

CITY COUNCIL WORKSHOP

September 4, 2018
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:** Mayor Neil Johnson, Jr. called the workshop to order at 6:00 p.m.

- II. **ROLL CALL:** Administrative Services Director/City Clerk Harwood Edvalson called the roll. In addition to Mayor Neil Johnson, Jr., elected officials attending were Deputy Mayor Randy McKibbin, Councilmember Justin Evans, Councilmember James Rackley, Councilmember Michelle Surdez, Councilmember Dan Swatman, and Councilmember Tom Watson.

Councilmember Terry Carter was in attendance at another meeting and arrived at 7:03 p.m.

Staff members in attendance were City Administrator John Vodopich, Administrative Services Director/City Clerk Harwood Edvalson, Chief Financial Officer Cherie Gibson, Police Chief Bryan Jeter, Deputy City Clerk Sadie Schaneman, and City Attorney Kathleen Haggard.

III. AGENDA ITEMS:

A. Proclamation: Beautify Bonney Lake:

Mayor Johnson read the proclamation, proclaiming September 15th as Beautify Bonney lake Day. He presented the proclamation to Lillian McGinnis. He noted that Beautify Bonney Lake strives to inspire citizens and businesses to donate at least 3 hours a year to enhance the beauty of the City.

B. Council Open Discussion:

Phone Books. Councilmember Watson reminded the Council about his concern for discarded phone books and wanted to know if changes to the code were needed. City Attorney Haggard stated that 10 years ago the City had adopted and updated a handbill on litter. The phonebooks are considered a handbill and if property states no solicitation anywhere, then the books are considered litter. Mayor Johnson Jr. said that the same issue happened with the News Tribune and after making contact with the paper, they started to slowly not come thru the City. The City should consider contacting the phone book company and ask them to pick up the left behind books.

Cougar. Councilmember Watson asked if there are any updates on the cougar sighting in Bonney Lake. Mayor Johnson Jr. said he has not seen anything and to keep checking the website for any updates.

Sewer Plant. Councilmember Swatman mentioned that he attended the sewer advisory meeting and employees are still working on permitting. Gary, the head employee at the plant is retiring and will be replaced. Mayor Johnson Jr. said that the City received brochures that have interesting information on the plant, such as what they offer, services, open 24 hours 7 days a week, and even have a RV septic dump station. Councilmember Swatman mentioned that perhaps the City Council and Mayor could consider working closer with the plant on a sewer concept. Employees could perhaps go between the City of Bonney Lake and the plant for employment opportunities. He suggested there might be a discussion about the possibility of a sewer district.

Pierce County Regional Council. Councilmember Evans sent an email to Council about the September 20th meeting that will go over what PCRC does and how things are done. All are welcome to attend.

Smoking Tax. Councilmember Evans would like the Council to consider a smoking tax to help bring in revenue for the Police to use for city prevention and public safety on tobacco, alcohol, and drugs. The City of Seattle did a similar tax on soda, bullets, and guns. The tax has brought in a tremendous amount of revenue for the City. Seattle uses the soda tax towards their Health and Human Social Services division. Councilmember Evans worked with Legal and John Vodopich on how the City could accomplish the tax. He gave an example of \$1.00 per pack tax. Using CDC reports, the residents of Bonney Lake average 725,000 packs of cigarettes a year. If 50% of residents buy cigarettes in the City, \$362,286 dollars a year in revenue would be brought into the City. The negative effects would be that the tax may drive out sales within the City but hopefully this would help towards Bonney Lake becoming a healthier city and helping residents to become healthier. Councilmember McKibbin mentioned that buying cigarettes is about convenience not necessarily price. Councilmember Rackley asked about Tim Eyman being able to stop cities from taxing. Councilmember Evans stated that Eyman was working on food tax not cigarettes. Chief Financial Officer Gibson had discussed with City Attorney Haggard about the missing businesses not on the list as sellers and that the City would need to be able to make sure all businesses that sell cigarettes are taxed. The city would need to understand that this would be an excise tax that the city charges businesses not consumers. Concerns were expressed about if businesses would charge the tax correctly and how the City would track the sales and the taxes. City Attorney Haggard stated that Seattle uses a B & O tax to track who sells, but Bonney Lake currently does not have a B & O tax. Councilmember Watson would like to look into other ways to charge a tax. Mayor Johnson Jr. wondered if there was a possible health tax instead. City Attorney Haggard stated that state law only allows the city to tax certain things but the city has a broad authority to tax. The tax would ultimately be a tax to operate within the City of Bonney Lake. The city would still

