FIFE CITY COUNCIL
REGULAR MEETING MINUTES

Fife City Hall
Council Chambers

Date: October 27, 2009
Time: 7:00 p.m.

EXECUTIVE SESSION

Mayor Johnson convened an executive session at 6:00 p.m. for the purpose of Real Estate RCW 42.30.140 for approximately 57 minutes.

ADJOURNMENT

Mayor Johnson adjourned the executive session at 6:57 p.m.

CALL TO ORDER AND ROLL CALL

Mayor Johnson called the regular meeting of the Fife City Council to order at 7:05 p.m. with the following Councilmembers present: Richard Godwin, Glenn Hull, Butch Brooks, Barry Johnson, Rob Cerqui, Nancy de Booy, and Kim Roscoe.

Staff present: City Manager Steve Worthington, City Attorney Loren Combs, Finance Director Steve Marcotte, Police Chief Brad Blackburn, Parks, Recreation & Community Services Director Kurt Reuter, Senior Planner Beverly Boyle, Planner Chris Pasinetti, Municipal Court Judge Kevin Ringus, Public Works Director Russ Blount, Administrative Assistant Andrea Richards, Financial Analyst Dave DeGroot, Marketing Coordinator Laurel Potter, Police Dispatcher Connie Zackula, and Recording Secretary William Gow II.

PLEDGE OF ALLEGIANCE

Councilmember de Booy led the pledge of allegiance.

CHANGES, ADDITIONS OR DELETIONS TO AGENDA

Recognition of the retirement of Police Dispatcher Connie Zackula was added to the agenda under *Special Presentations.*

Motion

Councilmember Roscoe moved, seconded by Mayor Johnson, to include recognition of the retirement of Police Dispatcher Connie Zackula to the meeting agenda. Motion carried.

CITIZENS COMMENTS

There were no citizen comments.

CONSENT AGENDA

a. Approval of Minutes: October 13, 3009 Council Meeting
b. Approval of Vouchers:
   Payroll: #46160 – 46198 $386,370.61
   Claim: #77506 – 77653 $845,610.33

Adopt Ordinance:

c. #1704; 2008 WSDOT Specifications and Modified Street Construction Standards

Motion

Councilmember Roscoe moved, seconded by Councilmember Hull, to approve the consent agenda as presented. Motion carried unanimously.

SPECIAL PRESENTATIONS

Retirement Recognition – Dispatcher Connie Zackula

Mayor Johnson reported Dispatcher Zackula joined the City in 1978 and left for a period and returned in 1985. He congratulated her on her retirement and presented her with a letter from Governor Gregoire recognizing her retirement from the Fife Police Department as a 911 Call Receiver Dispatcher for over 25 years.

Dispatcher Zackula thanked everyone for the recognition and Police Chief Blackburn for his support. She thanked her husband of 43 years and introduced her son. This year will be the first Thanksgiving dinner that she will be able to cook at home.

Tacoma Regional CVB

President and CEO Tami Blount, Tacoma Regional Convention Visitor Bureau, briefed the Council on the CVB's marketing activities focusing on Fife. Tourism supports approximately 1,000 jobs in the City of Fife. The CVB is a regional organization marketing the entire county. Activities concentrating on Fife included:

- Meetings and Group Sales – cooperatively attended several trade shows generating leads to Fife hotels with Marketing Coordinator Potter.
- Conducted quarterly forums.
- Launched "Meet in your City" program. The program promotes local residents and community members to bring meetings to the City.
- Brochure developed promoting the City and region.
- Video footage of the Performing Arts Center as well as a grass roots program of 24 qualified meeting planners spending four days in the region.
- Sixty-four leads distributed to Fife hotels for an opportunity to book 22,848 room nights for conferences and meetings representing 10,000 more than in 2008. Two bookings with an estimated 200 room nights have been confirmed from the leads.
- Publication of Regional Visitor Guide. Page on Fife was designed in consultation with community members.
- Photo shoot conducted during the Fife Harvest Festival for advertising purposes and publications.
- Historic Site Brochure.
- Co-op ad in the Spring/Summer Seattle Visitor Guide featuring Fife and the Pierce County region.
- Web Marketing and online promotions on www.traveltacoma.com.
- Onsite services.
- Hired a Communications Manager and reorganized staff positions and responsibilities.

- Launched a new newsletter to travel media.
- Social sites include Twitter.

Mayor Johnson commented on improvements focusing on the Fife community from previous years. He asked about the program focusing on "Hidden Fife." Ms. Blount reported the effort focuses on the community, its history, Fife Historical Museum, the caboose, and other areas visitors might enjoy.

