

CITY COUNCIL MEETING

August 28, 2018

6:00 P.M.

MINUTES



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 6:00 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 Randy McKibbin, Councilmember Terry Carter, Councilmember Justin Evans, Councilmember James Rackley, Councilmember Michelle Surdez, Councilmember Dan Swatman and Councilmember Tom Watson.

Staff members in attendance were City Administrator John Vodopich, Police Chief Bryan Jeter, Administrative Services Director/City Clerk Harwood Edvalson, Chief Financial Officer Cherie Gibson, Public Works Superintendent Ryan Johnstone and City Attorney Kathleen Haggard.

C. Agenda Modifications: None.

A. Announcements, Appointments and Presentations:

1. Presentation: Lions 4 Kids.

Kelly Trentmen spoke on behalf of the Lions Club showing pictures of members and club service events. She reported the Lions 4 Kids House served over 130 families today providing back-to-school backpacks and supplies, haircuts and a family barbeque. She said they recently raised \$7,000 to support their activities in the community. She read the Lions' mission statement and told of the service club's efforts to assist people with hearing aids, sight services, children's clothing and school supplies. She praised the volunteers who reach out to all sectors of the community.

2. Presentation: 2018 Utility Rate Update & Bond Financing Discussion.

Chris Gonzalez with the FCS Group gave a PowerPoint presentation showing historical water and sewer rate adjustments, comparisons to regional jurisdictions and outlining the methodology and scenarios used to develop the recommended rate updates for the water and sewer utilities. He made the recommendation that the City increase its water rates by 4% per year on top of regular Consumer Price Index (CPI) increases through 2023.

Three scenarios were presented for the sewer utility rate. One scenario

increases sewer rates by \$10.38 a month in 2019, \$11.07 a month in 2020, \$2.25 in 2021, \$2.28 in 2022 and \$2.32 in 2023. A second scenario involves bond financing to smooth the annual increases leading to an increase in the monthly bill of \$4.54 in 2019, \$4.77 in 2020, \$5.00 in 2021, \$4.17 in 2022 and \$2.14 in 2023. A third scenario funds the capital project to provide sewer to CedarView and increases monthly rates in 2019 by \$15.31, \$17.97 in 2020, \$19.79 in 2021, \$22.90 in 2022 and \$3.29 in 2023. Mr. Gonzalez said one of their core assumptions in developing these scenarios is the Council will adopt rate increases no later than January 2019.

Jim Nelson of DA Davidson addressed the Council about possible revenue bond financing to handle some of the capital facilities projects needed for the water and sewer utilities. He noted the utilities bond rating is currently at AA and the General Fund bond rating is AA+. He said there are some steps the City can take to raise its utility bond rating and reduce interest on revenue bond issues. Mr. Nelson provided some historical information regarding the City's utility bonded indebtedness and a set of scenarios for water and sewer revenue bonds. He suggested the Council would not want to take any action in this area until the 2007 revenue bonds expire in 2019.

The Mayor and Council thanked Mr. Gonzalez and Mr. Nelson for their presentations. City Administrator Vodopich recommended the Council consider the material and have further discussion at an upcoming workshop. He further recommended the Council take action to move forward with new utility rates with action taken by mid-November 2018 for a January 2019 implementation.

II. PUBLIC HEARINGS, CITIZEN COMMENTS & CORRESPONDENCE:

- A. Public Hearings: None.
- B. Citizen Comments:

Lillian McGinnis, 11002 203rd Avenue E, Bonney Lake, presented a plaque to Mayor Johnson recognizing the City's Diamond Sponsorship of Beautify Bonney Lake in 2017. She encouraged all Councilmembers to participate.

Loren Lee, 18109 96th Street Ct E, Bonney Lake, reported several home owners associations (HOAs) have suspended their Condition, Covenants and Restrictions (CC&R) rules. He asked what the process is for the City to challenge a business license? City Administrator Vodopich said the City participates with the State Master Business License Program. Mr. Lee said he knows how to work with the State. Mr. Lee said he also participated in a convention where child trafficking was a topic. He noted the City's big box stores tend to be locations where children are targeted for child abduction. He said it was a topic at the Kiwanis Club and they may put together a program to educate the public and combat this crime. Mr. Lee also asked who pays for the water that irrigates the landscaping

on Sky Island Boulevard? He said he observed the sprinklers going on 4 times per day. City Administrator Vodopich responded that the City does not pay for the water to irrigate on Sky Island Boulevard.

- C. Correspondence: None.

