

**FIFE CITY COUNCIL**

**Fife City Hall  
Council Chambers**

**Date: October  
12, 2010  
Time: 7:00 p.m.**

**CALL TO ORDER AND ROLL CALL**

**Godwin, Johnson, Hull, Hulcey, Cerqui, de Booy, Alveshere**

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

The following members were Excused / Absent: Councilmember de Booy.

Staff Present: Steve Marcotte, Assistant City Manager, David DeGroot, Finance Director, Greg Amann, Assistant City Attorney, Russ Blount, Public Works Director, Carl Durham, Community Development Director, Brad Blackburn, Chief of Police, Kurt Reuter, Parks and Recreation Director, Cindy L Dunn, Acting Deputy Clerk, and Andrea Edwards, Executive Assistant.

Staff Excused / Absent: Steve Worthington, City Manager.

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Councilmember Alveshere.

**CHANGES, ADDITIONS OR DELETIONS TO AGENDA**

**Councilmember Hull moved, seconded by Councilmember Alveshere, to approve to remove item 8B Resinding Portside Business Development, LLC Agreement from the Public Hearing.**

**Motion carried unanimously.**

**CITIZENS COMMENTS ( Items not on the agenda )**

There were no citizen comments at this time.

**CONSENT AGENDA**

**Approval of Minutes: Date: September 21, 2010 Study Session**

**September 21, 2010 Minutes**

**Approval of Vouchers: Payroll: #47173 - 47201 \$258,187.91 Claims: # Claims: #80786 - 80910 \$244,859.57**

Payroll Vouchers

Claim Vouchers

**Set a Special Meeting for October 19, 2010 Study Session**

**Councilmember Alveshire moved, seconded by Councilmember Hull, to approve the Consent Agenda as presented.**

**Motion carried unanimously.**

### **SPECIAL PRESENTATIONS**

#### **Harvest Festival Recap (Potter)**

##### Fife Harvest Festival

Laurel Potter, Marketing Coordinator recapped the Fife Harvest Festival and presented a slide show of the events from that day. She stated that the 2010 Fife Harvest Festival took place on Saturday, October 2nd at Dacca Park. Over 4,000 people enjoyed a beautiful day full of family friendly activities. Just a few of the events included vendors, food, Council Corn on the Cob, Reptile Man & Petting Zoo, face painting, arts & crafts, Games 2-You, bouncy toys, Kids Korner, strolling magicians, Glitterbug & Beep Beep, and more. Brakeman Bill was also on hand to stroll in the parade, perform a show, and sign autographs.

The day began with the second annual "Stuff the Bus 5k Fun Run" with over 25 registrants. The 5k was sponsored by Future Business Leaders of America and the proceeds from the event went to the local food bank. The day ended with a chili feed at Dacca Barn and the free Really Big Show! Hundreds stayed late for the fireworks.

#### **Valley Avenue Ribbon Cutting Promo (Blount)**

##### Ribbon Cutting 70th & Valley

Director Blount announced the ribbon cutting ceremony for Valley Avenue East. He stated that it will take place on Friday, October 15, 2010 at 10:00 am at the old Firwood Tavern site, recently the site of the contractor's construction offices and storage. He talked about the project stating the reconstruction and widening of Valley Avenue East between 70th Avenue East and Freeman Road East was the #1 priority on Fife's Transportation Improvement Program for six years, between the 2002 interlocal agreement transferring project responsibility from Pierce County to Fife and the 2009 award of this construction contract. Initial state and federal funding was obtained in 2003,

a consultant retained in 2004, NEPA approval issued by the FHWA in 2007, and right-of-way obtained and certified in August of this year. Previous construction contracts completed a wetland mitigation site and Wapato Creek culvert replacement in 2008. The Fife City Council approved Resolution 1314 on September 22, 2009, authorizing award of a construction contract with Scarsella Brothers, Inc. (SBI). SBI has nearly completed the work under their contract, and the street is nearing readiness to fully open all lanes to vehicular traffic.

