

7:00 p.m.
Fife City Hall
Council Chambers

**FIFE CITY COUNCIL
AGENDA**

Date: January 19, 2010

**Special Meeting
Study Session**

- 6:00 EXECUTIVE SESSION
For the purpose of Labor Negotiations RCW 42.30.140 for approximately 20 minutes.
- 7:00 1. CALL TO ORDER AND ROLL CALL
Godwin____Johnson____Hull____Brooks____Cerqui____de Booy____Alveshere____
2. PLEDGE OF ALLEGIANCE
3. CHANGES, ADDITIONS OR DELETIONS TO AGENDA
4. STUDY SESSION
- 7:05 a. Water Rate Study (Blount)
- 7:20 b. Business Economic Impact Study (Worthington/Passinetti)
- 7:35 c. SEPA Thresholds (Durham)
- 7:50 d. Granicus Software (Marcotte)
- 8:05 e. Fife Historical Society Funding of Dacca Barn Renovation (Worthington)
5. REVIEW OF UPCOMING COUNCIL AGENDAS
6. ADJOURNMENT

MEMORANDUM
For Meeting of January 19, 2010

4A

TO: Mayor and Councilmembers
THROUGH: Steve Worthington
FROM: Russ Blount
SUBJECT: **Study Session** – Water Rate Study Results

REPORT IN BRIEF: Review of Financial Solutions Consulting Group's (FCS Group's) water rates study, addressing both monthly fees and general facility charges.

BACKGROUND: On February 10, 2009, the City Council approved Resolution 1285 authorizing the development and testing of a well on property owned by Randy and Barbara Holt, for which the City had previously obtained an option to purchase. May 26, 2009, the City Council approved Resolution 1303, adopting a Water Comprehensive Plan including rate increases totaling 84 percent over 4 years. On June 16, 2009, the Council reviewed results of drilling and testing the Holt well; these results showed that it the well may be feasibly developed for municipal water supply. On July 28, 2009, the Council approved Resolution 1311, authorizing the rate study recently completed by FCS Group; on November 17, 2009, the Council heard a presentation by FCS of their preliminary recommendations.

ATTACHMENTS: City of Fife Historic Water Rate table, showing past and proposed rates; Fife vs Tacoma Summer Commodity Rate graph, showing the water rate history and proposed rates for the two cities from 1998 through 2015; and table showing comparable rates for other jurisdictions in the vicinity.

DISCUSSION: A conscious decision was made approximately 10 years ago that Fife had accumulated excessive reserves in its water utility and it was decided to hold rates relatively steady until reserves were spent down. Reserves have now reached a minimal level and they should not be further reduced, while the City of Tacoma has announced a substantial rate increase to come into effect in 2010; it is therefore necessary to increase Fife's rates simply to cover ongoing operational expenses.

Additionally, the Council has set a policy of developing an independent well source to provide an alternative to purchase of all water from the City of Tacoma, thereby reducing Fife's vulnerability to future rate increases by the City of Tacoma. Though this well will reduce Fife's long-term water supply cost, it has substantial near-term capital cost; though that capital cost can be met through borrowing, it will be a condition of issuing debt that rates be in place to cover ongoing operations cost and to repay any loan or bond. The cost of purchasing additional water from Tacoma also includes substantial costs but may be phased in over a longer period depending on actual system growth rates.

Fife must move forward quickly to obtain water rights for the proposed new well; the permit under which the well was installed will expire on July 7, 2010, and the City must provide a complete application and the supporting documentation by that date in order to retain its priority. In order to complete the application a 24-hour pump test needs to be completed which will require high flow discharge (1,000 gpm+) and high volume discharge (1.5 MG) to Wapato Creek. This pump test should be accomplished during periods of relatively high flows in Wapato Creek, when natural background turbidity is higher and the impact of additional flow is lower. While the water process may take a long time to complete the City needs to provide information to Ecology in the short term.

With regards to Ecology's processing of Fife's current water rights application, our consultant recommends that Fife bundle two applications (change of existing water rights and new water rights) and request the "cost reimbursement process". We will need to clarify whether Fife want Ecology to conduct the Phase 1 assessment or whether Fife wishes to provide that for Ecology's review (i.e. RH2 can do the Phase 1 assessment and submit to Ecology for review). Once Ecology has completed the Phase 1 assessment or has reviewed Fife's Phase 1 assessment, Ecology will issue a contract for cost-reimbursement on the pending applications to complete Phase 2

FISCAL IMPACT: The proposed increases total 86 percent over 6 years.

ALTERNATIVE COURSES OF ACTION:

1. Move forward with the advertised public hearing on January 26, a first reading on February 26, Adoption on February 9, and rates in effect on March 1, 2010.
2. Move forward with an alternative rate review and adoption schedule.

RECOMMENDATIONS: Move forward with the schedule as described.

SUGGESTED MOTION: None required.



Russ Blount
Public Works Director



Approved for Agenda Steve Worthington
City Manager

PUBLIC HEARING REGARDING WATER RATE INCREASE

The Fife City Council will conduct a public hearing at 7:00 pm on January 26, 2010 regarding a potential increase to Fife's water rates.

The City of Fife purchases water through Tacoma Water, and over the past 12 years, Tacoma's rates have increased an average of 9.8% per year. Fife has only raised their rates an annual average of 1.4%. In Summer of 2010, Fife will begin to lose money on every gallon sold.

Fife has absorbed Tacoma's rate increases per a previous Council policy to spend down accumulated reserves to maintain relatively constant water rates during a period of increasing sanitary sewer rates. The last of those increases will be a 2.19% increase that goes into effect on January 1, 2010.

Consultants authorized by City Council have recommended a series of rate increases as described in the table below:

	2009	2010	2011	2012	2013	2014	2015
Proposed Annual Rate Increases	N/A	32%	14%	14%	3.25%	3%	2%
Average monthly bill – 230 gallons per day (\$)	25.12	33.16	37.80	43.09	44.49	45.82	47.19
Alternate Equalized Initial Rate Increases	N/A	20%	20%	20%	3%	3%	2%
Average monthly bill – 230 gallons per day (\$)	25.12	30.14	36.17	43.40	44.70	46.04	47.42

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Historic Water Rate Information for Fife and Tacoma Water

Year	Fife Water Rates				Tacoma Water Wholesale Rates			
	base = 3 ccf	> 3 ccf			Winter	Increase	Summer	Increase
1982	\$6.50 /base	\$0.50 /ccf						
1985	\$8.00 /base	\$0.50 /ccf	23%	0%				
1986	\$9.50 /base	\$0.50 /ccf	19%	0%				
1987	\$11.00 /base	\$0.85 /ccf	16%	70%				
1990	\$12.65 /base	\$1.00 /ccf	15%	18%				
1998	\$12.65 /base	\$1.50 /ccf	0%	50%	\$0.490 /ccf		\$0.612 /ccf	
1999	\$12.65 /base	\$1.50 /ccf	0%	0%	\$0.625 /ccf	27.6%	\$0.781 /ccf	27.6%
2000	\$12.65 /base	\$1.50 /ccf	0%	0%	\$0.625 /ccf	0.0%	\$0.781 /ccf	0.0%
2001	\$12.65 /base	\$1.55 /ccf	0%	3.3%	\$0.675 /ccf	8.0%	\$0.884 /ccf	13.2%
2002	\$12.65 /base	\$1.60 /ccf	0%	3.2%	\$0.729 /ccf	8.0%	\$0.912 /ccf	3.2%
2003	\$12.65 /base	\$1.60 /ccf	0%	0%	\$0.785 /ccf	7.7%	\$0.982 /ccf	7.7%
2004	\$12.65 /base	\$1.60 /ccf	0%	0%	\$0.845 /ccf	7.6%	\$1.058 /ccf	7.7%
2005	\$12.65 /base	\$1.60 /ccf	0%	0%	\$0.917 /ccf	8.5%	\$1.148 /ccf	8.5%
2006	\$12.65 /base	\$1.60 /ccf	0%	0%	\$0.995 /ccf	8.5%	\$1.246 /ccf	8.5%
2007	\$13.28 /base	\$1.68 /ccf	5.0%	5.0%	\$1.076 /ccf	8.1%	\$1.347 /ccf	8.1%
2008	\$13.94 /base	\$1.76 /ccf	5.0%	4.8%	\$1.163 /ccf	8.1%	\$1.456 /ccf	8.1%
2009	\$13.94 /base	\$1.76 /ccf	0%	0%	\$1.332 /ccf	14.5%	\$1.667 /ccf	14.5%
2010	\$13.94 /base	\$1.76 /ccf	0%	0%	\$1.447 /ccf	8.6%	\$1.849 /ccf	10.9%
10-yr AVG			1.0%	1.6%		8.8%		9.0%
12-yr AVG			0.8%	1.4%		9.6%		9.8%