III. COUNCIL COMMITTEE REPORTS:

- A. Finance Committee: Deputy Mayor McKibbin said the Committee met earlier at 5:00 p.m. He said they received a personnel update from HR Manager Richardson and discussed resolutions on this evening's Council meeting agenda.
- B. Community Development Committee: Chair Swatman reported the Committee met on August 21st, and considered agenda bill items for the purchase of a 50kW generator and installation at Lift Station #13, both of which are on this evening's Council meeting agenda. He said the Committee also discussed a request from Eastown Sewer Development LLC for a refund of their money related to the installation of a lift station. He said the committee is still considering options before a possible recommendation to the Council.
- C. Public Safety Committee: Chair Evans said the committee will meet on September 11th at 3:30 p.m. on the second floor of the Justice and Municipal Building.
- D. Other Reports: None.

IV. CONSENT AGENDA:

The items listed below may be acted upon by a single motion and second of the City Council. By simple request to the Chair, any Councilmember may remove items from the Consent Agenda for separate consideration after the adoption of the remainder of the Consent Agenda items.

- A. **Approval of Corrected Minutes**: July 17, 2018 Council Workshop, July 24, 2018 Council Meeting, July 31, 2018 Special Meeting and August 14, 2018 Council Meeting.
- B. **Approval of Accounts Payable and Utility Refund Checks/Vouchers**: Accounts Payable check/vouchers #799978-#80025 and wire transfers #20180716, #20180803, #2018080201, #2018080202, #2018080203, #2018080204, #2018080205, #2018080301 and #2018080701 in the amount of \$656,917.28. Accounts Payable check/vouchers #80026-#80154 in the amount of \$15,622.95. Accounts Payable check/vouchers #80155-#80213 and wire transfers #20180815 and #201808702 in the amount of \$341,286.46. **VOIDS**: Check # 76075-Lost-Reissued; Check # 79678-Lost-Reissued; Check # 79893-Lost-Reissued; Check # 79952-Reissued with correct amount.

- C. **Approval of Payroll:** August 1st-15th, 2018 for checks #33962-33970 including Direct Deposits and Electronic Transfers is \$615,356.70.
- D. **AB18-78 – Ordinance D18-78** – An Ordinance Of The City Council Of The City Of Bonney Lake, Washington, Amending Sections 14.30.010, 14.30.020, And 14.50.030 Of The Bonney Lake Municipal Code Relating To Public Notification Procedures.
- E. **AB18-80 – Resolution 2677** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County Washington, Authorizing Investments Of The City Of Bonney Lake Monies Governmental Entity Monies In The Local Government Investment Pool (LGIP).
- F. **AB18-81 – Resolution 2678** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, Authorizing The Purchase Of A Diesel 50kw Generator At Lift Station 13 With Cummins Northwest Inc.
- G. **AB18-82 – Resolution 2679** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, To Award The Limited Public Works Contract With Mb Electric, LLC For The Electrical Installation Of The Cummins 50kw Generator At Lift Station 13.
- H. **AB18-87 – Resolution 2681** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, To Award The 198th Ave E Preservation Project To Miles Resources, LLC.
- I. **AB18-89 – Resolution 2682** – A Resolution Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, To Award The 198th Ave E Preservation Project Construction Management Services To KPG Engineering.
- J. **AB18-85** – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, To Accept As Complete The 2018 Cla-Valve Rebuilds With GC Systems, Inc.
- K. **AB18-88** – A Motion Of The City Council Of The City Of Bonney Lake, Pierce County, Washington, To Accept As Complete The 2018 Chip Seal Application With Sierra Santa Fe Corporation.

**Councilmember Watson moved to approve the Consent Agenda.
Councilmember Rackley seconded the motion.**

Motion approved 7 – 0.

V. FINANCE COMMITTEE ISSUES: None.

VI. COMMUNITY DEVELOPMENT COMMITTEE ISSUES: None.

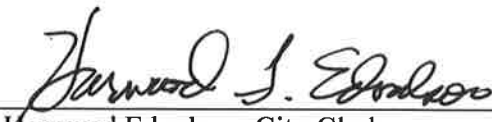
VII. PUBLIC SAFETY COMMITTEE ISSUES: None.


VIII. FULL COUNCIL ISSUES: None.

IX. EXECUTIVE/CLOSED SESSION: None.

X. ADJOURNMENT:

At 6:49 p.m. the Council Meeting was adjourned by Mayor Johnson with the common consent of the City Council.


Harwood Edvalson, City Clerk


Neil Johnson, Jr., Mayor

Items submitted at the August 28, 2018 Council Meeting:

- (1) *City of Bonney Lake 2018 Utility Rate Update* – Chris Gonzalez, FCS Group
- (2) *City of Bonney Lake Water & Sewer Revenue Bond Financing Discussion* – Jim Nelson, DA Davidson