### **COUNCIL DELEGATE REPORT**

Councilmember Hull stated he attended a PCRC meeting with the topic of Urban Growth. He also attended a RAMP meeting touring local infrastructure. He had the pleasure to meet Vice President Biden.

Mayor ProTem stated he attended the Fife Harvest Festival and believes it had a great turn out.

Councilmember Alvashere attended the Fife Harvest Festival and thanked Councilmember Godwin and Mayor ProTem Cerqui for their help with Council corn. He was impressed by staff participation and thought it was a great event. He also attended a Port of Tacoma stake holder event.

Mayor Johnson stated radio station KMPS morning show invited Mayor ProTem Cerqui and myself to the Poodle Dog for an event to feature local icon diners. They presented a proclamation and a donation to the Crystal Judson Center. He also attended the Pierce County Flood Plan for elected officials with Director Blount. He also attended the Puyallup River Task Force Meeting.

### **PUBLIC HEARING**

#### **2011 Budget (DeGroot)**

##### Public Hearing 2011 Budget

Assistant City Manager Marcotte made a few opening remarks regarding the budget on behalf of the City Manager Worthington. He stated this first Public Hearing is a part of multiply pieces of the budget process. There will be a second required Public Hearing on October 26, 2010. He stated that since the City was proactive in the beginning of signs of financial instability the City does not need to make the difficult choices other City's may encounter.

Director DeGroot talked about the 2011 budget and the process to have it adopted. He stated the 2011 Preliminary Budget projects total resources for all funds at \$73,136,140 and includes planned expenditures of \$52,919,522 and planned ending fund balances of \$20,216,618. For just the General Fund, total resources are projected at \$17,177,009. Expenditures for all departments of the General Fund are planned at \$13,395,702 with

3,781,307 projected to be remaining in ending fund balance at the close of the year.

There were no comments from Council.

Carol Sue Braaten, 2410 Berry Lane E., stated she believes our budget is corrupt according to information she received. She asked that the budget be reconsidered.

With no further public comment the Public Hearing was closed.

### **Rescinding Portside Business Development, LLC Agreement (Durham)**

#### Public Hearing Rescinding Portside Business Center

Removed from the agenda.

### **ORDINANCES AND RESOLUTIONS ORDINANCES:**

#### **#1725 Adjusting Water GFC Rates for Expanding Manufacturing Businesses (Blount)**

##### Ordinance 1725

Deputy Clerk Dunn read the title of Ordinance #1725:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FIFE, PIERCE COUNTY, WASHINGTON REGARDING WATER GENERAL FACILITY CHARGES AND AMENDING FIFE MUNICIPAL CODE SECTION 13.04.095.

Director Blount discussed the adjusting water GFC rates for expanding Manufacturing Businesses. He stated that the increase in water General Facility Charge (GFC) and provide a discount for expansion in water use by an existing business. GFCs are one-time charges assessed to users of water system capacity, to capture the capital cost of the water system, as opposed to the monthly commodity production cost. Fife adopted Ordinance 1707 in February of this year, increasing monthly water rates to reflect the cost of purchasing water from Tacoma or developing an alternate well supply, which is anticipated to have lower operating costs than Tacoma's wholesale purchase cost. During study sessions held before the hearing for that rate increase, information was presented demonstrating that an increase in the GFC was also warranted. While the Council recognized that the GFCs were important, they asked that the GFC rate hearing be deferred until after monthly rates had been finalized.

Subsequently, in response to user's comments and the results of a land use / revenue study completed by the Community Development Department, the Council conducted study sessions in April, June, and July regarding a potential GFC Discount for expanding business. A public hearing was conducted regarding this proposal on September 28, 2010. The draft ordinance that was discussed at that hearing had the tentative number "1719"; the ordinance number and a couple minor grammatical refinements were made,

but the attached draft is entirely consistent with the meaning and intent of the draft discussed at the hearing.

Fife's proposed GFC rate increases will generate approximately 20 percent more revenue than under existing rates, for new construction, and approximately 20 percent less revenue than under existing rates, for growing businesses that qualify for the discount as drafted.

Councilmember Godwin asked Director Blount a few questions regarding the increase and voiced his concerns with the Ordinance.