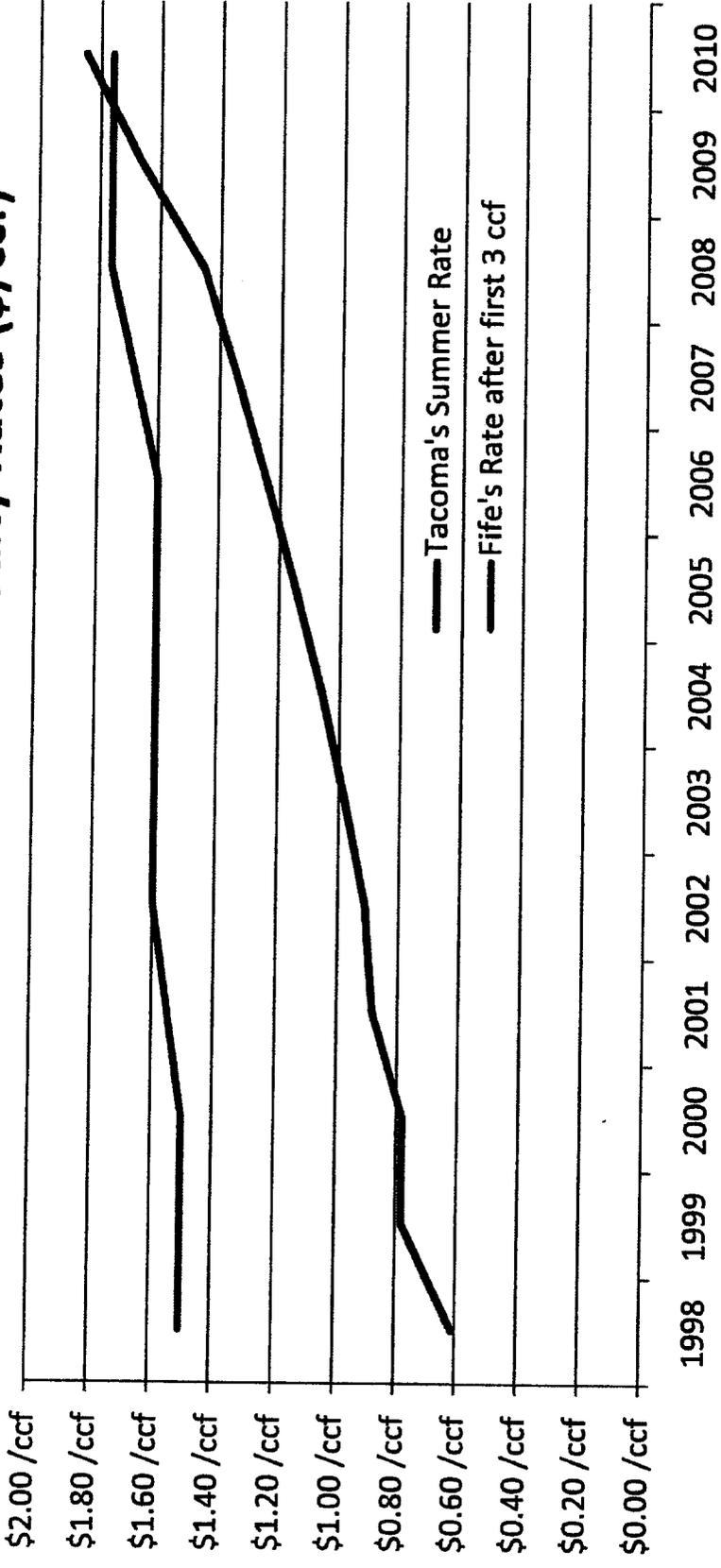
Note: numbers in red are not consecutive years

Monthly Water Bill Comparison



Average bill based on 9.35 ccf per month and single-family residential meter

Fife vs. Tacoma Summer Commodity Rates (\$/ccf)



RESOLUTION NO. 1331

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIFE, PIERCE COUNTY, WASHINGTON AUTHORIZING THE CITY MANAGER TO SIGN CONTRACT AMENDMENT NO. 4 WITH RH2 ENGINEERING, INC. FOR HYDROGEOLOGIC ANALYSIS AND WATER RIGHTS APPLICATION FOR THE HOLT WELL

WHEREAS, the City of Fife has submitted a comprehensive water system plan update to Washington State Department of Health (WDOH) and that document describes the City's plan to provide for future water demand through development of one or more municipal wells; and

WHEREAS, the Council approved Resolution 1152 on October 9, 2007, authorizing the City Manager to execute a professional services agreement with RH2 Engineering, Inc. (RH2) to provide engineering of municipal water supply wells and alternatives (the "Agreement"). The analysis determined that the Holt site on tax parcel 0420171064 was appropriate for further development and testing; and

WHEREAS, on September 9, 2008, the Council approved Resolution 1238, authorizing an amendment to the Agreement, to advance the well on the Holt property from 600 to 900 feet; and

WHEREAS, on February 10, 2009 the Council approved Resolution 1285, authorizing an amendment to authorize boring to a depth of 1006 feet, and to perform pump testing and collect water samples; and

WHEREAS, the work previously authorized has been completed by RH2 and the well has been determined to be suitable for development for municipal use with a capacity of approximately 1,000 gallons per minute now, therefore

BE IT RESOLVED that the Fife City Council hereby authorizes the City Manager to execute Contract Amendment No. 4 to the Professional Services Agreement for hydrogeologic analysis and water rights application with RH2 Engineering, Inc. dated November 23, 2009, substantially in the form attached hereto.

ADOPTED by the City Council at an open public meeting held on the 12th day of
January, 2010.

Barry D. Johnson, Mayor

Attest:

Steven Marcotte, City Clerk



RH2 ENGINEERING, INC

www.rh2.com

mailbox@rh2.com

1.800.720.8052

BELLINGHAM

454 W Horton Rd
Bellingham, WA 98226

(tel) 360.676.0836

(fax) 360.676.0837

BOTHELL

12100 NE 195th St, Ste 100
Bothell, WA 98011

(tel) 425.951.5400

(fax) 425.398.2774

EAST WENATCHEE

300 Simon St SE, Ste 5
East Wenatchee, WA 98802

(tel) 509.886.2900

(fax) 509.886.2313

MUKILTEO

11524 Mukilteo Speedway
Ste 203

Mukilteo, WA 98275

(tel) 425.493.2519

(fax) 425.398.2774

RICHLAND

114 Columbia Point Dr, Ste C
Richland, WA 99352

(tel) 509.946.5181

(fax) 509.946.4630

SILVERDALE

2021 NW Myhre Rd, Ste 107
Silverdale, WA 98383

(tel) 360.698.6528

(fax) 360.698.0510

TACOMA

One Pacific Building
621 Pacific Ave, Ste 104
Tacoma, WA 98402

(tel) 253.272.3059

(fax) 425.398.2774

November 23, 2009

Mr. Ken Gill, P.E.
City of Fife
3725 Pacific Hwy East
Fife, WA 98424

Sent Via: E-mail and US Mail

**Subject: Contract Amendment No. 4 for the Groundwater Supply
Development Water Rights and Hydrogeologic Analysis Project**

Dear Mr. Gill,

Attached to this letter are two originals Contract Amendment No. 4 including the Scope of Work (**Exhibit A**) and Fee Estimate (**Exhibit B**) for professional services for the proposed Groundwater Supply Development Water Rights and Hydrogeologic Analysis Project.

The proposed professional services to be provided for this project are identified in the Scope of Work, which is enclosed as **Exhibit A**. RH2 Engineering, Inc. proposes to provide these services on a time and expense basis not to exceed \$70,200 without prior written authorization, in accordance with the Scope of Work and Fee Estimate.

If our proposal meets your needs for this project, please sign both Contract Amendment No. 4 originals, retain one set for your files and return one original to us, which provides our office with authorization to proceed with this work.

If you have any questions regarding our proposal, please contact me.

Sincerely,

RH2 ENGINEERING, INC.

Geoffrey G. Dillard
Southwest Regional Manager

GD/sp/rkjw

**Attachments: Contract Amendment No. 4 (two originals)
Exhibit A – Scope of Work
Exhibit B – Fee Estimate**

Contract Amendment No. 4
Groundwater Supply Development

RH2 Project No. FIF 507.140

In accordance with our Professional Services Agreement for Groundwater Supply Development Project dated November 28, 2007, this is an authorization to revise the project Scope of Work as described below. The work will be performed and invoiced using the terms and conditions listed in the Original Agreement, plus previous amendments and/or agreements.

Add the following items to the Scope of Work:

Reference attached Exhibit A, Scope of Work and Exhibit B, Fee Estimate.

The engineering fee authorization will increase by \$70,200, for a total authorization amount of \$337,200.

Please sign this authorization in the space provided below and mail or fax to RH2 Engineering, 12100 NE 195th Street, Suite 100, Bothell, WA 98011. FAX 425-398-2774.

~~RH2 Engineering, Inc.~~

City of Fife

Signature

Signature

Print Name

Print Name

Title

Title

Date

Date

Tony V. Pardi
Tony V. Pardi
Vice President
11/24/09

EXHIBIT A
SCOPE OF WORK
Contract Amendment No. 4
City of Fife
Groundwater Supply Development
Water Rights and Hydrogeologic Analysis

BACKGROUND

The City of Fife (City) intends to continue the application for a new water right at the Holt Well and preparations for submittal of a water right change application to transfer current points of water withdrawal at the City Wells to a new point or points of withdrawal within the deep aquifer at or near the Holt Well. The City obtained a preliminary permit under the water right application for the Holt Well (G2-30262) and has completed several elements of the permit. The Washington State Department of Ecology (Ecology) reviewed the report of findings for aquifer testing at the Holt well. Ecology indicated that additional testing and analysis of potential impacts of groundwater withdrawal at the Holt well upon stream flow in Wapato Creek would be needed to support any application to use the deep aquifer for groundwater supply.

Task 1 – Confirm Water Right status

- 1.1 RH2 will obtain existing historical records of City water withdrawals at each of its active wells to determine the maximum instantaneous rate and annual quantity to establish the maximum quantities that have been put to beneficial use for each water right.
- 1.2 RH2 will summarize the review to support the water right application and establish the amount of water available for transfer to new point(s) of withdrawal.

Task 2 – Hydrogeologic Analysis

2.1 Update Hydrogeologic Conceptual Model

Previous work developed a preliminary hydrogeologic conceptual model of the lower Puyallup River Basin that has supported the evaluation of (and confirmed) the groundwater development potential at the Holt Well. The conceptual model will be updated using the Holt Well drilling and testing data and extended to evaluate the hydraulic continuity of the aquifers at the City Wells and the deep aquifer at the Holt Well. This analysis is intended to provide documentation necessary to establish that the existing City Wells are completed in the same body of water as the Holt Well aquifer.

The analysis will include preparing hydrogeologic profiles between the City Wells and the Holt Well and summarizing groundwater elevations and groundwater flow within the lower Puyallup River Basin. The conceptual model will assess the potential degree of hydraulic continuity between the points of groundwater withdrawal and the nearby surface water bodies (i.e. Wapato Creek) at the Holt Well and City Well 2, and Hylebos Creek at City Wells 3, 4, 5 and 6.

