FIFE CITY COUNCIL
REGULAR MEETING
MINUTES

Fife City Hall
Council Chambers

Date: March 10, 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 80 minutes.

ADJOURNMENT

Mayor Johnson adjourned the executive session at 7:19 p.m.

CALL TO ORDER AND ROLL CALL

Mayor Johnson called the regular meeting of the Fife City Council to order at 7:20 p.m. with the following Councilmembers present: Richard Godwin, Glenn Hull, Butch Brooks, Barry Johnson, Rob Cerqui, and Kim Roscoe.

Excused absence: Councilmember Nancy de Booy.

Staff present: City Manager Steve Worthington, Assistant City Attorney Greg Amann, Finance Director Steve Marcotte, Police Chief Brad Blackburn, Public Works Director Russ Blount, Parks, Recreation & Community Services Director Kurt Reuter, Acting Community Development Director Carl Durham, Assistant Public Works Director Ken Gill, Administrative Assistant Andrea Richards, Financial Analyst Dave DeGroot, and Recording Secretary Valerie Gow.

PLEDGE OF ALLEGIANCE

Councilmember Brooks led the pledge of allegiance.

CHANGES, ADDITIONS OR DELETIONS TO AGENDA

There were no changes to the agenda.

Mayor Johnson reported on the recent death of Joe Rozenski, a long-time Fife resident, former Mayor, and Councilmember. Mayor Johnson recalled some fond memories of serving with Mr. Rozenski on the Council. Mr. Rozenski also served on the City's Planning Commission.

A moment of silence was observed for Mr. Rozenski.

Councilmember Cerqui added that Mr. Rozenski will be sorely missed in the community.

CITIZENS COMMENTS

Mike Seeger, Fife Flowers and Gifts, 1504 54th Avenue East, referred to the successful February Mayor's Forum, which was hosted at Fife Flowers and Gifts. Mr. Seeger reviewed the status of the locomotive, which was purchased by the City. Work continues on the website as well as work on the caboose for placement at the Fife Historical Museum by Saturday, October 3, 2009, in time for the Fife Harvest Festival. Mr. Seeger said he and several other individuals are visiting Snoqualmie to view some railroad restoration work to draw on some ideas for restoring the caboose. He has also been working on the Fife/Milton Daffodil Float for the April 4, 2009 Daffodil Parade. Mr. Seeger

spoke in support of the proposed agreement between the City and American Fast Freight.

Ray Stracker, 2422 Berry Lane East, referred to the March 3, 2009 Council meeting discussion on the restoration of Wapato Creek. He asked for several clarifications regarding the restoration and whether the City plans to terminate the Frank Albert trail behind his home and other homes as well as ending work on the Pumpkin Patch Park located at the end of David Court. He asked about assurances the David Court neighborhood will receive that the trail will not continue behind the homes and what assurances residents have that the City will inform them that the trail will move forward. He commented on his and his neighborhood's efforts to have a berm and fence placed behind the homes prior to the construction of the industrial complex behind the subdivision. Residents are just as concerned about security and safety as they were when the industrial complex was built. He asked for assurances from the City in writing.

Carole Sue Braaten, 2410 Berry Lane East, referred to the restoration project and asked whether the project is a component of the RCW overseeing ditch maintenance which affords the City ingress and egress to the ditch or whether the City plans to restore the creek to historical conditions prior to statehood. Residents were not informed about the Frank Albert Trail and that no one received notification that the trail was being constructed. Residents have a right to know when the City constructs a trail behind their homes. She asked for the City's definition of restoration.

Mayor Johnson reported the City has no current plans for Pumpkin Patch Park. The park is included in the Parks and Recreation Plan as a future park. However, there are no development plans at this time. Trails are identified in the Parks and Recreation Plan, which was subject to several public hearings. If the City moves forward, there will be more opportunities for public comments.