Councilmember's Hull, Hulcey and Alveshere along with Mayor ProTem and Mayor Johnson asked Director Blount additional questions and stated thoughts about the Ordinance.

**Mayor ProTem Cerqui moved, seconded by Councilmember Alveshere, to approve for first read Ordinance #1725 Adjusting Water GFC Rates for Expanding Manufacturing Businesses.**

**Councilmember Godwin moved, seconded by Mayor ProTem Cerqui, to approve to amend the Ordinance eliminating section "A" changes.**

**Councilmember Godwin moved, seconded by Councilmember Hulcey, to table Ordinance #1725 Adjusting Water GFC Rates for Expanding Manufacturing Businesses.**

**Motion failed.**

**Councilmember Hull moved, seconded by -1, to table Ordinance #1725 Adjusting Water GFC Rates for Expanding Manufacturing Businesses.**

**Councilmember Hull moved, seconded by Councilmember Godwin, to table Ordinance #1725 Adjusting Water GFC Rates for Expanding Manufacturing Businesses.**

**Motion carried unanimously.**

**#1381 Setting Property Tax Levy Amount for 2011 (DeGroot)**

**Resolution 1381**

**Mayor ProTem Cerqui moved, seconded by Councilmember Hull, to approve Resolution #1381 Setting Property Tax Levy Amount for 2011 as amended.**

**Motion carried unanimously.**

**Councilmember Godwin moved, seconded by Councilmember Alveshere, to amend**

**Resolution #1381 Setting Property Tax Levy Amount for 2011 selecting the alternate choice not allowing the 1% increase.**

**Motion carried unanimously.**

Deputy Clerk Dunn read the title of Resolution #1381:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIFE, PIERCE COUNTY, WASHINGTON, FIXING THE AMOUNT OF THE TAX LEVY NECESSARY TO MEET THE ESTIMATED REVENUES FOR THE YEAR 2011 AND TO LEVY THE ANNUAL AD VALORUM TAXES OF THE CITY OF FIFE FOR THE FISCAL YEAR 2011.

Director DeGroot discussed the resolution. He stated that the City Council held a required Public Hearing on proposed revenues on September 28, 2010 to consider the City proposed revenues for the 2011 budget. The proposed budget includes a property tax levy of \$2,678,672. The property tax levy will be assessed and collected by Pierce County upon receipt of a properly adopted resolution of the Fife City Council which sets the requested property tax levy.

The City Council can set the property tax levy for any amount up to a maximum legal levy amount as calculated by the Pierce County Assessor's Office. This amount limits the growth in the total property tax levy to 1% of the previous levy, exclusive of any new construction, annexations or increases in state assessed property. The highest legal levy as calculated by Pierce County for 2010 was \$2,610,732 and they have calculated the 1% increase for 2011 to be \$2,636,840, for a dollar increase of \$26,108. This amount plus a permitted use of prior year "banked" levy capacity of \$22,270, plus additional revenues provided by new construction, annexations, increases in the value of state assessed property, and other adjustments in the amount of \$64,102 results in a total allowable levy of \$2,700,942. Staff is recommending a levy of \$2,678,672, which does include the 1% growth but does not include any use of prior year "banked capacity. These numbers are based upon a preliminary assessed valuations which could change when we receive the final assessed valuation in November.

The City's actual property tax rate is calculated by Pierce County and is determined by the levy amount set by the City Council and the total assessed valuation as determined by Pierce County. The property tax rate for 2010 was \$1.227 per thousand dollars of assessed valuation. Based upon the Preliminary Assessed Valuation and the proposed levy amount, we believe the 2009 levy rate will be approximately \$1.34 per thousand of assessed valuation. He also stated that staff is recommending a 2011 property tax levy of \$2,678,672, which is a \$90,210 increase over the 2010 property tax levy of \$2,558,462. Of the recommended increase, \$26,108 would come from an increase in the property tax levy by the 1% limit and the rest of the increase would come from new construction, annexations and other adjustments.