Councilmember Roscoe inquired about the timeline associated with the 22,000 room nights. Ms. Blount said the forecast includes years 2009 through 2014. The timeline is based on schedules meeting planner use to plan meetings. Currently, 1,900 room nights have been committed. There are approximately 5,000 hotel rooms available in the county. It's difficult to estimate how many rooms will be booked. The CVB's focus is to bring the leads to hotels that sign the contracts. The CVB helps to facilitate the relationship between planners and the venue.

Councilmember Brooks asked if any information is available that spells out the direct impact the CVB has on Fife, such as actual results. Ms. Blount replied that a quarterly report is submitted to the City with lodging tax invoices documenting results. Hotels have access to the information.

Councilmember de Booy said she would be interested in visiting the office to view records to compare results from last year. Ms. Blount offered to provide a copy of the report.

Sports Commission

Tim Waer, Executive Director, Tacoma Pierce County Sports Commission, reported the commission is a nonprofit marketing organization to attract, promote, create, and service amateur athletic programs throughout the region for the purpose of attracting visitors and overnight stays in Tacoma and Pierce County. The organization is funded by several municipalities including the cities of Tacoma, Fife, Lakewood, Puyallup, and Pierce County.

Mr. Waer referred to several handout materials in response to previous inquires by the Council for identifying events and specific number of hotel nights generated from those events. In some cases, the size of the event limits the possibility of tracking the exact number of rooms at each hotel. Consequently, the organization took a snapshot of three impactful events occurring in the City of Fife and three hotels and factored occupancy rates one week before, during the event, and one week after the event to obtain an estimate on the number of hotel rooms generated in Fife by the event. For example, Days Inn one week before the event averaged occupancy of 11% with occupancy increasing to 83% during the week of the event. The information provides some insight on the impact the events have on the City in terms of room nights booked. The total impact is estimated at 19,000

rooms in 2009.

One championship countywide event in the Tacoma Dome in 2011 has been booked, leading to many hotel rooms booked in Fife.

Mr. Waer reported the organization is meeting monthly with local hoteliers to improve the quality of overnight stays and improving a visitor's experience to ensure returning business.

Councilmember Hull thanked Mr. Waer for the information and suggested the information should be standard to show the direct impact to City hotels.

Halloween Carnival

Police Chief Blackburn reported the 15th annual Halloween Carnival is scheduled on Saturday, October 31, 2009, at the Fife Community Center from 5 p.m. to 7 p.m. A pre-swim event will be held at the Fife Pool from 3 p.m. to 4:30 p.m. Some new events and games have been included this year. Volunteers are needed.

COUNCIL DELEGATE REPORT

Councilmember Brooks reported on his attendance to the monthly Pierce County Mayors Breakfast. Puget Sound Partnership provided a presentation on its ongoing efforts. Members received a report on potential flooding issues along the Pierce/King County border. He attended a Pierce County Regional Council meeting and received an update on the Growth Management Act. There is an opening on the Zoo/Trek Authority. He asked Councilmembers to contact him if interested in serving on the board.

Councilmember Cerqui reported he attended the Fife Candidates' Forum sponsored by the Fife Chamber of Commerce as well as the Edgewood Candidates' Forum. He thanked the chamber for sponsoring the events.

Councilmember de Booy said she also attended the Candidates' Forum as a candidate and the Senior Citizen Advisory Board Meeting at the Community Center. More events and day trips are under development for the center.

Councilmember Roscoe said she's unable to attend Fife School District meetings. The Board acted on number of levies involving educational, operations, technology, and capital projects. She encouraged Councilmember Hull to submit his name for the Zoo/Trek Advisory Board position.

Mayor Johnson thanked Councilmember Brooks for assuming some of his mayoral duties during his travels.

PUBLIC HEARING

2010 Budget

Director Marcotte reported the first public hearing was on budget revenues.

This public hearing is the first of two public hearings required for budget expenditures.

City Manager Worthington reported the 2010 budget includes no increase or decrease in level of service.

Director Marcotte reported on the method and number of public announcements advising the public about the availability of the budget at City Hall. The total proposed budget is $65,624,462 compared to the 2009 budget of $74,915. The General Fund portion is $16,272,758 representing $13,720,171 of planned expenditures with the remaining projected to be the ending fund balance at the close of the year.

Director Marcotte reviewed several exhibits of detailed budget information and several pie charts showing expenditures by category as well as comparisons showing increases and decreases from 2009.

Mayor Johnson opened the public hearing at 7:52 p.m.

Citizen Testimony

Mike Seeger, Fife Flowers, 1504 54th Avenue, complimented the Mayor and Council on the preparation of the budget. The budget material provides a clear and easily understood budget. He said the presentation is one of the best he's seen in 13 years.

Carole Sue Braaten, 2410 Berry Lane East, commented that a proposed 1% increase in taxes along with the proposed budget was not mentioned. She suggested it should be mentioned for the benefit of the public so that they are aware of a proposed 1% increase in property taxes.

