

**CALL TO ORDER & ROLL CALL**

Mayor Curtis called the Regular Meeting of the Fife City Council to order at 7:10 PM.

**Present:** Mayor Curtis, Deputy Mayor Hulcey, Councilmembers Yambe, Johnson, Cerqui, and Marsh.

**Absent:** Councilmember Wolfrom was excused.

**Staff Present:** Interim City Manager Mukerjee; Finance Director DeGroot; Public Works Director Blount; Community Development Director Osaki; Parks, Recreation and Community Services Director Reuter; Chief of Police Mears; City Attorney Combs; Executive Assistant Rota and City Clerk Etgen.

**PLEDGE OF ALLEGIANCE**

Councilmember Yambe led the Pledge of Allegiance.

**CITIZEN COMMENTS**

Carol Sue Braaten reported the Great Shake Out would take place at 10:16 on October 16<sup>th</sup>, and expressed her opinion that the construction on the hillside in Edgewood was endangering the evacuation route.

**CONSENT AGENDA**

City Clerk Etgen presented the following items for consideration on the Consent Agenda:

- a. Approval of Payroll Vouchers as reviewed by the Voucher Committee:
- b. #50856 - 50896 in the amount of \$687,034.88
- c. Approval of Claims Vouchers as reviewed by the Voucher Committee:
- d. #94659 - 94865 in the amount of \$1,555,790.95
- e. Approval of Minutes of March 4, 2014, September 9, 2014, September 16, 2014, September 23, 2014 and September 30, 2015
- f. Ordinance No. 1888
- g. Zoning Code Amendment – Restaurant and Bars /Taverns/Nightclubs

*Councilmember Hulcey moved to approve the Consent Agenda as presented. Councilmember Marsh seconded and motion carried unanimously.*

**PRESENTATIONS & PROCLAMATIONS**

**Fife Memorial Fountain Centennial Event Recap**

Parks, Recreation and Community Services Director Reuter thanked all the volunteers who helped put together the Memorial Fountain Centennial Celebration, sharing pictures of the event.

## **COMMITTEE REPORTS/COUNCIL DELEGATE**

The Mayor and Councilmembers reported on attendance at meetings for the Historical Society, the Wellness Committee, the Harvest Festival, the Voucher Review Committee, the Fife School Board, Kiwanis, a freight roundtable, an AWC event, a Chamber of Commerce brunch, the Flood Control Zone Board, the South Sound 911 Policy and Operations Board meeting, and about work on the Youth Commission.

## **PUBLIC HEARINGS**

### **Zoning Code Amendment – Hobby Farms**

Associate Planner Larsen presented a proposed amendment to Chapter 19 of the Fife Municipal Code to allow for small scale operation Hobby Farms to include alpacas. The proposal would include seven of the zoning districts, which all allow livestock as an accessory to an existing dwelling unit. The proposal would require a business license but exempt the requirement for a home occupation license. Minimum lot size would be one acre, which could include leased land, as long as the lease was in the name of the Hobby Farm owner. Nuisance Code requirements would apply. Setbacks would remain the same, depending on the zone. No slaughtering would be allowed, and a Special Events Permit would be required for special events.

Mayor Curtis opened the public hearing at 7:28 PM.

Greg Stidham testified he has had a Hobby Farm with alpacas since 2006. It started with a one-acre parcel with a small home and barn. It is now four acres in size with two barns and three houses. A small retail shop was originally attached to the garage and later moved into the home. He complimented staff on their willingness to work with him in bringing this proposal forward to Council. After reviewing the requirements for retail space size, he realized they would be out of compliance because it is more than 25% of the dwelling unit and there is some processing of fiber within the home. He requested the consideration of modifying the proposed language to a combination of a total of 1000 square feet of the residential and accessory unit.

Carol sue Braaten testified she was in favor of this proposal and noted that many such businesses are untaxed in the County.