Council asked Director DeGroot and Assistant City Manager Marcotte about budgeting issues if they didn't include the 1% increase.

**#1382 Authorization to List Levee Property Sale (Worthington)**

Resolution 1382

**Councilmember Alveshere moved, seconded by Mayor ProTem Cerqui, to approve Resolution #1382 Authorization to List Levee Property Sale.**

**Motion carried unanimously.**

Deputy Clerk Dunn read the title of Resolution #1382:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIFE, PIERCE COUNTY, WASHINGTON DECLARING SURPLUS THE REAL PROPERTY COMMONLY REFERRED TO AS THE LEVEE ROAD PROPERTY AUTHORIZING THE CITY MANAGER TO LIST THE PROPERTY FOR SALE.

Mayor Pro Tem Cerqui asked a legal question to the Assistant City Attorney.

No further discussion about the Resolution.

**#1383 Amend the Agreement with Fife Historical Society (Worthington)**

Resolution 1383

**Mayor ProTem Cerqui moved, seconded by Councilmember Hulcey, to approve Resolution #1383 Amend the Agreement with Fife Historical Society.**

**Motion failed.**

Deputy Clerk Dunn read the title of Resolution #1383:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIFE, PIERCE COUNTY, WASHINGTON AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE FACILITIES USE AGREEMENT BETWEEN THE CITY OF FIFE AND THE FIFE HISTORICAL SOCIETY.

Assistant City Attorney Amann reviewed the amendment to the agreement. He stated the City agreed to provide funding to the Historical Society of \$50,000 per year from 2008 - 2012. The Historical Society is willing to forgo the \$50,000 maintenance and operation funding for 2011, in exchange for an extension of funding through 2013, and \$20,000 funding (REET funds) towards conversion of garage to office space and also include a

concession stand at Dacca Park.

Councilmember Alveshere asked a funding finance question.

Mayor Pro Tem Cerqui asked questions about the contract terms.

Mayor Johnson talked about funding finance concerns and how to possibly pay out the remaining balance.

Council as a whole would like to find funding from other sources to pay the remaining balance.

### **CITY MANAGER REPORT**

Assistant City Manager Marcotte reviewed City Manager Report items:

Teen Night, Friday, October 8, 2010.

Pool closure for heating system maintenance.

Bid opening for overlay project on Levee Road between 54th & Frank Albert Road, 52nd St near Freeman, 53rd Ave E. near 4th St. Competitive bids with the lowest from Miles Construction at \$184,000.

Major road work on 70th will begin October 18th and continue for 2 months.

State Auditor's audit of the City is complete and the City received a clean accurate audit grade.

There was a temporary truck issue allowing truck traffic down 54th in order to clear traffic.

There is an Emergency Management training opportunity on Nov. 12th from 8:00 am - 4:00 pm.

Discussed favorable reaction regarding the Master Business License program from the Chamber meeting with local businesses.

### **COUNCILMEMBER COMMENTS**

Councilmember Hull talked about a near vehicle collision in Radiance and the need to have the area looked at. He also stated he's a proud new father of a baby boy.

Councilmember Alveshere stated he thinks the City is doing a good job of building a sense of community with neighborhoods.

Mayor Johnson talked about the City possibly using Red Light Photo Enforcement funds to purchase bus shelters in Fife.

### **CITIZEN COMMENTS**

Carol Sue Braaten, 2410 Berry Lane E. commented on Councilmember Hull's comment regarding the near miss vehicle collision in Radiance. She also stated she had trouble hearing the Lahar siren.

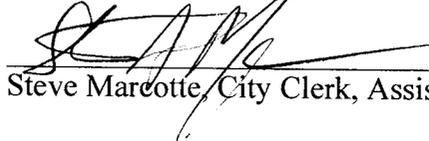
**ADJOURNMENT**

**Councilmember Hull moved, seconded by Mayor ProTem Cerqui, to adjourn at 9:10 pm.**

**Motion carried unanimously.**



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Barry D. Johnson, Mayor



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Steve Marcotte, City Clerk, Assistant City Manager

Prepared by Cindy Dunn, CMC, Deputy City Clerk