Mayor Johnson closed the public hearing at 7:55 p.m.

2009 Comprehensive Plan Amendments

Planner Pasinetti reported the public hearing is on four proposed comprehensive plan amendments:

- Updates to the City of Fife Transportation Improvement Program (TIP)
- Water Comprehensive Planning Commission
- Capital Facilities Plans for Fife and Puyallup School Districts
- City of Fife Facilities Study and Needs Assessment

Staff requests the Council open the public hearing on the 2009 amendments.

Mayor Johnson opened the public hearing at 7:56 p.m.

Planner Pasinetti reviewed the proposed amendments:

- CPA09-01 TIP is the City's 6-year Transportation Improvement

Plan, which is housekeeping in nature.

- CPA 09-01 & CPA09-03 are the school districts CFP's that are amended annually.
- CPA09-02 is the Water Comprehensive Plan that was last updated in 1998.
- CPA09-04 is a newly completed document and adoption into the Comprehensive Plan would keep the CFP element current with more timely information.

Councilmember Godwin inquired about the lack of figures within the Puyallup CFP. Planner Pasinetti said the Puyallup School District's CFP provides an unfunded need based on the same formula used by the Fife School District. The district estimates the unfunded need to be $26,000 for a single family home and $6,500 for a multi-family home. The Fife School District provided a detailed impact fee of $2,900 for single family and $1,660 for multi-family. Councilmember Godwin reiterated the school district did not provide the City with any information. City Manager Worthington agreed and shared that the Puyallup School District uses a different formula calculation than the Fife School District. The Puyallup School District represents its information as an unfunded need that may be reflected in an increase in other revenue through taxes, etc. Councilmember Godwin contended that the information provided by the Puyallup School District is incomplete.

Mayor Johnson closed the public hearing at 8:00 p.m.

ORDINANCES AND RESOLUTIONS

RESOLUTIONS:

#1316; 2010 Property Tax Levy

City Clerk/Finance Director Marcotte read the title of Ordinance #1316:

A resolution of the 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 2010 and to levy the annual ad valorum taxes of the City of Fife for the fiscal year 2010.

Councilmember Hull requested clarification on new construction, annexation, and other adjustments and whether those amounts are also included in the 1% increase. Director Marcotte reported the 1% is based on the prior year's maximum levy. That amount is $66,480. Of that amount $25,474 is from the 1%. In addition to the 1%, the City is permitted to receive property taxes related to new property added to the tax roll. Based on the county's preliminary levy tax calculations, approximately $17,774,000 of new construction was added to the tax roll. The property tax permitted from new construction totals $20,379. The Council can also

receive property taxes related to annexation. That added $14,352,000 to the City's total assessed valuation adding another $17,609 in property taxes.

Motion

Councilmember Roscoe moved, seconded by Councilmember Godwin, to approve Resolution #1316; 2010 Property Tax Levy.

Motion

Councilmember Hull moved, seconded by Councilmember Roscoe, to amend Resolution #1316 to reduce it by the 1% growth factor of $25,475 for a total property tax levy of $2,588,462.

Councilmember Hull clarified that the amendment maintains the same property tax amount with no 1% increase. The proposal is to collect $2,588,462 in property tax, which doesn't include a 1% collection increase. He offered an example of the impact of a 1% increase. His property assessed for $320,600 last year. The assessed value this year according to the Assessor's Office is $281,500, which is a decrease of approximately $31,000. If staff's calculation of the estimated tax levy is correct, last year he paid $367.59 for Fife's portion of the levy with an estimate of $21.83 less for 2010.

Director Marcotte explained that the proposal of a 1% increase is to collect the identical amount of dollars across Fife, which should result in the same property tax of the City's portion of property tax except that each owner's actual assessment varies individually by market value factors. While in theory it should be the same in practice, it's not possible to identify how it would impact a property owner. As Councilmember Godwin recalled, the overall assessed valuation for the City of Fife declined by $100,000,000 last year. The actual property tax rate will increase. The net effect of the rate change should be the same amount of revenue raised for the City in the aggregate.

Mayor Johnson said essentially, a property owner's tax will equal last year's tax even though assessed valuation has decreased. Director Marcotte noted that the 1% cap is on collections and not on the rate.

Director Marcotte referred to Ms. Braaten's comments and said the Council did discuss the 1% increase during the public hearing on the City's revenue budget. However, the preliminary budget does include the $25,475, which should be pointed out.

Councilmember Roscoe pointed out that as the cost of living increases and the City holds its level of property tax collection, it is very difficult to provide the same level of service because the cost of providing service has increased. She recognized citizen comments and the Council's comments pertaining to the collection of taxes as the same as last year without any increase. She visited the Pierce County website that contained good information. The county also welcomes phone calls on how property tax

assessments are calculated.