Associate Planner Larsen stated staff can look at options to address the concerns expressed this evening. Councilmember Cerqui questioned the requirement for a business license for a retail stand with farms being exempt.

Councilmember Johnson questioned how “offensive” was defined, noting that there are certain conditions normally generated by farming operations. Associate Planner Larsen noted nothing currently allowed or grandfathered in to the Code would be modified with this revision.

Carol Sue Braaten suggested goats should be removed from the definition because they are not considered to be livestock by some individuals.

Mayor Curtis closed the public hearing at 7:48 PM.

## **Revenue Sources 2015/16 & Property Tax Levy**

Finance Director DeGroot noted this was the first of three public hearings on the 2015-2016 Biennial Budget. This hearing is for the consideration of a proposed property tax increase.

Sales tax is the largest source of revenue in Fife with the third quarter in 2014 bringing in approximately \$583,000 per month. Auto sales comprise approximately 59% of retail sales during this time period. Property tax was the second largest at 39%. A one percent increase in property taxes is proposed, which would bring in a total of \$1.58 per thousand in value in 2015 and \$1.52 in 2016. Utility taxes and fees for services make up the remaining revenue. A total of \$118,000,000 in revenue is expected for 2015-2016 excluding the beginning fund balance. 13% of revenue will go towards debt payment. The overall change over the two year period is expected to be 16.7%.

Mayor Curtis opened the public hearing at 8:04 PM.

Carol Sue Braaden stated it is unclear how the economy is going to play out and that Council should be cautionary in going into more debt.

Councilmembers questioned DeGroot about the sources of debt funding, the beginning fund balance and variations in the various fund.

Mayor Curtis closed the public hearing at 8:32 PM.

## **ORDINANCES**

### **Ordinance No. 1881 - Passage 2013/2014 Budget Amendment**

Finance Director DeGroot noted Council approved Ordinance 1881 for first reading on September 9, 2014, and postponed second reading to October 14 for additional discussion of capital expenditures and alternative funding. The amendment addresses capital project additions including real estate purchases, acceptance of police grants, detention activities, collective bargaining impacts, a new fund for the employee self-insured medical bridge, a revenue stabilization fund and revenue adjustments for an increase in sales tax and a decrease in photo enforcement fines.

*Councilmember Marsh moved and Mayor Curtis seconded a motion to pass Ordinance 1881. Upon vote, motion failed with Deputy Mayor Hulcey and Councilmember Johnson and Cerqui voting no, and Mayor Curtis and Councilmembers Marsh and Yambe voting yes.*

Deputy Mayor Hulcey stated he voted no on the amendment because of the Holt property purchase. Councilmember Johnson stated he would like to see which projects are falling under bond funding and information on REET funding. Councilmember Cequi stated he is not comfortable with the amount of debt funding and would like to see cash used with less borrowing. He stated he had no confidence in the numbers and would not vote for it.

**Ordinance No. 1882 – Passage  
Zoning Code Amendment – Gambling Premises**

Community Development Director Osaki stated a public hearing and first reading of the ordinance relating to gambling premises was held last month. The proposed revision would delete the conditional use permit and only allow hotels of certain standards to receive a gambling permit.

*Councilmember Yambe moved and Councilmember Johnson seconded a motion to pass Ordinance No. 1882. Upon vote, motion carried unanimously.*

**Ordinance No. 1883 - Passage  
Stormwater Utility Rate Inflation Indexing**

Public Works Director Blount made a presentation for the stormwater, drinking water and utility ordinances, stating they only address an inflation indexing. Cost of operating the facilities is impacted by labor costs and materials along with construction costs. A simple inflation index will create incremental increases in rates.

*Councilmember Johnson moved and Deputy Mayor Hulcey seconded a motion to pass Ordinance No. 1883.*

Councilmember Johnson stated he supported the indexing and while the immediate increase was steep, it would prevent the need to make dramatic increases in the future, while keeping pace with inflation. Councilmembers Yambe and Marsh expressed concern over the steep immediate increase proposed with the indexing. Deputy Mayor Hulcey stated the need to construct a line across the river in the future will be expensive.