CONSENT AGENDA

a. Approval of Minutes: February 24, 2009 Council Meeting

b. Approval of Vouchers:
Payroll: #45429 – 45475 $539,853.94
Claims: #75317 – 75501 $930,066.40

c. Set a Special Meeting for March 17, 2009 Study Session.

Motion

Councilmember Cerqui moved, seconded by Councilmember Roscoe, to approve the consent agenda as published. Motion carried.

COUNCIL DELEGATE REPORT

Councilmember Godwin reported on his attendance to the Rainier Communications Advisory Committee meeting. Some changes are anticipated in the near future as well as opportunities the City should investigate in terms of the City's televised meetings. Work continues on the Daffodil float. He invited volunteers to join the effort on April 3, 2009 at 6:00 p.m. to put daffodils on the

float.

Councilmember Brooks attended the monthly RAMP meeting. Department of Transportation Secretary Paul Hammond was a speaker on various projects for federal stimulus funds in Pierce County. The HOV project on I-5 from the King County boundary to the Port of Tacoma is funded. Members also discussed the department's decision not to install sound walls along I-5. He shared information with Ms. Hammond on the need for funds for right-of-way acquisition for the SR 167 project.

Councilmember Roscoe is scheduled to attend the Zootrek Advisory Board meeting on Wednesday, March 11, 2009 at the Metro Parks building.

Mayor Johnson reported the next Mayor's Forum is on March 19, 2009.

ORDINANCES AND RESOLUTIONS

RESOLUTIONS

#1289; Award Contract with AHBL for Freeman Road Reconstruction Design

Motion

Councilmember Cerqui moved, seconded by Councilmember by Councilmember Roscoe, to approve Resolution #1289; Award Contract with AHBL for Freeman Road Reconstruction Design.

City Clerk/Finance Director Marcotte read the title of Resolution #1289:

A Resolution of the City Council of the City of Fife, Pierce County, Washington, authorizing execution of a contract with AHBL, Inc. for professional engineering and associated services for a Phase 1 Feasibility Analysis for the improvement and reconstruction of Freeman Road East from 20th Street East to the Union Pacific Railroad.

Director Blount reported the City advertised for consultant firms and received submittals of statements of qualifications from 10 firms. Staff selected four teams for interviews and selected AHBL as the most qualified firm. Staff recommends approval of the resolution.

Councilmember Godwin questioned the total cost for engineering the project. Director Blount reported the total engineering costs associated with the project is approximately $2 million. The project is complex with a total budget of approximately $13 million involving three wetland crossings, designing a mitigation site, and other project specifications to include retaining walls and

traffic control on 20th as well as on Valley Avenue. The proposed fee of $683,971 is included in the total project cost.

Councilmember Brooks asked about the percentage of design completed under the contract. Director Blount reported the design will be completed at approximately 30% for making decisions on costs, determining the level of environmental mitigation, and undertaking value engineering. The design will attain a logical first step for project decisions moving forward.

Councilmember Cerqui asked several questions, which were verified by Director Blount. Director Blount said some decisions will be addressed by the Council prior to the work proceeding. Councilmember Cerqui asked whether traffic counts for turning lanes is included in the study. Director Blount said a separate Citywide traffic modeling exercise process was completed in 2008 with an update scheduled that will address that issue. The City's standard street section is a three-lane section. If the City reduced or eliminated the center turn lane, staff would need to determine the size of the turn pocket that is needed to build it with asphalt instead of just paint.

Mayor Johnson asked staff to consider other landscaping alternatives for planter strips. He inquired as to why the information indicates an Environmental Impact Statement (EIS) is not required if the project involves three stream crossings. Director Blount reported the City underwent a full NEPA process for Valley Avenue when 100 feet of the stream was relocated. There was no EIS for that project. However, a documented Category Exemption (CE) was pursued. An EIS is generally not required because of the conversion of a culvert to a fish passable culvert, which is a studied process that falls under the CE, which is similar to a nationwide permit or a baseline permit recognizing that type of work as beneficial based on the category of the work.