need staff to track and monitor the sales and residents could go outside the city to purchase. Councilmember Evans asked about the record that goes to the state regulatory reporting and if the city could use that to track and monitor which businesses are selling cigarettes. Chief Financial Officer Gibson stated that there are no reporting lines on the tax form that would show this. Councilmember McKibbin and Mayor Johnson Jr. stated that the idea should go to committee for discussion and ideas then be brought back to Council. Mayor Johnson Jr. stated that the police could bring back a report on what the revenue would be used for, the plans, and what is needed to continue. Councilmember Surdez stated that residents may buy outside the city limits because of the tax but if what revenue is collected is used to educate the youth on tobacco, drugs, and alcohol then the tax will be doing what the City wanted the revenue to do.

C. Review of Council Minutes: August 21, 2018 Workshop and August 28, 2018 Council Meeting.

Councilmember Watson said that he reviewed the minutes of August 21, 2018 Workshop and August 28, 2018 Council Meeting. The draft minutes were forwarded to the September 18, 2018 Meeting for approval with no corrections.

D. Discussion: Water & Sewer Rates.

City Administrator Vodopich stated that Chris Gonzales with the FCS Group had given a presentation last week at the Council Meeting on water and sewer rate adjustments. Since then staff have been able to revise Permit projects in order to help keep the health and vitality of the water and sewer systems running. On the water side, as Chris Gonzalez recommended, would continue to with the 2% CPI increase thru 2023. With the sewer there were a lot more options, a cash only, a cash and financing, and financing that included the Cedarview project. The Community Development Committee discussed, and everyone was in agreement to the water rate increases. For the sewer City Administrator Vodopich would like to place a \$4 million place holder over the next 6 years to look at septic tank abatements instead of the \$16 million that includes Cedarview. Councilmember Swatman has been trying to get help with getting money to help with sewer projects. The City needs to get something onto the budget so that when the projects need money then it will be easier to get the projects accomplished. The Community Development Committee will do an assessment and repayment information with the new rates. Councilmember Mckibbin asked if the City is trying to get this finished by the end of the year. Councilmember Swatman stated that he would like to get everything done as soon as possible so that a timeline can be done. City Administrator Vodopich asked consultants RH2 to redo rate with the \$4 million instead of the \$16 million. Councilmember Watson wanted to know how the water rates were able to go down from the 9% increase that Council discussed last year. City Administrator Vodopich stated that big ticketed items were changed and reviewed what projects

could be moved out and not be part of the water increase rate. The new rates are at the lowest the City can go to maintain the health and vitality of the water and sewer system.

- IV. EXECUTIVE SESSION:** Pursuant to RCW 42.30.110 (c), Mayor Johnson Jr. announced the City Council will meet in executive session to discuss the minimum sale price of property and stated the executive session will be approximately 15 minutes. The executive session started at 6:50pm.

The executive session adjourned at 7:04 p.m.

V. ADJOURNMENT:

At 7:04 p.m. Mayor Johnson adjourned the Council Workshop by common consent of the Council.

Harwood Edvalson, City Clerk

Neil Johnson, Jr., Mayor

Items presented to Council at the September 4, 2018 Workshop:

- (1) *City of Bonney Lake Smoking Demographic Report*- Councilmember Evans

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.