Citizen Comments

Carole Sue Braaten, 2410 Berry Lane East, said she is very concerned with the 1% or the proposed increase and how it will affect citizens who have been under a severe burden for an extended period of time. The Assessor has indicated property has been overly assessed over time, which results in a severe tax burden on many people. Many people have moved from the area and can no longer pay. If the City considers an increase, the City is putting a burden on businesses that will pass on the burden to citizens. The increase should be reconsidered even though property valuation has decreased. It hasn't declined to a reasonable level considering that valuation increased upwards of 200% over a ten-year period.

Councilmember Godwin said the 1% increase is not reflective of a tax increase. When the market was high, no property owner in the City would have sold their property for the assessed value. The overvaluation is based on what the market is willing to expend. People didn't leave the City because taxes are too high. The City hasn't raised property tax over the last six years, has held the line, and intends to do so in 2010. At some point, using Ms. Braaten's theory, the City will need to lock the door because it won't be possible to provide service. The City needs to provide the services and if citizens don't want the services, then taxes will be cut. There must be a balance.

Director Marcotte commented on the statute limiting the growth in property tax rates since 1995.

Councilmember Roscoe said the City's collection of property taxes over the last several years hasn't tracked with the increase in property tax valuations. It's incorrect to assert a property owner paid more because the property was assessed higher. Director Marcotte said that only new construction would assume a higher assessed valuation rate the year it's added to the tax rolls.

Mayor Johnson commented on the annual impact of inflation to the City and the City's continued practice of holding the property tax collection excluding new construction. The City's relied heavily on sales tax. Unfortunately, sales tax over the last several years has decreased dramatically and the City is working to minimize the impacts on citizens. However with decreases in City revenue, there are impacts to both citizens and the City.

Councilmember Hull asked whether inflation indexes the City uses to calculate increases is projected to be less this year. Director Marcotte reported several factors are used to predict inflation. A different measure is the Implicit Price Deflator, which did reflect a negative increase. Overall, however, there will be some positive increase in costs.

Councilmember Cerqui complimented the Council for maintaining a flat rate on property taxes while working creatively to maintain the same level of service. Councilmember de Booy agreed and said the City has reduced staffing in different areas without impacting service levels.

Motion **Motion carried unanimously on the amendment to the motion.**

Motion **Motion carried unanimously on the motion as amended.**

#1321 Approve Commute Trip Reduction (CTR) Contract with Pierce County

Motion **Councilmember Hull moved, seconded by Councilmember Roscoe, to adopt Resolution #1321; Authorizing the City Manager to enter into a Commute Trip Reduction (CTR) Agreement with Pierce County.**

City Clerk/Finance Director Marcotte read the title of Resolution #1321:

A resolution of the City Council of the City of Fife, Pierce County, Washington, authorizing the City Manager to execute a Commute Trip Reduction Agreement with Pierce County.

Planner Pasinetti described the proposed agreement with Pierce County. Pierce County implements and administers the CTR program for the City. The previous contract with the county expired. The City has contracted with the county since the creation of the CTR Act.

Motion **Motion carried unanimously.**

NEW BUSINESS

2010 Lodging Tax Allocations

City Manager Worthington described the City's process for receiving recommendations on the distribution of lodging tax from the City's Lodging Tax Advisory Committee (LTAC) comprised of members who pay lodging tax and members who receive the funds. The City issued a Request for Proposal for funding in 2010. A number of proposals were submitted by the deadline. Two proposals were received after the deadline with the LTAC recommending deferral of any action. The proposals involve a Friendship Festival seeking $20,000 and an Amateur Golf Tournament seeking $15,000.

City Manager Worthington displayed the LTAC's funding recommendation and reviewed his funding recommendation. The LTAC fund is projected to receive $100,000 less than previous years. The City receives approximately $700,000 annually in lodging tax. In 2010, the City is budgeting $600,000.

With the beginning fund balance, the estimated fund in 2010 totals $853,973. At the end of 2010, the goal is to retain some reserve.

City Manager Worthington said it appears likely the City may be selling property the City used lodging funds to purchase because of the City's initial intent to use the property for tourism purposes. If that occurs, the City's debt service will be eliminated. If the transaction occurs, a refund from the proceeds of the sale to the LTAC fund is required of approximately $1.5 million.