*Upon vote, motion carried with Mayor Curtis, Deputy Mayor Hulcey and Councilmembers Johnson and Marsh voting yes and Councilmembers Cerqui and Yambe voting no.*

**Ordinance No. 1884 - Passage  
Water Utility Inflation Indexing**

*Mayor Curtis moved and Councilmember Johnson seconded a motion to pass Ordinance No. 1884.*

In response to a question from Mayor Curtis, Public Works Director Blount stated if the increases were not made now for this utility, that future costs would be higher, along with the costs to hold public rate hearings.

Finance Director DeGroot noted there is one outstanding existing bond. If rates are not raised, the City may reach a point where the promised coverage factor is not funded properly, resulting in a violation of the bond agreement.

*Upon vote, motion carried with Mayor Curtis, Deputy Mayor Hulcey and Councilmembers Johnson and Marsh voting yes and Councilmembers Cerqui and Yambe voting no.*

**Ordinance No. 1885 - Passage  
Sewer Utility Rate Increase and Indexing**

Carol Sue Braaden stated she would like to see funds set aside for projects in the future.

*Councilmember Johnson moved and Deputy Mayor Hulcey seconded a motion to pass Ordinance No. 1885.*

*Mayor Curtis moved and Councilmember Yambe seconded a motion to amend the motion to use the recommended rate increase of 31%. Upon vote, motion failed with Deputy Mayor Hulcey and Councilmembers Johnson and Cerqui voting no and Mayor Curtis, Deputy Mayor Hulcey and Councilmember Yambe voting yes.*

Public Works Director Blount stated the indexing would include Tacoma's rate increases. He noted that any capital expenses would come to Council, and that rates can be decreased in the future, even with the indexing.

*Upon vote, motion carried with Mayor Curtis, Deputy Mayor Hulcey and Councilmembers Marsh, Johnson and Yambe voting yes, and Councilmember Cerqui voting no.*

### **Ordinance No. 1877 – 1st Reading**

#### **Terminating Local Improvement District 08-03/Freeman Road Improvements**

Public Works Director Blount reported the Local Improvement District (LID) 08-03 was approved in 2009 just as the recession hit. There is no longer the need to move forward with the LID. Council does not have the authority to create boundaries in Milton and Edgewood, and the LID would not benefit the City in the long term. A large portion of the area was purchased by UPS for development. \$700,000 was spent on the appraisal and survey of the wetlands which will benefit the City and developers.

Carol Sue Braaden stated the LID should be cancelled because of the steep slope and landslide possibilities.

*Councilmember Johnson moved and Deputy Mayor Hulcey seconded a motion to waive second reading and pass Ordinance No. 1877. Upon vote, motion carried unanimously.*

### **RESOLUTIONS**

#### **Resolution No. 1623**

#### **Awarding Construction Contract for South Campus Fountain**

Public Works Director Blount and Randy Cook presented the proposal to award a construction project for the South Campus Fountain, which they stated would enhance the South Campus, provide better use of the Community Center, and provide an outdoor public space and Farmers Market. The proposed project is debt financed, and would have to be sent back out to bid if not awarded now.

### **EXTENSION OF MEETING**

At 9:54 PM Mayor Curtis moved and Councilmember Johnson seconded a motion to continue the meeting to 10:30 PM. Upon vote, motion carried unanimously.

*Councilmember Marsh moved to adopt Resolution No. 1623 and Mayor Curtis seconded the motion.*

Mayor Curtis and Councilmember Marsh expressed their support of Phase 1 for the fountain and campus open area, noting it provides the infrastructure for the South Campus plan.

