

EXECUTIVE SESSION

At 6:00 PM an Executive Session was convened for the purpose of discussing Collective Bargaining, Potential Litigation per RCW 42.30.110(1)(i), and Real Estate per RCW 42.30.110(1)(B) until 6:32 PM.

UNVEILING OF MURAL

At 6:40 PM Councilmembers went outside for the unveiling of the mural, which was commissioned by the Arts Commission.

CALL TO ORDER & ROLL CALL

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

Present: Mayor Cerqui, Mayor Pro Tem Hull, Councilmembers Roscoe, 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 Supervisor Cantlin; City Attorney Combs and City Clerk Etgen.

PLEDGE OF ALLEGIANCE

Councilmember Hulcey led the Pledge of Allegiance.

CHANGES, ADDITIONS & DELETIONS

Mayor Pro Tem Hull requested and Council concurred to move Item 10c, Resolution No. 1569 Permitting the City of Fife to Join a Local Subchapter of the Association of the US Army to be addressed before 10a.

CITIZEN COMMENTS

Carol Sue Braaten, resident, requested Council review information about the water table levels in Fife.

CONSENT AGENDA

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

- a) **Approval of Minutes** of September 17, 2013, September 24, 2013 and October 8, 2013
- b) **Approval of Payroll Vouchers** as reviewed by the Voucher Committee: #49926 - 49959 in the amount of \$540,310.14
- c) **Approval of Claims Vouchers** as reviewed by the Voucher Committee: #91150 - 91301 in the amount of \$704,269.11

Mayor Pro Tem Hull moved to approve the Consent Agenda as presented. Councilmember Dukes-Gethers seconded and motion carried unanimously.

PRESENTATIONS & PROCLAMATIONS

Presentation – Community Garden

David Cantlin, Parks, Recreation and Community Services Supervisor stated he has been involved with community groups and community gardens over the years and that it brings communities together. He stated the planning is important, and introduced Stelian Paraschiv who spoke of the interest in creating a community Garden in Fife. He stated he has been gardening in Fife Heights quite successfully, and feels there is a great deal of interest in a community garden.

Council concurred with having staff and the Parks Board review the matter with a recommendation for Council.

Presentation – Halloween Carnival Preview

Police Specialists Lisa Duszynski and Steve Van Zanten previewed the Halloween Carnival scheduled for October 31st from 5:00 to 7:00 PM at Columbia Junior High School in the Commons area. Among sponsors of the event are the Kiwanis Club, the Fife School District and the Key Club.

Presentation – Government Finance Officers Association’s Distinguished Budget Presentation Award for the City of Fife 2013/14 Biennial Budget Document

City Manager Zabell reported the Finance staff had once again received the highest award in government financing – the Distinguished Budget Award for the 2013/2014 Biennial Budget document. Along with Finance Director DeGroot and Financial Services Manager Parvey, he recognized Katie Bolam, Michelle Merlino and Lisa Rowling for their participation in creating the document.

The Mayor and Councilmembers thanked staff for their work.

COMMITTEE REPORTS/COUNCIL DELEGATE

The Mayor and Councilmembers reported on the following: attendance at a transportation hearing held in Tacoma; the pending commuter bus service being developed by Pierce Transit; attendance at the Pierce County Regional Council; attendance at a meeting held at Fife City Hall about plans for SR167; attendance at a Freight Mobility Strategic Investment Board meeting; and attendance at a meeting with Lodging Tax recipients in preparation for a fund raiser in December for Toys for Tots.

PUBLIC HEARINGS

2013-14 Mid-Biennium Budget Review and Public Hearing

City Manager Zabell introduced the discussion, stating this part of the budget review would be focused on special revenue funds and enterprise funds. The general fund and public safety funds will be discussed at the special meeting on November 5, 2013.