Motion

Motion carried unanimously.

#1290; Authorize Agreement for Settlement of Holt Property

Motion

Councilmember Cerqui moved, seconded by Councilmember Roscoe, to approve Resolution #1290; Authorize Agreement for Settlement of Holt Property.

City Clerk/Finance Director Marcotte read the title of Resolution #1290:

A Resolution of the City Council of the City of Fife, Pierce County, Washington, approving a settlement agreement with Anna and Rich Holt regarding the condemnation of a slope easement by the City of fife for right of way purposes.

Director Blount reported the acquisition is one of the last remaining right-of-

way purchases that will allow the City to move forward with the Valley Avenue construction project. The Holt's have agreed to the proposed settlement amount of $38,500 to address impacts to their home. Staff recommends approval of the resolution.

Motion

Motion carried unanimously.

#1291; Authorize Agreement for Settlement of Cerqui Property

Councilmember Cerqui recused himself and left the meeting.

Motion

Councilmember Roscoe moved, seconded by Councilmember Brooks, to approve Resolution #1291; Authorize Agreement for Settlement of Cerqui Property.

City Clerk/Finance Director Marcotte read the title of Resolution #1291:

A Resolution of the City Council of the City of Fife, Pierce County, Washington, approving a settlement agreement with Robert Cerqui regarding the condemnation of property by the City of Fife for right of way and utilities.

Director Blount reported the resolution is a settlement agreement of $245,000 addressing two separate parcels owned by Councilmember Cerqui. One is a home, which will be impacted by fill and the other is a rental property on the south side of Valley Avenue where the City will demolish the house and occupy a significant portion of the property for street and sidewalk. Approval of the agreement will result in only two outstanding agreements involving the state and another property owner. Staff recommends approval of the resolution.

Councilmember Hull commented that he is irritated by the proposed settlement because the property owners could have allowed the City the right of use and occupied the property for the phased work. The City could have potentially qualified for up to $3.6 million in stimulus funds. The project was on the region's "A" list, but because of right-of-way issues, the City lost significant funding opportunities.

Councilmember Godwin referred to provisions included in the Holt agreement that are not included in proposed resolution. Assistant City Attorney Amann reported the same provision applies to Councilmember Cerqui's agreement. The Council will receive a copy of the agreement.

Motion

Motion carried unanimously.

#1260 Authorize American Fast Freight

Agreement – Reconsideration

Motion

Councilmember Roscoe moved, seconded by Councilmember Godwin, to approve Resolution #1260; Authorize American Fast Freight Agreement – Reconsideration.

Councilmember Cerqui returned to the meeting.

City Clerk/Finance Director Marcotte read the title of Resolution #1260:

A Resolution of the City Council of the City of Fife, Pierce County, Washington, approving stormwater detention agreement between Orbus Investments, LLC, and City of Fife.

Director Blount reported the agreement involves development of property at the east end of 45th Street East to include a retention pond on the site, which would be sized to the 1992 Department of Ecology (DOE) Stormwater Manual, as well as building a retention pond on property owned by the City of Fife approximately 1,000 feet south of the subject property for additional capacity to comply with the 2005 DOE Stormwater Manual, which is currently required by the City. Additionally, the pond will include capacity for development on City property and for the 48th Street Local Improvement District project.

Director Blount displayed a drawing of the project proposal and outlined how the proposal will enable the two ponds to work together. Staff is confident that the techniques proposed are in accordance with and adheres to all environmental practices. The improvement will improve the City's property without encumbering the property.

Councilmember Godwin commented positively on the sketch. He asked about the responsible party for building the observation deck. City Manager Worthington reported American Fast Freight/Orbus have agreed to provide the trail around the pond. However, there has been no discussion for the applicant providing the observation deck. American Fast Freight representative Bruce Brown was recently asked about the possibility of providing the observation deck.