This task includes correspondence with Ecology to establish the objectives and methods of testing and analysis to support the requirements of the preliminary permit and the water right application. Subsequent tasks in this Scope of Work are based on the assumption that Ecology will accept the proposed methods and analysis.

2.2 Aquifer Testing and Water Level Monitoring

The updated hydrogeologic model will describe the interaction between groundwater at the City Wells and the Holt well and between these wells and surface water. The water right applications must establish the degree of connection between surface water and groundwater to justify the transfers and demonstrate the potential amount of mitigation that could be required if surface water flows are impacted by groundwater withdrawal.

Aquifer testing at the Holt Well will support the evaluation of potential impacts to Wapato Creek. Aquifer testing of the City Wells with concurrent stream flow and groundwater level monitoring will also support the evaluation of the degree of hydraulic continuity between the groundwater and surface water at these locations. A significant benefit of the transfer of City withdrawal from shallow wells to the deep aquifer is the reduction in surface water impacts.

This task includes a 24-hour constant-rate withdrawal test at the Holt Well, concurrent surface water flow monitoring in Wapato Creek and groundwater level monitoring in nearby wells, if available. A licensed drilling subcontractor will install, operate and remove a temporary pump and discharge system and support water level monitoring during the testing period. RH2 will oversee the testing and monitoring at Wapato Creek.

2.3 Permitting

RH2 will negotiate the permitting for a hydraulic project approval (HPA) permit from the Washington Department of Fish and Wildlife (WDFW) to permit the discharge of groundwater from the Holt Well to the creek. Based on conversations with staff at Ecology RH2 understands that the City's existing NPDES Phase II permit will be adequate for this project if it is augmented with a Stormwater Pollution Prevention Plan (SWPPP). This Scope of Work includes an abbreviated SWPPP but does not include a General Construction Stormwater Permit from Ecology or a SEPA for this project.

2.4 Analysis and Reporting

RH2 will evaluate the testing data to determine aquifer properties and support more detailed analysis of the potential impact of groundwater withdrawals on stream flow. RH2 assumes that analysis will not require numerical modeling and that analytical methods will provide a sufficient level of detail to support Ecology's review of water right applications.

The results of the hydrogeologic analysis will be presented in a summary report that will include the following.

- Hydrogeologic interpretation, including geologic cross-sections of the Puyallup River Basin.
- Summary of groundwater flow and interaction of groundwater with surface water.
- Effect of groundwater withdrawal on surface water.
- Degree of hydraulic continuity between the aquifer at the City points of withdrawal, the deep aquifer at the Holt well, and Wapato and Hylebos Creeks.
- Summary of any mitigation approaches.
- Recommendations on the approach for the water rights applications for a new right and transfer.

Task 3 – Support Water Right Application

- 3.1 RH2 will attend one meeting with the City to present the findings and recommendations of the hydrogeologic and water right analysis, and confirm with the City the approach for proceeding with water right applications. RH2 will complete the applications for City review and approval.
- 3.2 RH2 will attend one meeting with Ecology and the City to submit the applications and discuss the application details. RH2 will attend one meet with the WDFW and the City to discuss the mitigation and benefits of the City's groundwater development plan and water right applications.
- 3.3 RH2 will provide written response to comments from Ecology and WDFW regarding water right applications.

EXHIBIT B

**City of Life
Groundwater Supply Development Amendment No. 4
Water Rights and Hydrogeologic Analysis
Estimate of Time and Expense**

Task	Description Classification	Professional Staff										Total Hours	Total Labor	Subcontract Cost	Total Expenses	Total Cost	
		Principal Professional VII	Project Manager Professional VI	Permit Specialist Professional VI	Staff Planner Professional V	Staff Geologist Professional IV	Word Processor Administrative III	Professional III	Professional II	Professional I	Administrative I						
Task 1 CONFINIUM WATER RIGHT STATUS																	
1.1	Review Historical Pumping Data	1	-	-	6	-	-	-	-	-	-	7	\$ 1,112	-	\$ 100	\$ 1,212	
1.2	Prepare Summary of Water Right Status	2	2	-	6	2	-	-	-	-	-	14	\$ 2,082	-	\$ 128	\$ 2,188	
	Subtotal	3	2	-	12	2	-	-	-	-	2	21	\$ 3,174	-	\$ 238	\$ 3,400	
Task 2 HYDROGEOLOGIC ANALYSIS																	
2.1	Update Hydrogeologic Conceptual Model	-	20	6	-	-	12	-	-	-	-	38	\$ 5,848	-	\$ 25	\$ 5,873	
2.2	Aquifer Testing and Water Level Monitoring	-	12	26	-	34	-	-	-	-	-	74	\$ 10,740	\$ 14,563	\$ 3,488	\$ 29,501	
2.3	Permitting	1	8	20	-	10	-	-	-	-	-	43	\$ 5,893	-	\$ 127	\$ 6,028	
2.4	Analysis and Reporting	4	40	54	-	20	-	-	-	-	-	78	\$ 10,846	-	\$ 54	\$ 10,700	
	Subtotal	5	60	64	-	76	-	-	-	-	9	224	\$ 33,133	\$ 14,663	\$ 3,704	\$ 51,500	
Task 3 SUPPORT WATER RIGHT APPLICATION																	
3.1	Application Preparation	-	-	-	12	4	-	-	-	-	-	18	\$ 2,610	-	\$ 218	\$ 2,828	
3.2	Attend Meetings	8	8	-	24	8	-	-	-	-	-	48	\$ 7,708	-	\$ 941	\$ 8,253	
3.3	Respond to Ecology Comments	4	6	-	10	4	-	-	-	-	-	26	\$ 3,956	-	\$ 233	\$ 4,219	
	Subtotal	12	14	-	46	16	-	-	-	-	5	83	\$ 14,305	-	\$ 956	\$ 15,300	
PROJECT TOTAL		20	96	54	58	94	16	338	\$ 50,612	\$ 14,663	\$ 4,925	\$ 70,200					

January 14, 2010

**MEMORANDUM
For Meeting of January 19th, 2010**

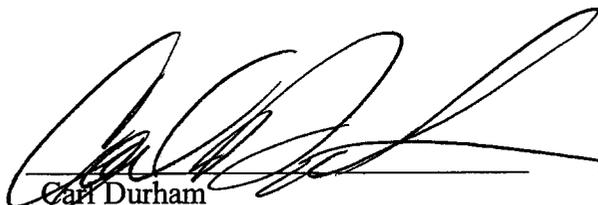
TO: Honorable Mayor and City Council
THROUGH: Steve Worthington, City Manager
FROM: Chris Pasinetti, Planner 1; Carl Durham, Acting Community Development Director
SUBJECT: Business Economic Impact Study

REPORT IN BRIEF: The attached documents have detailed data regarding tax collections among certain business types.

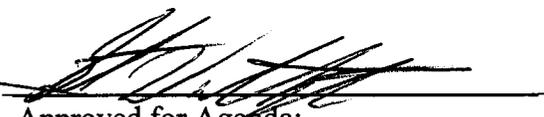
BACKGROUND: This study is a compilation of data gathered in 2008 and 2009, from public sources and surveys of local businesses, for purposes of determining tax collection amounts for certain types of businesses. Property, sales, and utility taxes were generated to show the differences between businesses of a certain type.

DISCUSSION AND FINDINGS: The attached report shows a summary on the first page. All of the totals are meant to be representative. Given the size of the sample in each category, there is a margin of error, but this should give good guidance for discussion on tax generations.

STAFF RECOMMENDATION: For Council review.



Carl Durham
Acting Community Development
Director



Approved for Agenda:
Steve Worthington, City Manager



**City of Fife Tax Revenue Impact Study 2009:
Revenue impact study to aid land use policy
formulation within the City of Fife**

**By: Chris Pasinetti, Planner 1
Dorian Waller**

January 14, 2010

Executive summary:

The purpose of this study is to identify where general fund revenue(s) come from and to help aid policy makers in decisions for the future of the City. This study could help aid in incentivizing policy decisions regarding land uses within the City of Fife Comprehensive Plan to help ensure a sound fiscal future, especially in light of current economic disparities. The study shows tax revenue(s) generated within the City of Fife from three major types of land uses: industrial, commercial and residential. Within those 3 types of land uses, the study showed that there are 3 major tax revenue contributors to general fund revenue: property, sales and utility.

Manufacturing uses generate substantially more tax revenue to the City of Fife than any other traditional industrial use*

Fife Tax Revenue Per Acre	\$ 768.21	\$ 1,264.64	\$ 1,872.31	\$ 4,576.54

*=Large Retail/Wholesale is allowed in the Industrial Zone, but is excluded from the definition of traditional Industrial for the purposes of this comparison.

Commercial/Retail uses generates, by far, more tax revenue than any other use in the City of Fife.

			Miscellaneous Small Retail	
Fife Tax Revenue Per Acre	\$10,469.54	\$13,771.49	\$5,524.30	\$86,547.78

City utility taxes generate a large amount of general fund revenue. Manufacturing uses in the Industrial Zone generates the most City of Fife utility tax.

Fife Tax Revenue Per Acre	\$75.12	\$90.01	\$262.02	\$2,683.12

When older residential single family homes are compared to new single family density, there is a significant contrast in Fife tax revenue per acre.

	Residential #1 Dale/Holm Rd Area	Residential #2 Radiance Area		
Fife Tax Revenue Per Acre	\$1,030.32	\$4,483.14		

This study started with an inventory of property in Regional Commercial, Industrial and the residential zones. Property taxes were analyzed by zone. A calculation was generated using tax assessed values provided by the Pierce County Assessor Treasurer.* These taxes are broken down into real property and personal property. Real property is a calculation of property value (value of the land) and an improvement value (the buildings or improvements to the land). These totals are added together and become the taxable value. Personal property is property attributed to that parcel. For example, an auto shop would have a lift and other property improvements (a pit, tools, etc.). These items would be reported to the county, typically with the business license application. Personal property is based on the cost of the item minus the sales tax and is taxed at the same rate as real property.