Councilmember Cerqui stated he agreed to the plan earlier, however does not agree to it now without funding. Councilmember Johnson questioned the value of an open grassy area, advocating the finishing of the current parks projects.

*Upon vote, motion failed with Deputy Mayor Hulcey and Councilmembers Cerqui and Johnson voting no. Mayor Curtis and Councilmembers Yambe and Marsh voted yes.*

Staff was directed to break out the fountain from Phase One and bring it back to Council for consideration.

### **Resolution No. 1619**

#### **Capital Expenditure Reimbursement Intent**

Interim City Manager Mukerjee, Finance Director DeGroot and Dave Trageser, Senior Vice President of D.A. Davidson & Co., presented the resolution signifying the City's intend to finance the 2014 projects as listed with proceeds from the issuance of one or more series of bonds. The Parks/P.W. Maintenance Facility improvement was scaled back to \$1.0 million and has been included in the 2015-16 projects since the combined debt for 2014 excluding this project is just under \$10.0 million. The proposed maximum aggregate principal amount is not to exceed \$9,296,494 (project costs of \$8,471,588, bond issuance costs of \$185,929, and revenue debt reserve of \$638,977). This action does not authorize purchasing bonds in the future, but rather declares the intent to reimburse with tax exempt bonds.

#### **EXTENSION OF MEETING**

At 10:28 PM Mayor Curtis moved and Councilmember Yambe seconded a motion to continue the meeting to 11:00 PM. Upon vote, motion carried unanimously.

*Mayor Curtis moved and Councilmember Marsh seconded a motion to adopt Resolution No. 1619.*

*Councilmember Johnson moved to amend the Resolution to \$6,390,000, and Deputy Mayor Hulcey seconded the motion. After some discussion, the amendment was withdrawn.*

*Original motion carried, with Mayor Curtis, Deputy Mayor Hulcey and Councilmembers Marsh, Yambe and Johnson voting yes, and Councilmember Cerqui voting no.*

#### **EXTENSION OF MEETING**

At 11:00 PM Deputy Mayor Hulcey moved and Mayor Curtis seconded a motion to continue the meeting to 11:15 PM. Upon vote, motion carried unanimously.

### **Resolution No. 1622**

#### **Approving an Amendment to the Charter of the Greater Tacoma Regional Convention Center Public Facilities District**

Kim Bader of the City of Tacoma spoke on behalf of the Greater Tacoma Regional Convention Center Public Facilities District (PFD), stating they were ensuring they would be able to lobby the Legislature on behalf of the PFD, and were striking the provision regarding funding political campaigns based on legal advice that it was redundant and prohibited in State law.

Councilmember Yambe moved to adopt Resolution No. 1622 and strike the first clause in the proposed Resolution. Councilmember Johnson seconded the motion. Upon vote, motion carried unanimously.

**Resolution No. 1625**

**Intent to Form 66<sup>th</sup> Avenue East LID – Rescheduling Public Hearing Date**

City Attorney Combs reported the City is still in negotiations with the developer and requests additional time to move forward.

Councilmember Johnson moved and Deputy Mayor Hulcey seconded a motion to adopt Resolution No. 1625. Upon vote, motion carried unanimously.

**MOTION TO RECONSIDER ORDINANCE NO 1881**

Councilmember Johnson moved and Deputy Mayor Hulcey seconded a motion to reconsider Ordinance No. 1881. Upon vote, motion carried unanimously.

Councilmember Johnson moved and Deputy Mayor Hulcey seconded a motion to continue the consideration of Ordinance No. 1881 to the meeting of October 21, 2014. Upon vote, motion carried unanimously.

**CITY MANAGER REPORT**

City Manager Mukerjee reported on:

- Sewer work 20<sup>th</sup> Street which will result in some traffic disruption

**ADJOURNMENT**

With no objection from Council, Mayor Curtis adjourned the meeting at 11:13 PM.



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Tim Curtis, Mayor



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Carol Etgen, City Clerk