Finance Director DeGroot reported on the Enterprise Funds, noting that there is an overall revenue increase in 2013 due to a storm water grant of \$50,000, bond proceeds of \$3.7 million for the take-out financing of Local Improvement District (LID)s 2008-01 and 2008-02, and higher collections on Utility Local Improvement District (ULID) 1998-2 property owner assessments. The one decrease is due to the delay of receipt of the Public Works Trust Fund (PWTF) loan proceeds of \$1.5 million for water resource development phase 1 from 2013 until

2015. There is an overall revenue decrease in 2014, with one increase due to a transfer in of \$400,000 to the Utility Construction Fund 410 from the Sewer Utility Fund 402 for capital maintenance. The one decrease is due to the delay of receipt of the P WTF loan proceeds of \$4.5 million for water resource development phase 2 from 2013 until 2015. Projected utility revenue for 2014 is at \$9.4 million overall, with the largest categories being water revenue at 38% and sewer revenue at 37%.

There is an overall expenditure increase in 2013 for the Utility expenditures due to storm drainage contribution to the 70th Ave E street improvement project and two other projects totaling \$670,000, and a debt service payment of \$11.0 million for the LID bond anticipation notes as part of the take-out financing of LIDs 2008-01 and 2008-02. The one decrease is due to water and sewer utility construction fund mix of projects for a net expenditure reduction of \$355,000.

There is a slight expenditure decrease overall in 2014 due to a transfer out of \$400,000 from the Sewer Utility Fund to the Utility Construction Fund for capital maintenance, one new storm drainage construction project of \$315,000, and a bond call debt service payment of \$900,000 for ULID 1998-2 due to higher collections rate on property assessments over the past two years. The one decrease is due to water resource development phase 2 project deferral from 2013 until 2015. Projected expenditures for 2014 are at \$12.8 million, with the largest categories being sewer operating at 31% and water operating at 27%.

DeGroot noted that municipal utility rates are driven by current and projected operating, debt service and capital expenditures. Past practice has been to contract for a rate study for one utility (e.g. sewer in 2003) and adjust rates for a scheduled number of years (e.g. sewer for years 2004-2010). Other utility (e.g. water in 2009) are reviewed and rates are adjusted accordingly for a number of years (i.e. 2010-2014). The rates of the other utilities remain the same even if there are major increases in expenditures.

The sewer utility is projected to have a net loss in 2014, depending upon the final consumption true-up for 2013 that will be billed by Tacoma in the first quarter of 2014. This loss is driven in part by annual treatment expense increases, including a 4.8% increase for 2014.

The Sewer Utility Fund 402 net loss is projected at \$1.06 million for 2014. Loss from operations includes debt service of \$660,000. Capital maintenance will be from rates of \$400,000, which is a new item of expenditure for the sewer utility fund. Staff will bring a sewer utility rate increase recommendation to the City Council in early 2014.

DeGroot recommended beginning in 2014 that each utility will have its own separate group of funds to account for operations, debt service, and capital expenditures and that staff be authorized to create sub-funds as needed.

In response to a question about the possibility of developing a policy to make rate increases gradually rather than all at once, City Manager Zabell suggested Council authorize staff to discuss a rate increases with Council when increases are driven by outside forces such as Tacoma water charges, on a regular budgeting basis, rather than waiting on a full rate study. Zabell noted that there have been no rate increases for sewer since 2010, and yet expenditures

have continued to increase. He again suggested that if the rates are managed more closely there would not be large increases necessary.

In response to a question about sewage treatment costs rising so much, Zabell reported some of it has been as a result of transfers out of operating to the capital construction budget for replacement of pipes and equipment.

Mayor Cerqui opened the public hearing at 8:00 PM.

Carol Sue Braaten questioned the impact of utility costs on residential customers from the new warehouse businesses, stating residents should not be burdened by the industries.

City Manager Zabell responded, stating 1200 residential units have been added on the other side of the railroad tracks since 2003 with all new sewer lines which have paid for themselves and are low in maintenance costs because of their age. The proposal includes a rate study in 2014 to review rates for all users.

At 8:03 PM Mayor Cerqui continued the public hearing to November 5, 2013 for any further written or public comments at that time.

ORDINANCES

Ordinance No. 1848 - 1st Reading

Amending McChord Pipeline, Inc.'s Petroleum Pipeline Franchise

Councilmember Roscoe moved and Councilmember Dukes-Gethers seconded a motion to pass Ordinance No. 1848 for first reading.

