

FIFE CITY COUNCIL
Special Meeting Minutes
October 16, 2012

EXECUTIVE SESSION

An executive session was held from 6:00 PM to 6:36 PM in the Council conference room for the purpose of discussing Potential Litigation per RCW 42.30.110 (1)(i) and Labor Negotiations per RCW42.30.110(g). All Councilmembers were present along with City Manager Zabell, City Attorney Combs.

CALL TO ORDER & ROLL CALL

Mayor Cerqui called the Special Meeting of the Fife City Council to order at 7:00 PM.

Present: Mayor Cerqui, Mayor Pro Tem Hull, Councilmembers Godwin, Curtis, Hulcey, Dukes-Gethers, and Wolfrom.

Staff Present: City Manager Zabell, Finance Director DeGroot, Public Works Director Blount, Community Development Director Osaki, Parks, Recreation and Community Services Director Reuter, Chief of Police Blackburn, City Attorney Combs, Executive Assistant Edwards and City Clerk Etgen.

PLEDGE OF ALLEGIANCE

Councilmember Wolfrom led the Pledge of Allegiance.

CONSENT AGENDA

Mayor Cerqui presented the following items for consideration on the Consent Agenda:

a. Ordinance No. 1814

Modifying FMC 13.04.095 and FMC 13.08.465 Regarding GFC Credits – Passage

Councilmember Hulcey moved to approve the Consent Agenda as presented. Councilmember Dukes-Gethers seconded the motion.

Mayor Pro Tem Hull requested the item be removed from the Consent Agenda for discussion. The matter was moved, with the motion intact, to New Business.

NEW BUSINESS

Ordinance No. 1814

Modifying FMC 13.04.095 and FMC 13.08.465 Regarding GFC Credits – Passage

Motion as stated under the Consent Agenda: Councilmember Hulcey moved to approve the Consent Agenda as presented. Councilmember Dukes-Gethers seconded the motion.

City Attorney Combs reported the ordinance would allow the City to recapture Local Improvement District (LID) costs it has paid on future road projects in areas serviced by the improvements funded by the LID's.

Upon vote, the motion to pass Ordinance No. 1814 passed unanimously.

Interlocal Agreement with Washington State Business Licensing Services

City Clerk Etgen requested Council approval to place an Interlocal Agreement with the Washington State Department of Revenue's Business Licensing Services on the next regular agenda for approval. She reported Council previously considered joining the State's business licensing service which it was being performed under the Department of Licensing, however at that time the State was not prepared to license businesses based on the number of employees.

The State is currently in the process of implementing its first employee-based fee schedule for business licensing with the City of Spokane, and will be ready to begin processing Fife's business licensing in April of 2014, if approved.

Etgen explained the benefits to the businesses would be a one-stop shopping experience for business licenses, and that the business's licenses would in the future all be renewed at the same time. Businesses could initiate requests and renewals on-line. The State charges \$15 for original business license applications and \$9 for renewals.

The City would maintain authority to issue licenses and continue to go through an approval process involving all City departments. Funds would be deposited regularly and the City would be charged a 2.5% credit card processing fee along with approximately \$3 per month for regular reports. Cost savings in paper, mailing and staff time for issuing and renewing business licenses would more than exceed expenses.

An Interlocal Agreement will allow the City to proceed with creating business rules to move towards the State taking over the business licensing process.

Councilmember Godwin expressed concern about the ability of the State to provide adequate service in the future with potential budget cuts to Fife's citizens. Councilmembers requested information about services provided by the Business Licensing Services Department to other entities. There was consensus to bring the matter forward on the next regular meeting's agenda.

PUBLIC HEARINGS

2013-14 Budget – 1st Hearing

City Manager Zabell stated the first of two public hearings regarding the 2013-2014 budget would cover the General Fund, Street Fund and Detention Fund. Zabell reviewed the highlights of the budget proposal for revenues and expenditures in order to meet one of Council's goals to maintain a high level of service to the public and business community. Safeguards to implementation of the two-year budget include the requirement that any changes to the second year budget are approved by Council. A mid-biennium review will occur at the end of the first year.

Financial Services Director DeGroot presented detailed information on revenue forecasts, the

City's debt and Interfund transfers.

Zabell reported the Council's Legislative Budget is not comprised of a lot of funding other than for salaries and operational items.

Zabell reviewed the Executive Department's funding which incorporates five divisions including City Manager, IT, City Clerk, Human Resources and Marketing. The Executive Department directly impacts Council's transparency goal. City Clerk Etgen reported briefly on the work she and her two staff members perform for the City.

Financial Services Director DeGroot reported on his department's core functions and reviewed his 2012 accomplishments and 2013/2014 goals.

Public Works Director Blount reported on the portions of the General Fund and Street Fund budgets contained within his department. The Engineering Department, Buildings and Grounds and Facilities and Streets Divisions receive General Fund dollars.

Community Development Director Osaki reported on the core functions of his department, 2012 accomplishments, performance measures and goals for 2013 and 2014.

Parks, Recreation and Community Services Director Reuter reported on his departments 2012 accomplishments, revenues collected, workload performance measures and 2013/2014 goals.

Municipal Court Judge Ringus reported the Court is always under local, state and federal mandates to perform. The Court celebrated its 50th anniversary earlier this year and with the assistance of the Police Department established a Traffic Safety School, home monitoring and e-ticketing.

Police Chief Blackburn reported his department has two primary functions; to ensure the public's safety and make sure the resources are available to be able to handle emergencies. His goal is to continue to provide the same level of service in 2013. The Department continues to work towards accreditation with the assistance of the Loaned Executive Management Assistance Program (LEMAP).