City Manager Worthington reviewed the LTAC and the City Manager's funding recommendations for core programs the City has historically funded at various levels, secondary programs funded at various levels periodically, and one time capital requests:

Applicant	2010 Funding Request	LTAC Recommendation	City Manager Recommendation
Tacoma Regional CVB	85,000	85,000	
Tacoma Pierce Sports Commission	75,000	75,000	
Fife Area Chamber	60,500	60,500	
Daffodil Festival	5,000	5,000	
Fife Community Float	15,000	15,000	
Harvest Festival	40,000	40,000	
Marketing Department	88,200	88,200	80,200
Fife Historical Society Advertising in conjunction with Marketing program	$25,000	25,000	10,000
Street Banners	16,000	16,000	0
Family Car Show	5,000	5,000	3,000
Fife Historical Society Upgrades	91,000	80,000	Consider as a 40,000 capital improvement
Performing Arts Center	40,000	Divided: 40,000/20,000	0
Police Department/Police Officer working with hotel community	41,750	41,750 if legal	Likely not legally allowed. Another approach is increasing security within the hotel community by using 300,000 of LTAC funds transferred to the operating expense of the swimming pool because of pool usage of non-residents. The transfer would provide General Fund dollars of approximately 308,000 to fund 2 additional

			police officers providing additional community coverage.
Parks – Irrigation	12,500	5,000	
FBLA 5K	2,000	2,000	
LaBrue Communications	297,690	0	0
Development of Brookville Gardens Park:			
- Picnic Shelters	80,000	20,000	
- Parking Lot	300,000	75,000	
- Signage	15,000	5,000	
- Irrigation	12,500	5,000	
- Salt Water	25,000	25,000	
- Restroom	400,000	100,00	
Fife Historical Society – Sculpture	72,000	Divided: 72,000/50,000	
Museum Sewer	25,000	25,000	
Caboose Rebuilding	65,000	Divided: 65,000/0	
Swim Center Salt Program replaces purification system	25,000	25,000	

City Manager Worthington reported in 2009, one expenditure pertained to the relocation and completion of the locomotive project at $61,000. If the funds are not expended in 2009, the intent is to roll the funds over to 2010 to continue the project. The amount is not included in the LTAC 2010 beginning fund balance.

Councilmember Brooks expressed several concerns involving the windfall sale of the City's property, which likely will occur but not completed at this point. It will impact debt service of $420,000 annually that not's accounted for in the LTAC computation if it shouldn't occur. If the Council concurred with the City Manager's funding recommendation, the fund balance would be substantially less than in previous years. Both funding recommendations for the core programs remain consistent as in previous years even though the City anticipates a 15% reduction in lodging tax revenue. At the last study session, the Council discussed ways to provide additional police services through General Fund dollars. He said he has issues with a $540,000 allocation to the pool especially during the current economic downturn as well as a $25,000 retrofit and a $200,000 HVAC upgrade at some point in the future. The Council agreed to increase the priority on public safety. He expressed concerns with dedicating half of lodging tax revenue to the pool, especially since only 30% of the pool's use is by residents and through the interlocal agreement with the City of Puyallup.

Councilmember Hull agreed with many of the comments especially given the current economic situation.

Councilmember Godwin said he also has a number of concerns. He

referred to the one-time capital requests and indicated support only for the museum sewer and the swim center salt water purification system. Allocation of funds for the Brookville Gardens Park should be deferred. A citizen group should be established for pursuing the rebuilding of the caboose, which can provide some needed leadership.

City Manager Worthington said it would be helpful to receive some direction in terms of major programs. A Council recommendation needs to occur soon to incorporate the funding recommendation in the 2010 budget.

Councilmember Cerqui said it appears the Council supports using lodging tax funds for the pool to free up General Fund monies to hire additional police officers. He agreed with the City Manager's recommendation on core programs but expressed some concerns with the amount recommended for the Performing Arts Center. He agreed with Councilmember Godwin regarding capital requests for the Brookville Gardens. He expressed willingness to discuss formation of a committee for the caboose.

Councilmember Roscoe asked about the impact to the Marketing Department with the reduction of $8,000. City Manager Worthington said it would reduce some purchase of supplies and some travel at some conventions and conferences. Councilmember Roscoe said in terms of the City's good working relationship with other tourism organizations, she can support the reduction but would like the funding level restored at some point.

Councilmember Roscoe questioned the $7,000 expenditure for the Performing Arts Center in 2009. Marketing Coordinator Potter reported the expenditure was for the purchase of a specialized dance floor that can be used in different venues.

Councilmember Roscoe said she previously inquired about the costs associated with the operation of the swim center and the community center, which was provided by the City. She advocated for the swimming pool as it provides swimming lessons to children to help reduce accidental drowning of children. The pool is a community resource as a recreational activity. Hoteliers should be promoting the community pool to hotel guests. She said she would rather retain the current service level of the swimming pool and reduce some services at the community center because of the relationship of what the pool provides to the community. Approximately 30% of residents use the pool with many non-residents using the pool as well as spending dollars in town. She asked about the percentage of users of the community center who are Fife residents. She supported using lodging tax funds to support the swimming pool.