Property: Tax rate for the City of Fife 2009: %1.1465951

Attachment A shows the breakdown for certain industrial businesses by category in Fife that are industrial in nature and located within the Industrial District. The calculations show real and personal property totals and include the amount(s) collected for each in local taxes (in 2009 dollars and assuming that they are all collected). Personal property taxes add very little to the total property taxes collected. For example, a port related warehousing use has 2.5 million in personal property valuation; this equates to only \$2,800 in taxes collected per year added to their total property tax. Their real property taxes total \$45,800 a year. There is an exception because some of the businesses have personal property that is just added to their real property. The attachments (A, B, & C) show averages of building value square footage to assessed building value. The businesses with a high average likely have personal property calculated in with their real property. Looking at the 3 manufacturing type businesses, these collected more in total taxes together and also had a higher total of taxes collected per acre than cross-dock operations. Cross-dock collected the least amount of taxes total and per acre.

Attachment B shows 4 types of different retail. Retail businesses are quite different from other businesses as they usually lease space in a retail complex. Retail businesses generate far more taxes per acre on average than industrial/manufacturing businesses. Like the industrial businesses, personal property taxes are still very low and do not contribute much to the total property tax collected. Of the retail businesses that offered the information, sales taxes were the largest contributor to tax collections than any other category.

Attachment C shows residential uses. Two homes were chosen for the study, one in an older neighborhood and one in a new neighborhood. The imputed totals for all categories which are water, sewer, electricity and property tax collected for each home. Electricity taxes for the older home are higher, possibly due to lack of energy efficiency in the structure, but also human behavior could affect this as some people like their houses to be warmer than others. Property taxes are lower due to an aging home and property value over time. The total taxes generated by comparison are very close, within twenty five dollars of each other. The drastic difference is the average taxes collected per acre has a very wide margin of nearly three thousand dollars difference.

Utilities: Tax Rate 2009: 4.5% for water and sewer, 3% for electricity.

Utilities for this case are water, sewer and power. Gathering the information on water and sewer taxes (or rates) is not difficult; the City sells this to customers, and it is public knowledge. The heaviest users of the water and sewer system are the industrial type businesses. Of those, manufacturing is by far the greatest user. These businesses generate the most utility taxes and typically have the largest water and sewer bills. Retail and residential use significantly less water, sewer and generate far less utility taxes. The type of structure did not seem to impact that amount. For example, a retail business in a warehouse will generate the same (or relatively the same) amount of water and sewer bill as a retail business with the same number of employees within a retail complex. Residential homes that were studied used such a small amount of water and sewer that the tax generation was nearly insignificant over a year period. Water and Sewer totals are in attachment **D**.

Tacoma Power provides almost all of the power needs within the City. They provided us some calculations of power usage. Attachment **E** shows the break downs by large category. A conclusion based on the information provided indicates that, like the water and sewer, manufacturing businesses use more power and generate more tax collections. By comparison retail, residential or other industrial type uses which used very little energy and generated very little in tax revenue. One manufacturer did offer this information and the tax total for them was close to \$90,000 in local tax collected for 2008. Getting information on power usage was difficult, and narrowing down to the smaller users even more so; see attachment **E**.

Telecommunications includes phone, cellular phone, and internet services. Again, this information was volunteered by some businesses and not by others and therefore was not imputed into the totals for this study. Acknowledging that there is some amount of taxes generated from this category is important.

Business Licenses:

This information is public record and the cost is based on the highest number of employees a company will employ in a given year. Manufacturing or industrial businesses employ a large number of people and therefore have the highest cost business licenses. Retail businesses were lower than the industrial businesses, but the variation depended on the type of business. For example, a restaurant's business license cost was nearly the same as some of the manufacturing type businesses due to the number of employees. Residential was not factored in; by code a home occupation is allowed, but the number of employees is limited to people who live in the home and one other person. Of the two homes studied, no home occupation permits were issued.

Sales Taxes:

This category is the most difficult to gather information about. Generally, a retail sale is the sale of a service or tangible personal property. It is the sale of services such as installation, repair, cleaning, altering, improving, construction, and decorating. Other services include improving real or personal property, amusement and recreational activities, lawn maintenance, and physical fitness activities.

- Retail sales tax includes the state and local components of the tax.
- Sales tax amounts collected are considered trust funds and must be remitted to the Department of Revenue.
- The seller is liable to the Department of Revenue for sales tax, whether or not it is collected.
- Use tax is paid by the consumer when the retail sales tax was not collected by the seller/service provider.
- Businesses that make a purchase for resale must provide a resale certificate to the seller. If not, the seller must charge the buyer retail sales tax on the total purchase.
- Businesses also pay the retail sales tax on purchases of items for their own use (such as supplies or equipment) that will not be resold in the regular course of business.

Sales & Use	Motor Vehicle Sales/Rentals	Lodging
Retail Sales/Use Tax		
Effective dates		11/01/09 - 11/30/09
Location code (view map)		2706
City		Fife
County		Pierce
State Sales and Use Tax		.065
Local City/County Sales and Use Tax		.028
Total tax rate		.093
<i>Confirmation code</i>		<i>BDA7B38354</i>
<i>Keep this code to confirm the tax rate given for the displayed effective dates.</i>		

Source: <http://dor.wa.gov/content/FindTaxesAndRates/RetailSalesTax/Default.aspx>

Sales taxes are divided among many different jurisdictions and entities for various reasons. The city receives very little of the total sales tax collected, but the amount the city does collect is significant. See attachment **B** which shows the sales taxes collected from retail uses. This totaled nearly 1.4 million dollars to the general fund.

Indirect benefits

For the purposes of this study indirect benefits are described as third party beneficiaries; as an example, a business may hire a window cleaning company to clean windows. There is a small amount of difficulty in determining the effect(s) a business has on the local economy as a whole, but this topic was explored to help show how much a large employer may affect the economy in Fife.

Industrial businesses employ large numbers of people, ranging from 28 to 171 employees of the businesses surveyed. Wages varied; many of these employees make a “living wage” ranging from \$14-\$26 per hour, or higher when in management. One of the companies surveyed reported an average for the entire site of \$55,000 per year. These industrial employers also hire many

outside services, such as machine repair. While most of these service companies were located throughout the Puget Sound area, some are located in Fife. Manufacturing and industrial businesses typically hire other smaller companies for a variety of services like janitorial and landscaping services.

Retail businesses and retail complexes (strip development) employ between 1 and 40 employees, of the businesses surveyed. Wages for these jobs is typically minimum wage and includes “tips,” excluding management. Retail businesses support janitorial/window cleaning, but the poor economy has resulted in most of them discontinuing those types of services. Depending on the type, they also employ many outside services to maintain and repair equipment.

Fife businesses together affect the regional economy because many outside services employed by them are in the Puget Sound, not just within the City of Fife. All business types support outside service businesses like janitorial and mechanical repair, but industrial and manufacturing supported more so than retail. Also, many of the businesses employ some citizens of Fife, but most employees live in outlying cities such as Tacoma, Federal Way and Puyallup. Many of the employers surveyed were not sure where their employees lived.

Summary

Utilities

1. Water and sewer collections were typical. Retail users used significantly less than industrial users. Among industrial users, manufacturing types used significantly more water and sewer services than other industrial users (port related, cross dock, etc). Of the industrial/manufacturing users, manufacturing used more water/sewer and thus paid more in tax collections.
2. Electricity taxes and collections are a major source of revenue. Electricity taxes collected were highest among the manufacturing users as opposed to other industrial users.
3. Some of the businesses surveyed indicated that they were “going green.” This may reduce the amount of resources that company uses. Energy efficient lights and water recycling programs are two of the indicated methods mentioned in reducing their use as well as their bills. This would result in less tax collection over time as these new processes are implemented into the everyday operation of these businesses.
4. Residential homes use very little water, sewer, or electricity, and the amount of revenue generated is negligible.

Property

5. On average, retail zoned property yields more tax per acre than industrial property. But, industrial properties generate almost double what retail generates in total collection amounts (so far) within the City (see attachment F).
6. Six of the ten businesses surveyed do not own the property but lease it.
7. Personal property taxes are generated the same as real property and account for a very small amount of the total property taxes collected. In some cases, personal property was calculated into the real property total because these appurtenances are attached to the structures, so it makes the real property taxes appear higher.

8. Retail property consumes less land than industrial/manufacturing consume.

9. Residential property tax collections are very low by comparison, and the total amounts collected each year are about the same for the older neighborhood as the newer one, but the home surveyed in the newer neighborhood produced more in tax collections and consumed less property.

Indirect Benefits

10. Manufacturing users created more jobs and at a much higher wage than any other businesses surveyed.

11. After discussions with many local businesses, it is clear that the Fife area is heavily dependent on the region as a whole. Most workers in the area do not live in Fife and most of the businesses purchase services from outside of the local area (i.e. many businesses contract services from companies located in King County).

12. Spending (or lack thereof): Fewer customers have resulted in many retail sector businesses cutting hours for employees and hours of operation. The manufacturing and industrial sectors do not appear to be hit as hard, but they too have experienced a reduction in production due to reduced sales and slowing in shipping at the Port of Tacoma.

13. Industrial businesses create higher-paying jobs than retail (2 to 4.5 times higher), and they pay more taxes into the local economy. While the industrial businesses surveyed do not generate sales tax, the retail businesses that do, do so by selling the products produced by manufacturers such as these. Regional sales-tax-producing retail businesses that rely on Fife's industrial sector include Food Services of America, Northwest Produce and Costco (among others).