Public Comment

Bruce Brown, Project Manager, Orbus Investments, LLC, reported the company is currently located at the Port of Tacoma and will be displaced because of renovation at the Port of Tacoma. Mr. Brown said he's not opposed to building an observation deck if the cost is reasonable.

Councilmember Godwin asked whether the proposal includes any provision to account for a hand-dug ditch in the area of the properties between 48th and American Fast Freight. Director Blount replied that as part of building the retention pond, American Fast Freight is relocating the Firwood ditch. Drains

will be provided on the south property line of the company. The area drains from the south to the north. Additionally, road drainage will be included as part of the Local Improvement District (LID), which will be collected along the road and conveyed to the pond and the main trunk line. Properties east of the LID will not see any improvements or assessed a charge but the drainage occurring from the ditch and the property line will be accommodated as part of American Fast Freight's construction project. Councilmember Godwin expressed some reservations about ensuring water from the ditch is conveyed properly.

Councilmember Brooks commented that American Fast Freight is constructing a sound berm along the south property line. South of the berm, there will be provisions to handle water that isn't handled by the 48th Street LID. Drains will be installed to enable properties to drain properly.

Assistant City Engineer Gill advised that the ditch will be improved by American Fast Freight. Councilmember Godwin said there are a number of properties that are affected. Assistant City Engineer Gill pointed out the location of the ditch on a map and noted the ditch will be piped under the berm.

Councilmember Hull reviewed four possible amendments to the proposal. Previously, there was a discussion for building a higher berm at 8 feet with a two to one slope. He asked whether Mr. Brown was agreeable to building the higher berm. Mr. Brown said that the request doesn't present any issue. Councilmember Hull asked about adding, "pervious paved" to the provision regarding the trail and adding "or such other location on the site as the City determines" with respect to the location of the pond. Mr. Brown said he doesn't have any issues with the request. The location of the pond can be moved.

Motion

Councilmember Hull moved, seconded by Councilmember Roscoe, to amend the motion by adding the following amendments:

- **In Section 4.2, replace "six feet high with a three to one slope" with eight feet high with a two to one slope."**
- **Under Section 4.3, add, "pervious paved" prior to "trail."**
- **Under Section 4.3, include an "observation deck."**
- **Under Section 4.3, include, "or such other location on the property as the City determines" at the end of the second sentence.**

Public Comment

Bruce Brown, American Fast Freight, reported the company is an employee-owned company with citizens from Fife and the surrounding area. The company in good faith organized and promoted the City's LID, which was passed. The LID has increased property values and will add revenue to the City. The park idea first arose when the City of Fife adopted the 2005 DOE Stormwater Manual midway through the company's project. Mr. Brown displayed pictures of a typical stormwater retention pond found on most

commercial sites. The company proposes to construct a park-like setting with gentle slopes, grassy open space, natural plantings, and a ready-to-use turnkey pond that can be incorporated into a larger park. The project is funded by private dollars, which will include the construction of the pond, plantings, and pervious walking path. Private funding of the retention pond will accommodate runoff for the 48th Street expansion as well as an additional 20 acres of stormwater retention. With stormwater capacity, the City of Fife can sell either the capacity or the property that might otherwise be undeveloped, or it could be used to enhance the City's property value. As part of the agreement, an eight-foot berm with a two to one slope will be constructed along the south property line for the benefit of the residential neighborhood south of the site. It is the company's desire to be a good neighbor. Not required by the agreement, plantings will include cypress trees every six feet along the south side of the property so that business activities will not impact the neighborhood. Dirt from the pond will be used to strengthen the levee. Orbus wants to continue to assist Fife in making Fife a good place to live and work for its citizens and businesses.