Councilmember de Booy expressed support for the swimming pool and inquired about any offsets that generates revenue. City Manager

Worthington said $480,000 is the net cost of operating the pool after all revenue has been considered. Councilmember de Booy said the City offers limited recreational opportunities and the pool is important to retain. The community center should be more active for adults and children with more programs and activities. Expenses for the Brookville Gardens Park should be deferred with only basic improvements pursued at this point where plans are in place. Other programs, such as the Fife Harvest Festival and the Daffodil Festival are needed in the community. It would be interesting to know from the hoteliers whether hotel guests inquire about the pool or use the pool. Additional hiring of police is a necessary expenditure to ensure safety of citizens. Volunteers for rebuilding the caboose have donated many hours and deserve the City's support. The caboose should be completed because it will be a major tourist attraction at the museum. The Council should discuss funding priorities during a study session.

Mayor Johnson asked about other recreational programs generating more than $300,000 annually. Director Reuter said the pool is the City's largest revenue generator in terms of recreation programs. Mayor Johnson asked about the number of visits to the pool annually. City Manager Worthington advised that the information can be provided to the Council for pool usage. Mayor Johnson commented that it's likely the pool is used more than any other recreational opportunity offered by the City. Services at the community center are important to maintain during tough times in the economy. Many struggling families rely on after school programs and recreational programs. He recommended no cuts to the community center and supported funding for the swimming pool because of its recreational value and service to the community through swimming lessons for children. The Council is struggling with the lack of funds and likely began the process without examining the full scenario. The Council supports adding more officers with limited funding, which is likely unrealistic at this point. Police service levels are still higher than neighboring communities, which must be considered. The capital requests should be deferred and not reviewed at this time. The core programs total $402,500. The transfer of $308,000 to the swim center should be reviewed by the Council. The core program should move forward as recommended. He agreed with the City Manager's recommendation to eliminate funding for street banners and a suggested reducing the funding level to the Family Car Show could impact the event substantially. He agreed with the funding level for Fife Historical Society- upgrades.

The Council agreed to eliminate the one-time reoccurring capital requests with the exception of the museum sewer. The proposal at this point totals $763,000 for a projected total revenue of $853,000 leaving a $90,000 balance. Councilmember Brooks' comment about the $420,000 debt service is also of consideration.

City Manager Worthington commented on the prospect of the property sale

prior to the finalization of the 2010 budget.

Councilmember Godwin acknowledged the budget drain from the swimming pool. Across the country, it's unlikely that any community pool generates sufficient revenue to generate a profit. The pool is similar to the Police Department in that the pool is available when it's needed. The City provides the ability for hoteliers to send customers to use the pool at no charge to hotel guests. He supported moving $308,000 to the General Fund to free up funds to add police officers.

City Manager Worthington noted there is a $5 fee per family for hotel guests, which could be modified if the Council directs.

Councilmember Hull commented on the possibility of reducing the gap in pool usage of non-residents by increasing the fee for non-residents so that Fife citizens are not subsidizing the pool. Regarding the transfer of funds to the General Fund for police officers, he suggested a sufficient police force is necessary to ensure safety for tourism. Visitors who do not feel safe are less likely to visit Fife. Providing a better service level to hoteliers is necessary to increase visitors to the City. There are still concerns with long-term sustainability especially if the debt service obligation continues.

Councilmember Brooks acknowledged his minority position with respect to the pool. However, the Council must consider the issue financially because the deficit continues to increase each year for the pool. The concern with the funding recommendations by the City Manager for the core programs and the swimming pool is that the City is spending more than it's receiving. There are concerns regarding sustainability. Additionally, with the Council only receiving the information during the meeting, more time is necessary to review the materials and address additional questions.

Citizen Comments

Sang Kim, General Manager, Baymont Inn & Suites, referred to the presence of major hoteliers in the audience who are responsible for generating lodging tax. Some of the budget proposals present concerns. Hoteliers recommend funding the CVB and the Sports Commission, Harvest Festival, Chamber of Commerce, and the Marketing Department. There is some disagreement as far as the funding requests from LaBrue Communications and natural marketing. Hoteliers expend much annually to market properties. Regionally, advertising dollars are expended for Fife properties. He said he understands the need for the community to have a swimming pool and recommended the City should advise hoteliers on what options are available for hotel guests to utilize the pool. He disagreed with transferring $308,000 from lodging tax funds and cited the need to continue marketing activities to attract more visitors. The funding proposal does not include any requests that will generate more funds for the City, such as increased restaurant and other activities except for funding for the CVB and the Sports Commission. Hoteliers need attractions to draw visitors to

hotels. Hotels are experiencing a loss in business between 15% and 35%. Spending $308,000 of tourism funds on the swimming pool is not warranted. He suggested the General Fund should fund two-thirds of the swimming pool so that more funds are available to generate more tourism in the City. He referred to the Fife Gateway International Festival proposal that didn't move forward because of the deadline. However, the swimming center proposal was also received after the deadline and it was considered. The festival would generate approximately 60,000 visitors to the City for a weeklong event.