City Attorney Combs stated the pipeline is an important part of the military's supply chain for Joint Base Lewis McChord (JBLM) and runs jet fuel from the tide flats through the City of Fife to JBLM. It was determined the original franchise did not include a portion of pipeline. Safety provisions have been upgraded and reimbursement will be requested for nonemergency responses to the site before the ordinance comes back to Council for passage.

Upon vote – motion carried.

Ordinance No. 1849 – Waive 1st Reading and Pass

Authorizing Condemnation of Real Property for Park and Transportation Purposes

Mayor Pro Tem Hull moved and Councilmember Hulcey seconded a motion to waive first reading and pass Ordinance No. 1849.

City Attorney Combs reported the residence is located on the corner of 54th Avenue E and Valley Avenue E. it is boarded up and not occupied. The property is needed for park and transportation purposes. Due to the economy the house is upside down, financially and the price owed exceeds the fair market value of the home.

Carol Sue Braaten concurred with the request, stating it should be condemned for public health and safety reasons. Doug Fagundes stated there has been no parks planning for this piece of land by the Parks Board.

City Manager Zabell reported there may be a potential realignment of 54th and Valley in the future but there is no current project planned. Public Works Director Blount stated if there is interest in opening the railroad crossing on 54th it would potentially require a change to the traffic signal. Councilmember Roscoe pointed out there is a retaining wall running the length of the property in the back and that the parcel would provide an opportunity for creek restoration, also.

In response to a question from Councilmember Curtis regarding the possibility of negotiating with the bank to purchase the property, City Attorney Combs reported the bank has no desire to negotiate and no incentive to go through the foreclosure process, which it would be required to do in order to make the property available for anyone to purchase.

Upon vote, motion carried unanimously.

RESOLUTIONS

Resolution No. 1569

Permitting the City of Fife to Join a Local Subchapter of the Association of the US Army

Councilmember Curtis moved and Mayor Pro Tem Hull seconded a motion to adopt Resolution No. 1569.

City Manager Zabell stated an offer was received earlier this year to join the Association of the US Army (AUSA) and the City can now do so with the passage of a policy by Council this year. Members of the organization worked at the Harvest Festival this year and it is clear the usage of membership funds by the organization would be in line with Council goals.

Ken Luce, Fife property owner, thanked Council for considering a membership with the Sergeant Patrick Gass Subchapter of AUSA. The organization is comprised of businesses and individuals who sponsor the 2nd Battalion from JBLM. Luce described the many sponsorship activities and events the organization puts on for Battalion members and their families.

Chris Fagundes expressed her appreciation for the Battalion members participating in the Relay for Life event.

The Mayor and Councilmembers expressed their appreciation of the organization and service members.

Mayor Pro Tem Hull moved to amend the motion to include a contribution of \$2,000 to the organization for care packages, but withdrew the amendment after being advised it was not possible to dedicate funds to an organization in the manner as proposed.

Upon vote, motion carried unanimously.

Resolution No. 1564

2014 Property Tax Levy

Councilmember Roscoe moved and Councilmember Wolfrom seconded a motion to adopt Resolution No. 1564.

Finance Director DeGroot presented a recommendation for a 2014 property tax regular levy amount new construction and improvements, increases in state assessed property value, and levy for refunds, if any, in the amount of \$2,828,984. He reported this is one percent greater than the previous highest regular levy of \$2,800,974, but is a decrease of \$14,131 (prior year tax refund adjustment) when compared to the prior year actual levy of \$2,843,115.

DeGroot indicated that he expects the 2014 lawful maximum total property tax levy amount to be \$2,873,825, an overall increase of \$30,710 (1.08 percent) over the 2013 lawful maximum total levy amount of \$2,843,115. The property tax levy rate for 2013 was \$1.60 per thousand dollars of assessed value, which is the maximum rate allowed. Based upon the 2014 preliminary assessed valuation and the proposed total levy amount, he stated he believes the 2014 levy rate will be \$1.52 per thousand.

In response to a question from Carol Sue Braaten, DeGroot stated other entities also raise rates, but that the taxpayer only sees a one percent increase overall.

Mayor Pro Tem Hull stated smaller increases to maintain the expected level of services is preferable to a large increase if small increases are not made over time.