Motion **Motion carried on the amendment.**

Motion **Motion carried on the main amended motion. Councilmember Cerqui opposed. Mayor Johnson abstained.**

#1292; Authorize Agreement with PSE for Schedule 74 Underground Conversion

Director Blount referred to the Council's previous discussion to underground power as part of the 70th Avenue/Valley Avenue Corridor Project. To accomplish undergrounding, the City must work with Puget Sound Energy (PSE), a private utility regulated by Washington State. The tariff, "Schedule 74" defines the City's portion of costs for utility conversions. The project cost is $833,400, which will be apportioned $477,700 to PSE and $355,700 to the City of Fife. The proposed resolution authorizes the City Manager to sign the agreement and commits the City to fund its apportioned share of the cost.

Motion **Councilmember Cerqui moved, seconded by Councilmember Roscoe, to approve #1292; Authorize Agreement with PSE for Schedule 74 Underground Conversion.**

City Clerk/Finance Director Marcotte read the title of Resolution #1292:

A Resolution of the City Council of the City of Fife, Pierce County, Washington, authorizing execution of a contract with Puget Sound Energy for conversion of overhead electric distribution to underground along Valley Avenue East from 70th Avenue East to Freeman Road East and on 70th Avenue East near Valley

Avenue East.

Councilmember Cerqui inquired about the availability of a diagram of the vaults associated with the project. Director Blount reported a single diagram is not available of all the vaults, but information is available to show the location of all vaults. Most of the common vaults used for multiple customers are located in City rights-of-way. None of the properties the Council approved for acquisition earlier in the evening will have vaults.

Councilmember Cerqui said he's not opposed to the concept of undergrounding utilities, but in light of the downturn in the economy and the City's shortfall in revenue, there is an opportunity to save some funds, as the area is zoned commercial.

Director Blount responded to questions from Councilmember Brooks and affirmed the project is in conjunction with work on the roadway project. Councilmember Brooks inquired about a change order for 2009 labor rates. Director Blount reported the City has requested the information from PSE. The change has not been provided by PSE at this time. Councilmember Brooks asked whether PSE has committed to a timeframe to accomplish the work. Director Blount said there has been no commitment, but there is a statement about timeliness, which is not a confirmed schedule. PSE is dedicating two crews and will work continuously to complete the work.

Mayor Johnson asked staff to provide a copy of Chapter 12.16 of the Fife Municipal Code. He said he believes the Council committed to several routes in the City for undergrounding utilities and that any new development would be automatically undergrounded. Mayor Johnson said he doesn't believe the Council approved all undergrounding for any final street construction. Director Blount said he believes there was some discussion involving the Planning Commission. Ultimately, the code was never changed. The actual trigger occurs only when improvements require the relocation or movement of utilities.

Motion

Motion carried. Councilmember Cerqui opposed.

CITY MANAGER REPORT

City Manager Worthington reported on the following:

- The February 27, 2009 teen activity night at Surprise Middle School was very successful with 120 students participating.
- Mr. Rozenski's funeral service is scheduled on March 14, 2009 at 9:00 a.m. A uniformed Fife Police Officer will attend the service representing the City in recognition of Mr. Rozenski's service to the City as Mayor, Councilmember, and Planning Commissioner.

COUNCILMEMBER COMMENTS

Councilmember Roscoe requested staff provide a copy of the City's' written response to Mr. Stracker.

ADJOURNMENT

With there being no further business, Mayor Johnson adjourned the regular meeting at 8:30 p.m.

RECONVENE TO BUDGET RETREAT WORKSHOP:

Mayor Johnson convened the workshop at 8:39 p.m.

BUDGET WORKSHOP:

City Manager Worthington commented on the different and difficult circumstances facing the City this year in terms of establishing the City's 2010 budget. Staff is utilizing existing meetings to accommodate budget workshops. The briefing will set the stage for the next workshop, scheduled for March 10, 2009. At the study session on March 17, 2009 Director Marcotte will provide a report on how the City performed in 2008 for all funds as well as information on revenue to date.

A year ago, the City initiated changes to the 2008 budget to reduce expenses recognizing some revenues were not performing to previous year standards. During the course of the year, the City has undertaken more reductions to decrease expenses as well and attempt to better anticipate revenue projections. At that time, the state of the economy was uncertain in terms of how long the recession will last. Today, it's acknowledged that the country is in a deep recession that will have impacts for many years.