Mayor Johnson said lodging tax is used for a number of purposes from increasing overnight stays as well as encouraging other visitor expenditures to local businesses.

Councilmember Godwin commented that local hoteliers benefit from other events held throughout the region. Lodging tax is not only to benefit hotels; the intent is to benefit many businesses throughout the City. Mr. Kim agreed that the focus is to attract visitors to the City for all businesses. However, the focus of the funding allocation should be on those proposals that generate more visitors. The issue is of balance.

City Manager Worthington responded to questions about the two deferred funding proposals. Information is available on the proposals. The LTAC is working to schedule another meeting.

Tim Eise, Pacific Hospitality Investment, commented on concerns with the allocation of funds to the swim center. The original liaison position of a police officer was for a designated officer to work directly with hoteliers, which resulted in a legal issue regarding the allocation of funds for the position. He said although he appreciates offsetting the General Fund for increasing police officer positions, the concern is that if a public safety situation exists within the City, a swimming pool consuming over $400,000 is not a facility that should be preserved. Tough decisions must be made and cutting the pool would likely result in citizen calls to the Council. However, many people are suffering from tough economic times. Funds for police officers shouldn't be from lodging tax dollars nor should it offset the cost of the pool. It appears to be a huge deficit and the amount of the deficit should be questioned. Lodging tax is designed for potential tourism-generating businesses in Fife. Some of the issues of local hoteliers directly ties to public safety. Viable events and hotels will likely lead to less criminal activities. Decline in hotel stays will lead to a decline in lodging tax. He asked the Council to review funding levels for the core proposals to ensure they are contributing to an increase in tourism.

Pat Hulsey, 4703 15th Street East, Boardmember, Fife Historical Society, asked about the assessed value of the barn after completion. Mayor Johnson suggested the barn has value to the City but it's difficult to

ascertain the value to the public. Mr. Hulsey referred to the creativity achieved in renovating the barn for the funds received and how after its completion, will benefit the City and hotels by becoming a major attraction and destination for the City. If marketed correctly, the barn will offset some City revenue shortcomings. The Historical Society Board of Directors is meeting next week. He offered to address the liaison officer position of $41,750 with the Board for potential funding of the position.

Tim Waer, Tacoma Pierce County Sports Commission, said he is a member of the LTAC. The process was not smoothly conducted this year because of the additional conversations and issues. Of all the funding proposals, it's important for the Council not to reduce funds for those organizations producing revenues. Although difficult decisions must be made, reducing those programs will result in lower lodging tax. It also appears that the transfer of $308,000 of LTAC funds is a permanent transfer. The pool will continue losing money annually. He questioned whether the transfer will be permanent.

Carole Sue Braaten, 2410 Berry Lane East, asked about the park irrigation expense and whether the water supply is from Fife's system or Tacoma water. City Manager Worthington advised that irrigation is from the City of Fife's water system. Ms. Braaten commented on the possibility of transferring those funds to the City. She agreed with some elements of the hoteliers' concerns. However, the pool is a community asset. She advocated for recruiting more conventions and targeting several specific groups and providing rental space to different groups throughout the year.

Councilmember Roscoe clarified that she's not anti-community center but wants to review more of the programs offered through the center. She acknowledged that the transfer of $308,000 is a concern, however, today's economy dictates the need for the Council to be creative in how to fund services provided by the City. She said she is not ready to make a decision and will reevaluate the proposals and the concerns.

Councilmember Cerqui inquired about the cost of closing the pool. City Manager Worthington said staff estimates an annual cost of $300,000 to maintain the pool if closed. Councilmember Cerqui said because many non-residents use the pool, it is possible to use lodging tax to partially fund its operation. The City may also sell some property releasing some funds from debt service. City Manager Worthington said over the last several years, over $420,000 in lodging tax has been used for debt service on the property. Liquidating the property and releasing some funds makes it possible to fund the pool as well as releasing some General Fund dollars to fund vacant police officer positions, which will benefit the community and hoteliers. It's important to consider the entire picture in terms of how the funds are utilized.

Mayor Johnson reviewed the funding proposals for the core programs totaling $402,000 and asked for direction from the Council on whether there is consensus to consider those requests for purposes of finalizing the budget. The Council agreed to consider the core programs as proposed.

Motion

Councilmember Godwin moved, seconded by Mayor Johnson, to defer discussion on the LTAC funding recommendation to the Council's November 10, 2009 meeting. Motion carried unanimously.

Motion

Councilmember Brooks moved, seconded by Councilmember Roscoe, to extend the meeting until the conclusion of the published agenda. Motion carried unanimously.

Debbie Dymarkowski, Emerald Queen Hotel & Casino, explained why the two proposals were deferred. A deadline was established for submission of completed proposals. During the committee's first meeting, many of the submissions were not completed properly. At the second meeting, the committee received the last two proposals, which is why the proposals were deferred.

