

**FIFE CITY COUNCIL
REGULAR MEETING MINUTES**

**Fife City Hall
Council Chambers**

**Date: April
20, 2010
Time: 7:00
p.m.**

CALL TO ORDER AND ROLL CALL

**Godwin Johnson Hull Cerqui de
Booy Alveshere**

The following members were present: Mayor Johnson, Councilmember Alveshere, Councilmember de Booy, Councilmember Hull, Councilmember Godwin, and Councilmember Cerqui.

Staff Present: Steve Worthington, City Manager, Steve Marcotte, Assistant City Manager, David DeGroot, Finance Director, Loren Combs, Attorney, Russ Blount, Public Works Director, Brad Blackburn, Chief of Police, Kurt Reuter, Parks and Recreation Director, Bev Boyle, Senior Planner, and Cindy L Dunn, Acting Deputy Clerk.

PLEDGE OF ALLEGIANCE

Councilmember Hull led the pledge of allegiance.

CHANGES, ADDITIONS OR DELETIONS TO AGENDA

No Changed, Additions or Deletions to this agenda.

STUDY SESSION

**2010 1st Quarter Report
(Marcotte)**

First Quarter Financial Report

Assistant City Manager Marcotte stated that the City's financial condition has remained stable for a number of months

and the City appears to be in the early stages of an economic recovery at the State and National levels. The local economy remains stable but City revenues are not showing and significant growth. He also said that the City's adopted financial policies require a quarterly financial report to be prepared and discussed with Council at a Study Session. He then discussed the status of revenues and expenditures for the period January 1, 2010 through March 31, 2010 under General Funds, Property Tax, Sales Tax, Building Related Permits, Puyallup Tribal Payments and other revenues such as non-parking traffic infractions and then other funds such as Public Safety Fund, Stadium and Convention Center Fund, Growth Management Fund, 1997 LTGO Bond Fund, Recreation & Pedestrian Capital Facilities and Utilities. He also summarized the regional economic condition talking about the State and Local Economy and cash and investments.

Councilmember Hull asked Assistant City Manager Marcotte to clarify the risk strategy for the City where we invest.

Assistant City Manager Marcotte stated our investment pool is a pool of diversified investments but that they are very liquid investments so the interest rate is low also making the risk low and that they follow the T-Bill rate. He also showed a one page sheet on General Fund Quarterly Financial Status Report of Cash Basis versus Actuals.

Water Utilities General Facility Charges (GFC) (Blount)

Water General Facilities Charges

City Manager Worthington discussed that there are new water rates and general facility charges.

Director Blount reviewed a previous presentation that was given to Council on January 19, 2009. He stated that Fife's Municipal Code includes an inflation indexed General Facility Charge. This one-time fee for connection to the City's water utility is intended to compensate the water utility for past and anticipated future costs for the system and on April 1 of this year increased to \$4,388 per equivalent residential unit of 230 gallons per day. On January 19, 2010, Financial Solutions Consulting Group presented its analysis showing that the City would be justified at \$5,266 per equivalent residential unit or \$7,474 per meter equivalent, with the difference between the two that the recognition that each new metered point of delivery has value above a similar flow through a previously metered location. He talked about how the current fee structure favors single family connections over others in that it is purely flow-based without recognition of the cost of providing a separate metered point of connection. And that a recently completed analysis of other tax revenues may justify going to a rate structure that favors business of various categories. He then showed a table that included Meter Size, ERU Usage, Meter Flow Factors, Existing GFC and Calculated GRC's either by per Equivalent Residential Unit (ERU) or per Meter Equivalent (ME). Stating that the impact of the ERU method is most obvious in comparing a typical single family household connection and its 3/4 " meter with a large industrial user. Director Blount recommends Council decide how to proceed.

Councilmember Godwin stated he does not agree with the charges to the regular resident and was concerned about the low charges the commercial users.

Mayor Johnson stated he sees some benefit to the charges but is concerned about residential versus business charges. He doesn't agree in giving breaks to high end users.

Councilmember Alveshire had a few questions on the chart provided.