Some other important items to discuss would be the "green" factor. Going green is the new thing, and it has very practical applications. Businesses are not only seeing the value of going more green, but they are literally taking that money to the bank. Heavy users (manufacturing/industrial businesses) have realized that reductions in electricity and water usage can save large sums of money. Some of the businesses in this category indicated that they are implementing (or intend on) measures to reduce their resource uses. The implications of this would reduce tax related revenue by thousands of dollars a year if rates for these utilities are not adjusted. This is particularly important because electricity is one of the categories that generate a substantial amount of taxes.

Attachments:

A- Industrial/manufacturing imputed totals

B- Retail imputed totals

C- Residential imputed totals

D- Water and Sewer Utility imputed totals for 2008

E- Electricity totals for 2008 by type provided by Tacoma Power

F- Industrial, Regional Commercial, and residential zoned real property tax assessed calculations (only the totals page provided)

Attachment A- Industrial
Best guess imputed totals

Imputed Totals	Land Acres	Real Property	Water	Sewer	Sales-2008	Electricity (Guess)	Average Without Sales tax	Without sales or electricity	Building Value per SF	Total	Average \$ Per/Acre
Port Related Warehousing-1											
Port Related Warehousing-1											
Port Related Warehousing-1											
Port Related Warehousing-1											
Totals	40.86	\$ 48,608.92	\$ 342.26	\$ 227.34	\$ -	\$ 2,500.00	\$1,264.64	\$1,203.47	\$ 33.29	\$ 51,678.52	\$ 1,264.64
Retail Wholesale-1											
Retail Wholesale-1											
Retail Wholesale-1											
Retail Wholesale-1											
Totals	18.39	\$ 27,886.65	\$ 125.37	\$ 183.74	\$ 85,800.00	\$ 3,000.00	\$1,696.36	\$1,533.23	\$ 45.13	\$ 116,995.77	\$ 6,361.99
Non-Port Related Warehousing-1											
Non-Port Related Warehousing-1											
Totals	9.46	\$ 15,233.10	\$ 121.46	\$ 357.28	\$ -	\$ 2,000.00	\$1,872.31	\$1,660.89	\$ 35.27	\$ 17,711.84	\$ 1,872.31
Cross-dock Warehousing-1											
Cross-dock Warehousing-1											
Totals	21.13	\$ 14,330.50	\$ 339.70	\$ 62.14	\$ -	\$ 1,500.00	\$768.21	\$697.22	\$ 103.28	\$ 16,232.35	\$ 768.21
All Totals for other Industrial	89.84	\$ 106,059.18	\$ 928.79	\$ 830.51	\$ 85,800.00	\$ 9,000.00				\$ 202,618.48	\$ 2,255.23
Manufacturing-3											
Manufacturing-1	11.18	\$ 33,842.15	\$ 1,011.78	\$ 3,138.34	\$ 80.00	\$ 12,887.89	\$ 4,551.04	\$ 3,398.27	\$ 230.28	\$ 50,880.15	
Manufacturing-2	16.63	\$ 34,020.93	\$ 767.22	\$ 128.10	\$ -	\$ 3,060.00	\$ 2,283.60	\$ 2,099.59	\$ 33.66	\$ 37,976.25	
Manufacturing-3	14.98	\$ 12,926.62	\$ 2,799.02	\$ 1,215.32	\$ 167.00	\$ 89,803.15	\$ 7,123.92	\$ 1,130.61		\$ 106,744.11	
Totals	42.79	\$ 80,789.71	\$ 4,578.02	\$ 4,481.75	\$ 247.00	\$ 105,751.04	\$4,570.77	\$2,099.59	\$ 87.25	\$ 195,847.52	\$ 4,576.54

*Underlined totals for manufacturing are actual estimates. The other totals are best guess estimates for comparison purposes.

Attachment B- Retail
Best Guess Imputed Totals

Imputed Totals	Land Acres	Real Property	Water	Sewer	Sales-2008	Electricity (Guess)*	Average Without Sales tax	Building Value per SF	Total	Average \$ Per/Acre
Restaurant-1										
Restaurant-1	1.2811	\$4,019.85	\$239.50	\$353.18	\$8,800.00	\$1,620.00		\$ 68.90		
Totals	1.2811	\$4,019.85	\$239.50	\$353.18	\$8,800.00	\$1,620.00	\$11,734.08		\$15,032.53	\$10,469.54
Miscellaneous retail complex-1										
Miscellaneous retail complex-1	1.2451	\$6,309.86	\$133.88	\$131.15	\$10,572.00	\$750.00		\$ 221.82		
Totals	1.2451	\$6,309.86	\$133.88	\$131.15	\$10,572.00	\$750.00	\$14,373.85		\$17,896.88	\$13,771.49
Other Miscellaneous retail-1										
Other Miscellaneous retail-1	3.5399	\$12,225.50	\$15.13	\$54.84	\$7,260.00	\$500.00		\$ 78.66		
Totals	3.5399	\$12,225.50	\$15.13	\$54.84	\$7,260.00	\$500.00	\$5,665.55		\$20,055.47	\$5,524.30
Automobile Retail Sales-5										
Automobile Retail Sales-1	3.0799	\$7,274.63	\$239.52	\$714.21	\$186.35	\$750.00		\$ 59.24	\$8,414.70	
Automobile Retail Sales-2	2.4512	\$7,069.77	\$177.40	\$192.10	\$155,829.67	\$750.00		\$ 64.00	\$163,268.94	
Automobile Retail Sales-3	2.9899	\$8,141.86	\$183.13	\$125.51	\$337,643.72	\$750.00		\$ 79.56	\$346,094.22	
Automobile Retail Sales-4	3.1899	\$9,734.36	\$212.75	\$667.98	\$512,708.47	\$950.00		\$ 119.99	\$523,323.57	
Automobile Retail Sales-5	3.7999	\$10,106.18	\$69.71	\$267.67	\$290,880.34	\$950.00		\$ 115.14	\$301,323.90	
Totals	15.5108	\$42,326.79	\$882.51	\$1,967.48	\$1,297,248.55	\$4,150.00	\$86,815.34		\$1,346,575.33	\$86,547.78

*Electricity totals are a best guess based on google searches and comparisons of other like businesses. This section was to show examples for industrial comparisons which many industrial and manufacturing were actual totals.

Attachment C - Residential
Best Guess Imputed totals

Imputed Totals		Land Acres	Real Property	Water	Sewer	Sales-2008	Electricity*	Building Value per SF	Total	Average \$ Per/Acre
	Residential-2									
	Holm Rd	0.39	\$ 351.16	\$ 9.21	\$ -	NA	<u>\$37.26</u>	\$ 72.34	\$398.01	\$1,030.32
	Radiance	0.09	\$ 397.47	\$ 2.16	\$ 5.14	NA	<u>\$18.89</u>	\$ 70.60	\$423.66	\$4,483.17

*Underlined Electricity totals were actuals from 2008 provided by the homeowner.

Attachment D

Water/Sewer Totals by category

TAX_PARCEL	TAX_PAYER_	Water	Sewer	Tax Water	Tax Sewer
	Port Related Warehousing				
	Port Related Warehousing-1	\$ (7,605.74)	\$ (5,052.02)	\$ (342.26)	\$ (227.34)
	Totals Collected to the City			\$ (342.26)	\$ (227.34)
	Manufacturing-1				
	Manufacturing-1	\$ (22,483.90)	\$ (69,740.87)	\$ (1,011.78)	\$ (3,138.34)
	Manufacturing-2	\$ (17,049.42)	\$ (2,846.67)	\$ (767.22)	\$ (128.10)
	Manufacturing-3	\$ (62,200.52)	\$ (27,007.01)	\$ (2,799.02)	\$ (1,215.32)
	Totals Collected to the City			\$ (4,578.02)	\$ (4,481.75)
	Retail Wholesale-1				
	Retail Wholesale-1	\$ (2,786.04)	\$ (4,083.19)	\$ (125.37)	\$ (183.74)
	Retail Wholesale-1				
	Retail Wholesale-1				
	Retail Wholesale-1				
	Totals Collected to the City			\$ (125.37)	\$ (183.74)
	Non-Port Related Warehousing-1				
	Non-Port Related Warehousing-1	\$ (2,699.10)	\$ (7,939.57)	\$ (121.46)	\$ (357.28)
	Totals Collected to the City			\$ (121.46)	\$ (357.28)
	Cross-dock Warehousing-1				
	Cross-dock Warehousing-1	\$ (7,548.94)	\$ (1,380.99)	\$ (339.70)	\$ (62.14)
	Totals Collected to the City			\$ (339.70)	\$ (62.14)
	Restaurant-1				
	Restaurant-1	\$ (5,322.30)	\$ (7,848.39)	\$ (239.50)	\$ (353.18)
	Totals Collected to the City			\$ (239.50)	\$ (353.18)
	Retail Complex-1				
	Retail Complex-1	\$ (2,975.08)	\$ (2,914.37)	\$ (133.88)	\$ (131.15)
	Totals Collected to the City			\$ (133.88)	\$ (131.15)
	Other retail-1				
	Other retail-1	\$ (83,531.98)	\$ (51,173.52)	\$ (15.13)	\$ (54.84)
	Totals Collected to the City			\$ (15.13)	\$ (54.84)
	Automobile Retail Sales-5				
	Automobile Retail Sales-1	\$ (5,322.66)	\$ (15,871.24)	\$ (239.52)	\$ (714.21)
	Automobile Retail Sales-2	\$ (3,942.24)	\$ (4,268.97)	\$ (177.40)	\$ (192.10)
	Automobile Retail Sales-3	\$ (4,069.56)	\$ (2,789.12)	\$ (183.13)	\$ (125.51)
	Automobile Retail Sales-4	\$ (4,727.80)	\$ (14,844.07)	\$ (212.75)	\$ (667.98)
	Automobile Retail Sales-5	\$ (1,549.04)	\$ (5,948.30)	\$ (69.71)	\$ (267.67)
	Totals Collected to the City			\$ (882.51)	\$ (1,967.48)
	Residential-2				
	Holm Rd	\$ (204.68)	\$ -	\$ (9.21)	\$ -
	Radiance	\$ (47.89)	\$ (114.12)	\$ (2.16)	\$ (5.14)
	Totals Collected to the City			\$ (11.37)	\$ (5.14)