In response to a question from Mayor Cerqui, DeGroot responded that due to an increase in assessed values, Fife's levy rate will be dropping from \$1.60 to \$1.52. City Manager Zabell stated the increase represents a \$1.61 increase for a home assessed at \$400,000.

Upon vote, motion carried unanimously.

Resolution No. 1567

Interlocal Agreement with Pierce County Commute Trip Reduction Services

Mayor Pro Tem Hull moved and Councilmember Hulcey seconded a motion to adopt Resolution No. 1567.

Associate Planner Pasinetti stated the approval of the Interlocal Agreement with Pierce County would provide commute-trip reduction services the City of Tacoma formerly provided.

Upon vote, motion carried unanimously.

Resolution No. 1570

Interlocal Agreement Authorizing Participation in Association of Washington Cities (AWC) Self-Insurance Program

Councilmember Hulcey moved and Councilmember Roscoe seconded a motion to adopt Resolution No. 1570.

City Manager Zabell stated the Interlocal Agreement would authorize a change in the business model for AWC from one of being fully insured to being self-insured. The action will not create any changes for employees and their families who are insured through the Trust, however it will create a significant cost savings.

Upon vote, motion carried unanimously.

Resolution No. 1571

Ratifying the Tentative Agreement Reached between the City of Fife and the City of Fife Police Guild - Commissioned

Mayor Pro Tem Hull moved and Councilmember Hulcey seconded a motion to adopt Resolution No. 1571.

City Attorney Combs reported the City is currently in negotiations with the commissioned police officers guild and have agreed to use the mediation services of the Public Employment Relations Commission to finalize an agreement. While the mediation process is on-going, an agreement to close out 2013 has been reached. A 2.5 percent increase to the 2012 wages with the current terms has been agreed to. The guild has also agreed to a four-year agreement once a petitioned matter has been resolved by PERC as to whether the lieutenants are to be considered supervisors. City Manager Zabell stated the budget impact of the salary increase is approximately \$80,000.

Upon vote, motion carried unanimously.

CITY MANAGER REPORT

City Manager Zabell reported:

- The 4th Street Waterline project progressing and should be completed this year. Over 30 homes in the Benthien Loop neighborhood will have public water for the first time.
- Waste Connections is moving into their new office building, which will allow them to demolish their old office and widen 70th Avenue. Widening work will likely start in the Spring.
- A neighborhood meeting will be hosted on October 24th at Edgewood City Hall by Conner Homes to discuss their proposed residential development of the former Fife Sand and Gravel property.
- Pierce Transit will host an Open House at Fife City Hall on October 30th on the proposed Fife-Milton-Edgewood community connector bus service proposal. A second open house is scheduled for November 2nd at the Milton/Edgewood Library.

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COUNCILMEMBER COMMENTS

Councilmembers commented further on attendance at the transportation hearing; requested a consideration of obtaining animal control services; reminded citizens to drop off ballots and thanked the Arts Commission for the mural.

CITIZEN COMMENTS

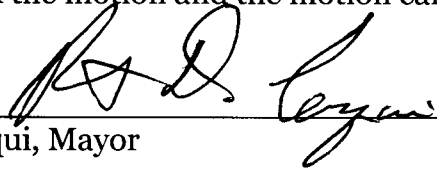
Carol Sue Braaten commented on the feral cat problem in the City, asking the State for reimbursement for road maintenance if SR167 is not built, the utility ballot issue in Tacoma and community gardens.

Chris Fagundes asked Council to recommit to the creation of a park on the Cappa property. City Attorney Combs confirmed the deed indicates the property shall be used for park purposes.

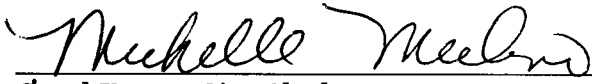
Bryan Yambe thanked the Police Department for his recent ride-along.

ADJOURNMENT

Mayor Pro Tem Hull moved for an adjournment at 9:34 PM. Councilmember Dukes-Gethers seconded the motion and the motion carried.



Rob Cerqui, Mayor

for 

Michelle Meelard, City Clerk