Mr. Kim explained that the Friendship Festival is a multi-culture/educational event attracting thousands of people.

Natural Systems Design Wapato Creek Report

Planner Pasinetti introduced Alan Johnson, Natural Design Systems.

Mr. Johnson briefed the Council on the outcome of the study of Wapato Creek. The intent was to determine some similarities in the different segments of the creek for developing management possibilities during development and restoration opportunities. The creek was toured to determine areas available for a protective buffer. Gray areas displayed on the photos include areas of buildings and parking lots, railroad crossings, and other features. The creek was divided into 36 random length segments.

Mr. Johnson said he walked the creek and graphed the various widths and grouped by natural breaks. Each segment was assigned a value. A second element is providing technical guidance for each segment in terms of development guidelines, restoration guidelines, or development of pamphlets for people interested in pursuing restoration activities.

Mr. Johnson described several of the materials provided in the Council's agenda packet.

The goal is improving the creek as an amenity of the City and as an attraction for visitors and residents. The length and the width of each segment were considered in developing technical guidelines for buffers because each segment is different. Some segments have a narrow buffer width but the segment is lengthy while some are very wide with a shorter

length. Activities within those segments will be different. The study offers suggestions on possible management opportunities based on the segments and the different buffer widths. In some of the narrow zones, there may not be opportunities for stream restoration for fish and fish passage, but trail access might be possible. In larger areas of buffer widths, park space and park preserves could be pursued. The City could also consider some sites as offsite mitigation banking sites for private or public development.

The goal is identifying and establishing priorities for activities that may occur along the creek before those areas are developed. The information can be used as technical tools and management aids for staff when evaluating development proposals to help guide decisions.

Councilmember Roscoe asked about the possibility of establishing a subcommittee for ongoing work involving the issue. City Manager Worthington advised that staff would seek the Council's direction in moving forward. If so, staff would develop codes to support the recommendations for presentation and review by the Council.

Councilmember Cerqui supported the effort addressing buffer reductions if enhancements occur. He suggested moving cautiously with the trails aspect.

Councilmember Godwin supporting pursuing the work further. The plan allows for reductions but ensures restoration efforts, which provides for a balance.

Councilmember de Booy suggested that residents living along the creek might benefit from the information and should be involved.

City Manager Worthington advised that staff will move forward in the next steps.

Ask Fife!

City Manager Worthington provided a demonstration of "Ask Fife!". The section is a feature on the City's website designed to serve the community and citizens as a virtual city hall, answering many, if not all, of their questions. Often the inquiries are phone calls that didn't occur because the answer was obtained from the website, reducing the need for staff resources and saving costs.

CITY MANAGER REPORT

City Manager Worthington reported on the following activities:

- The Valley Avenue project is now underway.
- The Council received an invitation to participate in the DUI panel and a candlelight vigil at Columbia Junior High School to help people understand the impact of drinking and driving.

- The City received a proposal from David Evans and Associates for the next phase of Valley Avenue engineering.
- The county received an open space application for a property behind the City's mitigation site on Valley Avenue. A meeting is tentatively scheduled on November 16, 2009 at 4:30 p.m. at Pierce County. The proposal is converting the property into an open space designation and reducing tax liability through preservation of the property. Three Councilmembers are required to serve on the committee to review the application.
- The Puget Sound Partnership's South Central Sound Action Area is seeking some City participation from Fife.
- The Halloween Carnival is scheduled on October 31, 2009 at the Fife Community Center.
- A study session is not scheduled in December with a regular meeting scheduled on December 8, 2009, and a voucher committee meeting on December 22, 2009 as opposed to a regular meeting.

COUNCILMEMBER COMMENTS

Councilmember Hull reported on his conversation with several members of the LTAC and hoteliers and a request to consider the applications that were submitted late. They questioned the process of the Council considering the late request for transfer of funds to the pool.

Councilmember Brooks encouraged everyone to vote. He commented on his attendance to the Candidates' Forum and thanked the chamber for sponsoring the event. He commented on the LTAC process and asked that when a volume of information is received, it's important from a process standpoint to handle it different when possible.

Councilmember de Booy thanked citizens for attending the meeting. She noted attendance has increased to Council meetings.

Mayor Johnson referred the Council to an email and link for reviewing the Puget Sound Regional Council Transportation 2040 Public Opinion Survey.

The Puget Sound Partnership is providing a presentation at the Mayor's Dinner on November 5, 2009. Mayor Johnson invited the Council to attend.

ADJOURNMENT

Mayor Johnson adjourned the meeting at 10:35 p.m.

Barry Johnson, Mayor

Steve Marcotte, City Clerk/Finance Director

Prepared by Valerie Gow, Recording Secretary/President
Puget Sound Meeting Services