City Manager Worthington described some examples of how other communities are approaching budgeting and some potential options the Council might want to consider. There are methods to consider in how the City should conduct business and deliver core services in an environment of declining revenues. One opportunity is considering duplication of efforts and overlap. One trend occurring is consolidation where service providers share delivery of service through contracting and partnering in terms of capital costs as well as governance.

Today, Fife contracts for the provision of police dispatching services for three other jurisdictions and Fife, which enables the City to share its capital cost of operations with three other cities. Fife also provides jail services to 23 agencies.

Many cities took proactive measures through reduction in costs. Fife reduced costs approximately 10% representing approximately $1.5 million. For a period of time, such reductions can be effective, but eventually shared reduction in costs can impact programs and effectiveness of programs. At some point, the Council may have to decide which programs will not move forward and which services will be funded, which might require the use of reserve funds.

Target reduction is another option, such as ending a program entirely. Since the downturn in the economy will occur over many years, the Council and administration will need to make decisions together that will serve the

community over the next several years.

City Manager Worthington referred to the City's operating reserves and options to use the reserves. Another consideration is how to maintain revenues. Revenues are through taxes or by providing services. The City has a commodity that can be marketed and sold to other communities. There is discussion in the region about the need to consolidate and contract, as many cities cannot afford to provide service. There are some opportunities as Fife is an experienced contract City.

City Manager Worthington asked the Council to consider ways to mobilize the media to convey the City's messages. It's important for citizens to know the City is paying attention and is working on ways to address the situation. He cited the paradox of public finance. One example is the City's ability to buy a locomotive while not able to hire police officers. It's important to deliver a concise message so that citizens don't become confused with the idea that the City has abundant resources or has not utilized its resources effectively.

City Manager Worthington provided the Council with a white paper on "Navigating the Fiscal Crisis: Tested Strategies for Local Leaders." The paper provides a good introduction for elected officials. He asked each Councilmember to draft one budget goal to discuss at the March 24, 2009 budget workshop.

Councilmember Roscoe asked to receive budget information to date on red light enforcement, tribal 2%, and hotel and motel lodging tax.

Director Marcotte reported the update to be provided at the March 17, 2009 meeting will include information on how well the City tracked budget to revenue and expenditures in 2008 and the first two months of sales tax revenue in 2009. The first quarter financial report is scheduled for the study session in April.

Councilmember Brooks offered a suggestion on rethinking the City's approach by not considering the national economy as a temporary situation, but consider reinventing a new City by determining what's important as the City moves forward. It may be helpful to approach the budgeting process through segments during each study session by concentrating individually on each department's programs, revenues, and expenses to assist the Council in its budget decision-making process at the end of the year when establishing the 2010 budget.

City Manager Worthington acknowledged the Council has approximately six months to work through the budget process prior to releasing the budget to the public and acknowledged the City needs to reinvent and that it may be time to question the premises the City is built on.

Mayor Johnson suggested the review should begin with essential services, such

as the Police Department and then move through the other departments to determine the pool of funds available. City Manager Worthington cautioned against focusing on program specifics prior to the Council identifying budget goals and objectives, as it will be difficult to maintain the same decision process between the first department review and the last department review.

Mayor Johnson asked about the City's efforts to reach out to employees for input. City Manager Worthington advised that he has reached out over the last six months to each labor group for ideas on budget reductions and ways to curtail expenses. Mayor Johnson commented on the importance of advising employees about the magnitude of the changes that may be made so that the Council can receive feedback.

City Manager Worthington thanked the Council for the exchange and indicated staff will provide more information as the budget process moves forward.

ADJOURNMENT

There being no further business, Mayor Johnson adjourned the meeting at 9:13 p.m.

Barry D. Johnson, Mayor

Steve Marcotte, City Clerk/Finance Director

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