Attachment E
2008 Electricity Totals

Fife Revenues by customer type			General Categories		
	2008	Total received by the city based on 3% Rate			
	Total amount				
Specific Categories	\$ 5,912.79	\$ 177.38		Calendar year	2008
Labels removed for privacy.	\$ 429,596.20	\$ 12,887.89	Labels removed for privacy.	Total amount	Total received by the city based on 3% Rate
	\$ 3,727.56	\$ 111.83		\$ 124.80	\$ 3.74
	\$ 8,779.52	\$ 263.39		\$ 14,043.07	\$ 421.29
	\$ 153,008.34	\$ 4,590.25		\$ 1,617,805.41	\$ 48,534.16
	\$ 293,203.54	\$ 8,796.11		\$ 8,004,186.68	\$ 240,125.60
	\$ 1,444,324.46	\$ 43,329.73		\$ 21,181.68	\$ 635.45
	\$ 922,543.83	\$ 27,676.31		\$ 10,531.17	\$ 315.94
	\$ 57,219.88	\$ 1,716.60		\$ 2,993,438.44	\$ 89,803.15
	\$ 60,955.98	\$ 1,828.68		\$ 190.85	\$ 5.73
	\$ 139,299.72	\$ 4,178.99		\$ 28,762.26	\$ 862.87
	\$ 155,384.60	\$ 4,661.54		\$ 5,707.14	\$ 171.21
	\$ 31,344.92	\$ 940.35		\$ 2,527,942.13	\$ 75,838.26
	\$ 125,388.72	\$ 3,761.66			
	\$ 1,735.65	\$ 52.07	The Industrial/manufacturing businesses that were surveyed for this study were in the Elec Com General Service		
	\$ 4,979.93	\$ 149.40			
	\$ 65,755.90	\$ 1,972.68			
	\$ -	\$ -			
	\$ 12,639.84	\$ 379.20			
	\$ 1,541.76	\$ 46.25			
	\$ 14,100.32	\$ 423.01			
	\$ 9,515.18	\$ 285.46			
	\$ 174,564.67	\$ 5,236.94			
	\$ 323.98	\$ 9.72			
	\$ 10,181.74	\$ 305.45			
	\$ 147,690.19	\$ 4,430.71			
	\$ 341,206.02	\$ 10,236.18			
	\$ 19,898.83	\$ 596.96			
	\$ 708.19	\$ 21.25			
	\$ 17,852.60	\$ 535.58			
	\$ 172,354.94	\$ 5,170.65			
	\$ 8,921.05	\$ 267.63			
	\$ 12,195.37	\$ 365.86			
	\$ 402.74	\$ 12.08			
	\$ 7,282.27	\$ 218.47			
	\$ 4,367,561.15	\$ 131,026.83			
	\$ 445,770.43	\$ 13,373.11			
Result	\$ 9,667,872.81	\$ 290,036.18			
	\$ 2,993,438.44	\$ 89,803.15			
Result	\$ 2,993,438.44	\$ 89,803.15			

MEMORANDUM
For Meeting of January 19, 2010

TO: Mayor and Council members
THROUGH: Steve Worthington, City Manager
FROM: Carl Durham, Acting Community Development Director
RE: State Environmental Policy Act (SEPA) thresholds.

REPORT IN BRIEF: (see attachments) This report is about what planned work would trigger a SEPA checklist in the City of Fife. The SEPA process and check list is designed to limit impacts on our environment or, if not limit impacts, off-set for the impacts. For example, a small or lower quality wetland may be filled for a development, but a larger or more highly rated wetland may be created to off-set that impact. There are a few specifically exempted construction projects, with a range allowed for cities and towns to raise the exempt levels, as detailed in the chart below:

	Exempted Construction Projects	Allowable Maximums for Exempt Projects
1.	Residential structures of four dwelling units	20 residential units
2.	Barn, loafing shed, farm equipment storage building or similar structure of 10,000 square feet or less	30,000 square feet
3.	Office, school, or commercial storage or service building of 4,000 square feet or less, with parking for 20 cars or less	12,000 square feet and parking for 40 cars
4.	Parking lot for 20 cars or less	40 cars
5.	Lifetime fill or excavation of 100 cubic yards or less	500 cubic yards

BACKGROUND: I have included the general items requiring SEPA. The item that has been questioned most commonly is the amount of cut/fill allowed, currently 100 cubic yards, and why this amount could not be increased to the allowed 500 cubic yards. In the case of large projects, this item has very little impact, as to date all large projects exceed 100 yards grossly. The impact this item has is on the small lot or local agricultural property owner/user who wants to fill in a low spot or level a small building site.

To be very clear, SEPA does not impact the requirements of compensatory flood storage, storm drainage, surface water drainage, or any other code requirements; code is code, regardless of the existence of the SEPA process. When SEPA is not required, the lead time is shortened and the cost of preparing a checklist may be saved.

ATTACHMENT(S): SEPA rule regarding Categorical Exemptions

ALTERNATIVE ACTIONS:

1. Leave SEPA process as is currently adopted.
2. Direct staff to prepare a code amendment to change SEPA thresholds.



Carl Durham
Acting Community Development
Director



Approved for Agenda:
Steve Worthington, City Manager

WAC 197-11-800
Categorical exemptions.

The proposed actions contained in Part Nine are categorically exempt from threshold determination and EIS requirements, subject to the rules and limitations on categorical exemptions contained in WAC 197-11-305.

Note: The statutory exemptions contained in chapter 43.21C RCW are not included in Part Nine. Chapter 43.21C RCW should be reviewed in determining whether a proposed action not listed as categorically exempt in Part Nine is exempt by statute from threshold determination and EIS requirements.

(1) **Minor new construction -- Flexible thresholds.**

(a) The exemptions in this subsection apply to all licenses required to undertake the construction in question, except when a rezone or any license governing emissions to the air or discharges to water is required. To be exempt under this subsection, the project must be equal to or smaller than the exempt level. For a specific proposal, the exempt level in (b) of this subsection shall control, unless the city/county in which the project is located establishes an exempt level under (c) of this subsection. If the proposal is located in more than one city/county, the lower of the agencies' adopted levels shall control, regardless of which agency is the lead agency.

(b) The following types of construction shall be exempt, except when undertaken wholly or partly on lands covered by water:

(i) The construction or location of any residential structures of four dwelling units.

(ii) The construction of a barn, loafing shed, farm equipment storage building, produce storage or packing structure, or similar agricultural structure, covering 10,000 square feet, and to be used only by the property owner or his or her agent in the conduct of farming the property. This exemption shall not apply to feed lots.

(iii) The construction of an office, school, commercial, recreational, service or storage building with 4,000 square feet of gross floor area, and with associated parking facilities designed for twenty automobiles.

(iv) The construction of a parking lot designed for twenty automobiles.

(v) Any landfill or excavation of 100 cubic yards throughout the total lifetime of the fill or excavation; and any fill or excavation classified as a Class I, II, or III forest practice under RCW 76.09.050 or regulations thereunder.

(c) Cities, towns or counties may raise the exempt levels to the maximum specified below by implementing ordinance or resolution. Such levels shall be specified in the agency's SEPA procedures (WAC 197-11-904) and sent to the department of ecology. A newly established exempt level shall be supported by local conditions, including zoning or other land use plans or regulations. An agency may adopt a system of several exempt levels (such as different levels for different geographic areas). The maximum exempt level for the exemptions in (1)(b) of this section shall be, respectively:

(i) 20 dwelling units.

(ii) 30,000 square feet.

(iii) 12,000 square feet; 40 automobiles.

(iv) 40 automobiles.

(v) 500 cubic yards.

(2) **Other minor new construction.** The following types of construction shall be exempt except where undertaken wholly or in part on lands covered by water (unless specifically exempted in this subsection); the exemptions provided by this section shall apply to all licenses required to undertake the construction in question, except where a rezone or any license governing emissions to the air or discharges to water is required:

(a) The construction or designation of bus stops, loading zones, shelters, access facilities and pull-out lanes for taxicabs, transit and school vehicles.

(b) The construction and/or installation of commercial on-premise signs, and public signs and signals.

(c) The construction or installation of minor road and street improvements such as pavement marking, freeway surveillance and control systems, railroad protective devices (not including grade-separated crossings), grooving, glare screen, safety barriers, energy attenuators, transportation corridor landscaping (including the application of Washington state department of agriculture approved herbicides by licensed personnel for right of way weed control as long as this is not within watersheds controlled for the purpose of drinking water quality in accordance with WAC 248-54-660), temporary traffic controls and detours, correction of substandard curves and intersections within existing rights of way, widening of a highway by less than a single lane width where capacity is not significantly increased and no new right of way is required, adding auxiliary lanes for localized purposes, (weaving, climbing, speed change, etc.), where capacity is not significantly increased and no new right of way is required, channelization and elimination of sight restrictions at intersections, street lighting, guard rails and barricade installation, installation of catch basins and culverts, and reconstruction of existing roadbed (existing curb-to-curb in urban locations), including adding or widening of shoulders, addition of bicycle lanes, paths and facilities, and pedestrian walks and paths, but not including additional automobile lanes.

(d) Grading, excavating, filling, septic tank installations, and landscaping necessary for any building or facility exempted by subsections (1) and (2) of this section, as well as fencing and the construction of small structures and minor facilities accessory thereto.

(e) Additions or modifications to or replacement of any building or facility exempted by subsections (1) and (2) of this section when such addition, modification or replacement will not change the character of the building or facility in a way that would remove it from an exempt class.

(f) The demolition of any structure or facility, the construction of which would be exempted by subsections (1) and (2) of this section, except for structures or facilities with recognized historical significance.

(g) The installation of impervious underground tanks, having a capacity of 10,000 gallons or less.

(h) The vacation of streets or roads.

(i) The installation of hydrological measuring devices, regardless of whether or not on lands covered by water.

