan. She said based on neighboring communities, the \$400,000 estimate for Costco tax revenues is conservative.

Mr. Nelson said the current bank market is supportive and financing costs are low. He said they do expect rates to increase in the coming year. Council consensus was for staff to work on a draft bond ordinance to return it to the Council for action at a future meeting.

### C. **Council Open Discussion**

Community Updates: Councilmember Watson said he attended the Chamber luncheon last week at Cedar Ridge, where they heard a presentation from Terry Corbell on steps to higher sales.

Councilmember Minton-Davis said she attended the Enumclaw Chamber of Commerce meeting earlier in the morning and heard a presentation from a Maple Valley councilmember about a proposed Transportation Benefit District (TBD) for south King County cities of Maple Valley, Enumclaw, Black Diamond, and Covington, as well as areas of unincorporated King County. They are looking at projects including SR169 for a car tab tax to cover project costs. She said Buckley and Enumclaw are working together on a similar TBD proposal for SR410.

School District Updates: Councilmember Lewis said three Bonney Lake High School wrestlers are State Wrestling Champions, and the Culinary Arts program won second place in a statewide competition.

Pierce County Regional Council Event: Councilmember Lewis said Bonney Lake was recognized at the Pierce County Regional Council dinner by Tacoma-Pierce County Health Department with a 'Healthy Communities' platinum award. Planning & Building Supervisor Sullivan said this is the first year for this award,

which recognizes policies adopted in the City's comprehensive plan. He said several agencies were recognized with three levels of awards, platinum being the highest.

Community Updates (continued): Councilmember Evans asked whether the Mayor received responses to his letter about a proposed 'plateau cities' collaboration. City Administrator Morrison said he did not have any updates.

Councilmember Watson said he attended a Lions Club meeting last week and they heard updates about Tehaleh from general manger Scott Jones. They are working to buy property for future transportation connections on the plateau and redevelopment of the SR162 corridor. Councilmember Evans said he understands SR162 hit full capacity years ago. Deputy Mayor Pro Tem Swatman said studies are available that show travel times for area roads over a period of time, and congestion levels.

Public Works Center: Deputy Mayor Pro Tem Swatman reminded the Council that staff are working on options for the future Public Works Center. He said the Community Development Committee and Finance Committee have discussed site options, and noted that the proposed 96th Street site poses some challenges.

**D. Review of Draft Minutes:** February 7, 2017 Workshop and February 14, 2017 Meeting.

The minutes were forwarded to the February 28, 2017 meeting for action with minor corrections.

**E. Discussion:** AB17-09 – Ordinance D17-09 – Flood Control Amendment.

Planning & Building Supervisor Sullivan explained that the Federal Emergency Management Agency (FEMA) has updated the Flood Insurance Rate Maps (FIRMs) for the first time since 1980. The new maps go into effect March 7, 2017, and the City must adopt them to remain eligible for national flood insurance. He said the proposed ordinance includes other housekeeping items, but the only substantive changes are to adopt the new maps and to add language to protect water wells within flood plains to protect the water supply. He said flood plains in the city limits were actually reduced based on updated studies and data.

Councilmember Rackley and Deputy Mayor Pro Tem Swatman asked about the 'pothole' area on 62nd Street, which has had flooding issues. Mr. Sullivan said this area is on the updated FIRMs. He said City staff have monitored this area all winter and it has not had flooding issues like those experienced last year.

Councilmember Watson asked whether the updates change flood areas around Lake Tapps. Mr. Sullivan said the previous FIRMs showed the flood plain at the 545' line around Lake Tapps has been dropped down to the maximum lake elevation, since water levels in Lake Tapps are managed. The new map also removes a flood area shown behind the Public Safety Building. He said the

updated maps are much-improved and available digitally. He said changes to the FIRMs will only impact insurance rates if a property is in a flood plain area; it allows property owners to apply for FEMA recovery funds, if there is a flood.

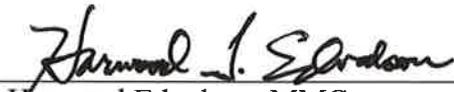
Council consensus was to forward proposed Ordinance D17-09 to the February 28, 2017 Meeting for action as a Consent Agenda item.

**IV. EXECUTIVE/CLOSED SESSION:** None.

**V. ADJOURNMENT:**

**At 7:12 p.m., Councilmember Lewis moved to adjourn the Council Meeting. Councilmember Rackley seconded the motion.**

**Motion to adjourn approved 6 – 0.**

  
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Harwood Edvalson, MMC  
City Clerk

  
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Neil Johnson, Jr.  
Mayor

Items presented to Council at the February 21, 2017 Workshop:

- *Presentation: City of Bonney Lake Limited Tax General Obligation Bond Financing Discussion – Jim Nelson, DA Davidson.*

*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.*