Mayor Cerqui opened the public hearing at 9:39 PM. With no one coming forward to testify, the hearing was closed at 9:39 PM.

Mayor Cerqui announced the second public hearing to consider the 2013/2014 budget would be held on October 23rd.

ORDINANCES

Ordinance No. 1815

Imposing a utility tax of 6% on cellular telephone, cable television, and garbage services, and increasing the utility tax on natural gas, telephone, sewer, water, and storm drainage services to 6%– 1st Reading

Councilmember Godwin moved and Councilmember Wolfrom seconded a motion to pass Ordinance No. 1815 for first reading.

Financial Services Director DeGroot stated Council held a public hearing on September 25th for 2013-2014 Revenues and 2013 Property Tax Levy wherein the public was provided an opportunity to provide input about the proposed revenue enhancements. The City of Fife has historically attempted to keep its utility tax as low as possible while still assuring quality governmental services to its citizens and businesses. The city currently imposes utility taxes on electricity (6%), natural gas (4 1/2%), telephone (4 1/2%), water (4 1/2%), sewer (4 1/2%), and storm drainage (4 1/2%). Although the City is authorized by state law to also impose utility taxes on cellular telephone service, cable television, and garbage collection, it has not done so. The City has taken significant budget reduction measures within the past year in the 2012 budget and additional reductions have been imposed in the proposed 2013 budget. Further reductions will result in the elimination of programs or services. In order to provide additional City revenue due to the current economic climate and decrease in revenue from other sources, new utility taxes of 6% are proposed for cellular telephone service, cable television service, and garbage collection service, and increases to 6% are proposed to utility taxes on natural gas, telephone, sewer, water, and storm drainage service. The ordinance under consideration provides that the proposed increases would be effective January 1, 2013 through December 31, 2018.

With the proposed utility taxes and increases, the City's utility tax rates will be in line with the utility taxes imposed by other cities in the area.

Meeting Extension

Councilmember Wolfrom moved and Councilmember Godwin seconded a motion to extend the meeting by 15 minutes. Upon vote, motion carried.

Councilmember Godwin stated he had difficulty with this proposed action but did not feel the public wanted cuts which would be required if the action were not taken. He stated he felt the sunset provision was extremely important for a future Council to be able to potentially reduce rates.

City Manager Zabell stated the 2018 sunset provision would allow for the retirement of significant limited obligation debt and allow Council to get through 2 full biennial budget cycles.

Councilmember Godwin moved to modify the sunset provision in the ordinance to December 31, 2015 and Mayor Pro Tem Hull seconded the motion. Upon vote, motion failed with Councilmember Godwin and Mayor Pro Tem Hull voting yes and Mayor Cerqui and Councilmembers Dukes-Gethers, Curtis, Wolfrom and Hulcey voting no.

Upon voting on the original motion to pass Ordinance No. 1815, motion carried with Mayor Cerqui, Mayor Pro Tem Hull and Councilmembers Dukes-Gethers, Curtis, Wolfrom and Hulcey voting yes and Councilmember Godwin voting no.

Meeting Extension

Councilmember Dukes-Gethers moved and Councilmember Wolfrom seconded a motion to extend the meeting by 10 minutes. Upon vote, motion carried.

Ordinance No. 1816

Amending FMC 3.85.020 regarding uses of the Public Safety Fund – 1st Reading
Councilmember Dukes-Gethers moved and Councilmember Hulcey seconded a motion to pass Ordinance No. 1816 for first reading.

City Attorney Combs advised the Public Safety Fund was comprised of monies received from red light enforcement and dedicated to items which supported pedestrian safety. The proposal before Council was to add two full-time employees (FTE's) (police officer positions) to be funded out of the Public Safety Fund in order to work on traffic enforcement to enhance pedestrian safety. The funding would not be tied to specific police officers but rather the positions in order to fund whichever officers were working on enforcement.

Mayor Pro Tem Hull reported the original Council desired to restrict the use of the Public Safety Fund to avoid using for General Fund expenses. He stated this would be opening the door to the fund being depleted in a matter of years. Councilmember Hulcey stated this action would raise the service levels back up to where the Chief would like them to be for the public's safety.

Councilmember Godwin added that photo enforcement has created significant improvements at busy intersections and he feels there is a need for additional traffic enforcement in the City. Mayor Cerqui noted he was in support of the proposal because it still meets the original goal of traffic safety and making the roads safety for Fife's citizens.

Upon vote motion carried with Mayor Cerqui and Councilmembers Dukes-Gethers, Curtis, Godwin, Wolfrom and Hulcey voting yes and Mayor Pro Tem Hull voting no.

Ordinance No. 1817

Ordinance Regarding Payment of LID 08-1 Assessments – 1st Reading

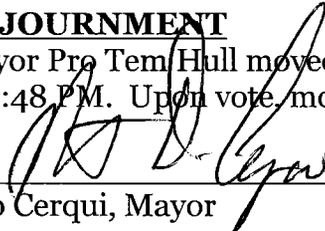
Councilmember Godwin moved and Councilmember Curtis seconded a motion to pass Ordinance No. 1817 for first reading.

City Attorney Combs reported Ordinance No. 1817 is necessary for property owners within the boundaries of Local Improvement District (LID) 08-1 and the City to not be unduly burdened by the Washington State Department of Transportation's appeal of the Assessment Roll, allowing the City to close out the LID and minimizing the expense to ratepayers.

Upon vote, motion carried unanimously.

ADJOURNMENT

Mayor Pro Tem Hull moved and Councilmember Hulcey seconded a motion for adjournment at 9:48 PM. Upon vote, motion carried.



Rob Cerqui, Mayor



Carol Etgen, City Clerk