(j) The installation of any property, boundary or survey marker, other than fences, regardless of whether or not on lands covered by water.

(3) Repair, remodeling and maintenance activities. The following activities shall be categorically exempt: The repair, remodeling, maintenance, or minor alteration of existing private or public structures, facilities or equipment, including utilities, involving no material expansions or changes in use beyond that previously existing; except that, where undertaken wholly or in part on lands covered by water, only minor repair or replacement of structures may be exempt (examples include repair or replacement of piling, ramps, floats, or mooring buoys, or minor repair, alteration, or maintenance of docks). The following maintenance activities shall not be considered exempt under this subsection:

(a) Dredging;

(b) Reconstruction/maintenance of groins and similar shoreline protection structures; or

(c) Replacement of utility cables that must be buried under the surface of the bedlands. Repair/rebuilding of major dams, dikes, and reservoirs shall also not be considered exempt under this subsection.

(4) Water rights. Appropriations of one cubic foot per second or less of surface water, or of 2,250 gallons per minute or less of ground water, for any purpose. The exemption covering not only the permit to appropriate water, but also any hydraulics permit, shoreline permit or building permit required for a normal diversion or intake structure, well and pumphouse reasonably necessary to accomplish the exempted appropriation, and including any activities relating to construction of a distribution system solely for any exempted appropriation.

MEMORANDUM
For the Study Session of January 12, 2010

TO: Mayor and Councilmembers
THROUGH: Steve Worthington, City Manager
FROM: Steve Marcotte, Assistant City Manager
SUBJECT: Granicus Project for Recording Minutes

REPORT IN BRIEF: The City is implementing a software product to aid in recording meeting minutes and making the minutes more accessible to the public. This product will enable the City to do minutes with existing staff and will reduce costs for external minute services.

BACKGROUND: In most cities, recording minutes of the Council meetings is one of the duties of the City Clerk. Fife has a combined Clerk-Treasurer structure that is somewhat common for very small cities but less common in cities of the size Fife has become. One consequence of this growth is that the Clerk-Treasurer is now mostly focused on finance-related functions and the Council minutes have been outsourced to a commercial service. Several companies now provide software products aimed specifically for the needs of City Clerks and can enable the City to perform these functions with existing City staff.

DISCUSSION: The City is installing software from Granicus, Inc to meet the City’s needs for recording minutes. Best practices for recording minutes is for “action” minutes which identify issues under consideration and record the discussion and specific actions taken. Granicus streamlines this process by enabling the City to preload the Council agenda and to “bookmark” agenda item. Minutes can be completed during the meeting and immediately and uploaded to the City’ website. The “bookmarks” allow a viewer of the video streaming on the website to select only those portions of the agenda of interest.

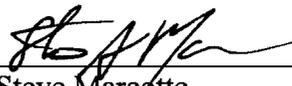
ATTACHMENTS:

- Legislative Management Handout
- Minute Maker Handout

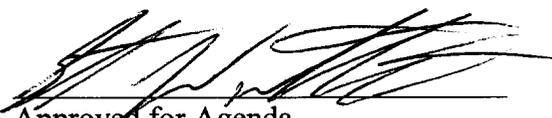
FISCAL IMPACT:

- Software Acquisition and Installation \$ 7,899 (one-time)
- Annual Maintenance Costs \$ 6,262
- Annual Budget **Reduction** for Current Minute Services \$ 22,400

RECOMMENDATION: For Information.



Steve Marcotte
Assistant City Manager



Approved for Agenda
Steve Worthington, City Manager



- Products
- Solutions
 - Clients
 - News
- Support
- Company

Legislative Management

Automate public meeting procedures and enable more productive deliberations with the help of Granicus legislative products. This technology was specifically designed to meet the needs of government agencies—from recording meeting actions to delivering information to public audiences in the most accessible formats over the Web. Granicus helps you build a highly accessible integrated public record on your website—combining the audio/video recording of public meetings with digital records—that is all cross-linked and searchable. Also, our solutions are built on an open platform to ensure they integrate seamlessly with best of breed agenda and document management solutions. As a result, you have the freedom to integrate with the legislative products that work best for your organization.

- **MinutesMaker™**
Save time and get more from your minutes by creating and delivering a digital minutes record to the Web—cross-linked with your webcasts and keyword searchable.
- **VoteCast™**
Increase legislative efficiency with this flexible meeting chamber-based solution for digitally recording motions and votes and managing live meeting procedures, including speaker lists and the agenda.
- **Public Display**
Engage audiences with a compelling, automatic display of public meeting actions on large screen projection systems.

Products

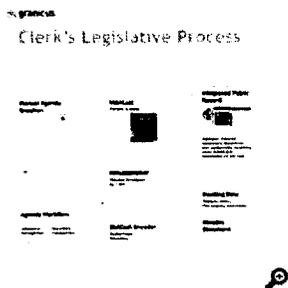
- Media Platform
- Live Encoding
- Media Distribution
- Legislative Management
- Citizen Participation
- Online Training

?
Have Questions? ▶

↓
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Government Transparency ▶

▶
Request a Demo ▶

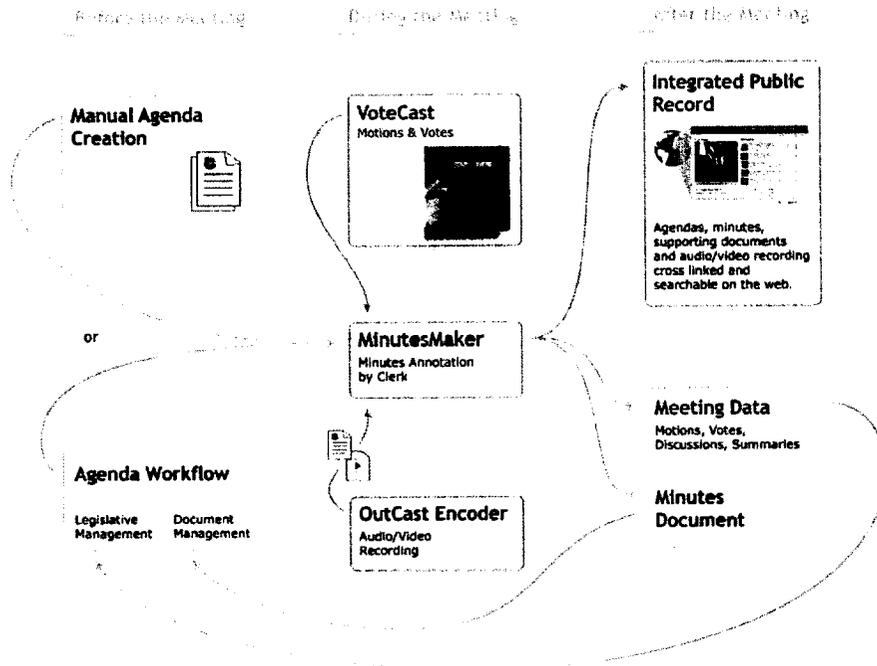
Clerk's Workflow Diagram



Click on image to enlarge.



Clerk's Legislative Process



CLOSE X



MinutesMaker

[Legislative Management](#) > MinutesMaker

Government agencies face enormous pressure to modernize their information delivery methods to keep up with heightened transparency and accountability demands. As the primary keeper of public records, Clerks must help agencies overcome this challenge by adopting digital tools to deliver higher-quality information to the public, at faster speeds. Granicus MinutesMaker equips Clerks with advanced tools to build a one-stop-shop for public meeting information—all minutes, audio/video recordings, and other documents are indexed, cross-linked, and searchable on your Website. MinutesMaker also allows Clerks to enhance their public recordkeeping process through an automated workflow that saves time and money.

How MinutesMaker can help:

- Deliver higher-quality information to the public.
- Decrease the time and effort required to create and deliver minutes to the public.
- Run more productive public meetings.
- Increase government transparency.
- Respond to public information requests faster.
- Work within your existing systems: Agenda Management and Microsoft Word.
- Enhance, rather than replace your existing legislative procedures.

Automate minutes creation and save time

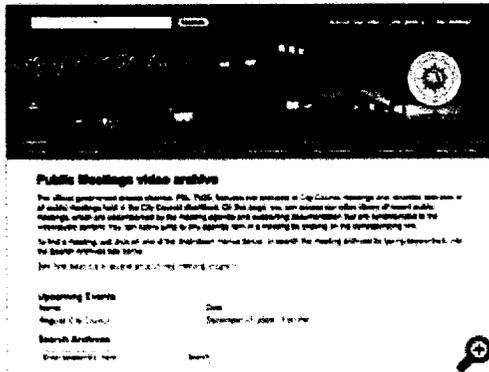
MinutesMaker is specifically designed to help Clerks automate time-consuming minutes creation processes. The software's digital workflow tools enable Clerks to automatically record meeting actions—such as motions, notes, and votes—live as they occur, with little effort. The process is productive, reliable, and can give governments a positive return on investment in staff time.

Enhance your minutes with rich media and advanced linking

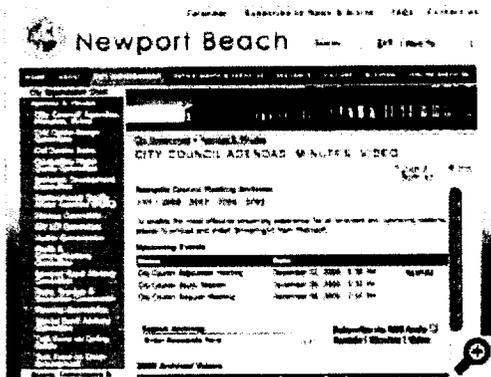
Evolve your minutes format into a digital, Web-based format that meets today's Web 2.0 standards. With MinutesMaker, Clerks automatically generate a rich media minutes document that provides more information than standard verbatim or summary minutes. Instead of flat text, MinutesMaker builds "Linked Minutes," contains hyperlinks to your audio/video public meeting media recordings and back-up documentation. As a result, audiences can instantly learn more about a discussion item by watching the meeting discussion or drilling down into staff reports to get a complete portrait of the context and intent behind decision-making.