Director Blount went over the chart with some clarity.

Praxair Representative spoke to the Council stating they have a 2" water meter and their usage flow is very high. They have a new facility and looking to expand without having to pay a huge fee. He stated Praxair would like to work with the City proposing anything extra owed for extra water usage they would pay that but hopefully not being charged the extra GFC.

**70th & Valley Avenue Corridor
Improvements Phase 1 Valley
Avenue Construction Update
(Blount/Marcotte)**

70th & Valley Ave Corridor Improvements

Director Blount discussed the progress of 70th & Valley Avenue Improvement Project and talked about landscape strip planting. He stated that the project schedule includes a May 17th beginning of the road closure to through traffic. During this time only local access traffic will be permitted and will be able to travel eastbound only. And with construction well underway, this may be the last study session regarding the project before it's complete and that he's looking to Council on final guidance regarding the planterstrip ground cover. Ground cover kinnikinnick that was previously discussed should be looked at again because the up front cost of kinnikinnick would cost approximately \$22,000.

Council discussed the planting of

kinnikinnick or grass in the planters and it appears that thoughts are different on this subject so it was decided to bring it up at the next regular Council meeting for a discussion and decision.

48th St/70th Ave/Freeman Rd
Construction Cash Flow
(Blount/Marcotte)

Construction Project Cash Flow

Director Blount reviewed the infrastructure Capital Project Worksheet. He talked about the Expenditures, Funding, Tentative Funding and Revenues. He discussed that the Local Improvement District will collectively assess the participating property owners approximately \$25 million. Final assessments will not be set until after construction is complete. Once the Holt Well is complete, water rate revenues and capital improvement charges for flow from the well will be available to repay funds borrowed for its completion. Meanwhile Bond Anticipation Notes (BANS) can be used. For this approximately \$9 million of BANS will be required in 2010. Director Blount recommends staff prepare a \$9 million BANS package for further consideration by the Council.

Assistant City Manager Marcotte reviewed the data for cash flow needs and that the capital projects are financed by getting a construction loan creating a bond anticipation note that could be taken out for long term financing using an LID Bonds. There are other options but a decision should be made soon because of timelines for the project.

City Manager Worthington stated that this information list the big numbers for these large projects for the next 4 years. Most of the money will come from external funds but that the City will be managing the projects. This anticipates the Freeman Road

LID.

Councilmember Godwin asked what portion of the 48th Street 12 million LID is the City responsible for.

Director Blount stated the City's responsible for about \$5,000,000.

Eric Crittendon, son of residents at 3910 Freeman Road addressed the Council and stated his parents are still not in favor of the LID but he asked Council if they had found a way to bring down the cost of the LID.

City Manager Worthington stated that in order for the cost to be in balance with the benefit the City has identified 2.6 million of Public funds to bring into the project to lower the cost to the LID participants.

Dale Rees, Fife resident 7519 48th Street East stated that when he signed up for the 48th Street LID it was explained to him that his property value would appreciate the amount the LID was going to cost and that was his main deciding factor to sign up for the LID. But as industries move in there appears to be many loose ends it's hard for him to figure out property values.

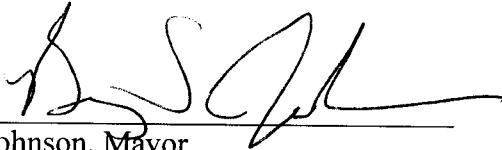
Attorney Combs stated that when the project is built the properties are re-valued at that time and the amount of the assessment cannot exceed the increase in value of the property.

**REVIEW OF UPCOMING
COUNCIL AGENDAS**

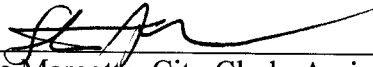
City Manager Worthington reviewed the future agendas with Council.

ADJOURNMENT

With there being no further business, Mayor ProTem Cerqui adjourned the meeting at 9:58 pm.



Barry D. Johnson, Mayor



Steve Marcotte, City Clerk, Assistant City Manager

Prepared by Cindy Dunn, CMC, Senior Administrative Assistant