Deliver more transparent and accessible public records

MinutesMaker empowers clerks to easily manage their public meeting records online. Your entire agency, and citizens, can benefit from the software's ability to build what we call a searchable "Integrated Public Record." This is a digital, online archive of your audio/video meeting recordings, minutes, agendas and staff reports—all cross-linked, keyword-searchable, and available 24/7, live and on-demand. Plus, it contains RSS (Really Simple Syndication) subscription feeds for agendas, minutes, and video to make it easy for viewers to subscribe to stay informed without having to visit your website continuously to find new content.



Connect citizens to a central, keyword searchable media portal of your meeting recordings and documents .



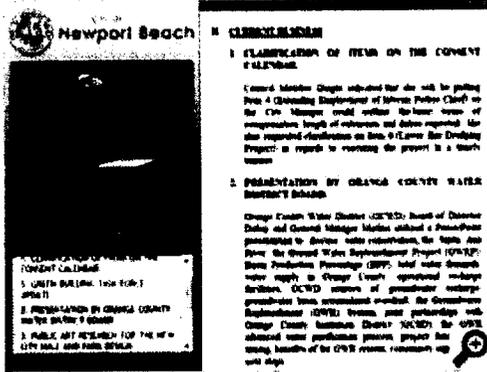
Maximize transparency by building an Integrated Public Record comprised of agendas, minutes, video—all cross-linked and keyword searchable on your Website 24/7.

Spend less time responding to public information requests

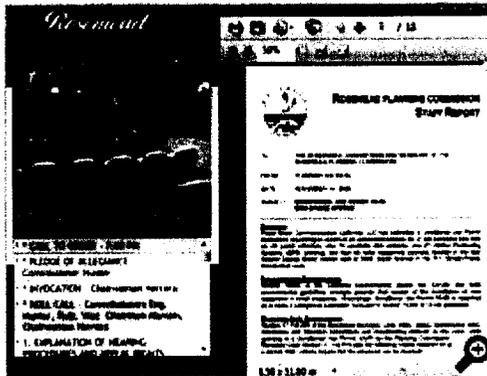
Reduce hours spent locating meeting records or duplicating audio or video recordings to fulfill public requests. MinutesMaker gives you high-impact archiving and integrated search for public records on your website with our Integrated Public Record. This portal has been proven to reduce the number of calls received to government offices. It enables citizens to answer their own questions by centrally reviewing meeting agendas, watching or listening to the meeting discussion, or instantly researching history on specific policy items by keyword or number. Also, if requests are made for a copy of your meeting recordings, Granicus offers fast-paced CD or DVD creation functionality so you can speed up your turnaround times and reduce burden on staff. These advantages help government agencies cut costs in paper usage and staff time spent fulfilling public records requests.

Avoid redundancy: use your existing systems and data

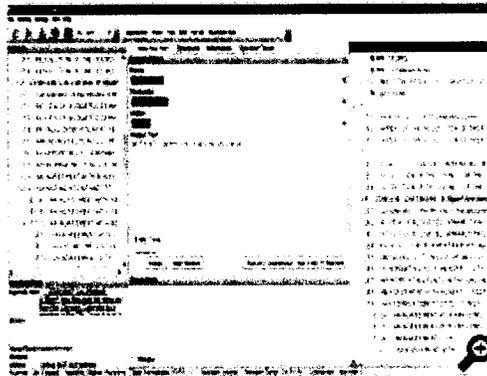
You don't have to retype agenda items or use multiple systems for your Agenda or Minutes workflow. MinutesMaker's open architecture is designed to integrate with the leading agenda and document management companies to ensure agenda information can flow into and from your live meeting process. Also, MinutesMaker integrates with Microsoft Word to allow you to format and edit your Minutes using the features and functionality that you are used to.



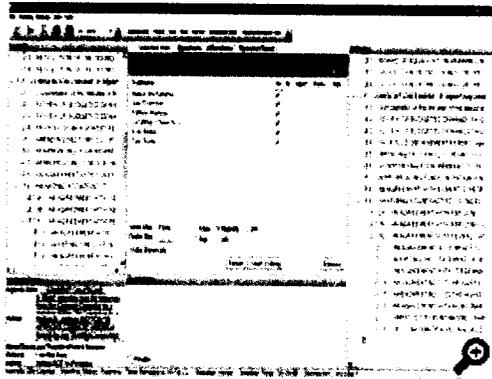
Enrich your meeting minutes with embedded links to your audio/video meeting discussion. This gives users the ability to read the action and understand the context behind it.



Increase public access by enabling citizens to watch meeting deliberations and review backup meeting materials such as staff reports from one user interface.



Use our live meeting interface to streamline motions, votes, and note-taking with a few simple clicks of the button. All actions recorded in your minutes are automatically live indexed against your audio/video meeting recording.



Instantly capture votes, tally results, and record this into your digital minutes record.

MEMORANDUM
For Meeting of January 19, 2010

TO: Mayor and Councilmembers
FROM: Steve Worthington, City Manager
SUBJECT: Fife Historical Society (FHS) Funding of Dacca Barn Renovation

REPORT IN BRIEF:

The 2010 City of Fife Budget does not include funding for capital improvements for the Dacca Barn renovation. If it be Council's desire to continue funding the renovation project, City Manager recommends using monies from the REET Fund.

Attached is a series of minutes and records that reflect funding of the Fife Historical Society in past years.

Suggested forward steps would be for the City to work with the Fife Historical Society to produce the following items:

- 1) Scope of Improvements
- 2) Budget (for the above improvements)
- 3) City Reimbursement/FHS Billing Schedule/Procedures
- 4) Draft Agreement for the Operations/Policies of the Dacca Barn



Approved for Agenda:
Steve Worthington, City Manager

City of Fife
 Stadium/Convention Tax Fund 104
 Appropriations
 For The Years Ended(ing) December 31, 2007-2010

Description		2007 Budget	2008 Budget	2009 Budget	2010 Budget
Expenditures:					
Fife Float (104-01)	104-01-0-557-30-31-000000	\$ 15,000	\$ 20,000	\$ 15,000	\$ 5,900
Visitor Information Center 104-02					
VIC - Professional Services	104-02-0-557-30-41-000000	\$ 71,904			
Chamber Partnership/Marketing	104-02-0-557-30-41-010000		\$ 60,500	\$ 60,500	\$ 51,425
Tourism/Promotion/VCB 104-03					
Tourist/Convention Promo	104-03-0-557-30-41-000000	\$ 45,000	\$ 45,000	\$ 75,000	\$ 63,750
Sports Commission	104-03-0-557-30-41-020000	\$ 55,000	\$ 60,000	\$ 75,000	\$ 63,750
Daffodil Festival	104-03-0-557-30-41-030000	\$ 8,000	\$ 10,000	\$ 8,000	\$ 4,250
Tall Ships Sponsorship	104-03-0-557-30-41-040000		\$ 25,000		
Street Banner Program	104-03-0-557-30-41-050000	\$ 15,000	\$ 10,000	\$ 16,000	
Professional Services	104-03-0-557-30-41-060000		\$ 9,760		
Car Show	104-03-0-557-30-41-070000			\$ 5,000	
Performing Arts Center	104-03-0-557-30-41-080000			\$ 7,000	
Advertising & Promotion	104-03-0-557-30-44-000000	\$ 10,000			
Advertising	104-03-0-557-30-44-010000		\$ 9,000	\$ 25,000	
Fife Harvest Festival	104-03-1-557-30-41-000000	\$ 50,000	\$ 40,000	\$ 40,000	\$ 34,000
City Marketing					
Salaries & Wages	104-03-0-557-30-11-000000	\$ 31,000	\$ 28,770	\$ 44,652	\$ 47,195
Personnel Benefits	104-03-0-557-30-21-000000	\$ 3,351	\$ 2,421	\$ 19,941	\$ 15,216
Office & Operating Supplies	104-03-0-557-30-31-000000		\$ 9,760	\$ 15,705	
Small Tools, Equipment	104-03-0-557-30-35-000000		\$ 9,760	\$ 2,634	
Telephone, Postage	104-03-0-557-30-42-000000			\$ 2,637	\$ 2,637
Travel, Conf, Schooling	104-03-0-557-30-43-000000		\$ 9,760		
Miscellaneous	104-03-0-557-30-49-010000		\$ 9,760	\$ 2,634	\$ 2,952
Non-Departmental 104-05					
Art Museum	104-05-0-575-30-51-000000	\$ 20,000			
Principal/Yoshioka	104-05-0-591-76-77-010000	\$ 108,600	\$ 112,750	\$ 117,735	\$ 117,735
Principal/Yoshida	104-05-0-591-76-77-020000	\$ 40,150	\$ 41,789	\$ 132,830	\$ 45,415
Interest/Yoshioka	104-05-0-591-76-83-010000	\$ 115,550	\$ 111,396	\$ 106,411	\$ 106,411
Interest/Yoshida	104-05-0-591-76-83-020000	\$ 27,890	\$ 26,250	\$ 82,630	\$ 22,625
Tourism Facilities Improvement	104-05-0-594-76-63-000000	\$ 30,000	\$ 30,000		
Transfer Out To General Fund	104-05-0-597-00-00-130000			\$ 350,000	(1)
History Museum 104-06					
Caboose Expenses	104-06-0-573-20-31-010000	\$ 5,198	\$ 5,198		
Prof Exp (Historical Society Cont)	104-06-0-573-20-41-000000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Locomotive	104-06-0-594-57-63-000000			\$ 61,000	
Museum Site Improvement	104-06-0-596-80-63-000000	\$ 60,000	\$ 50,000	\$ 55,000	
		<u>\$ 761,643</u>	<u>\$ 786,874</u>	<u>\$ 1,370,309</u>	<u>\$ 633,261</u>
tes:					
(-) Move prior years Tribal In-Lieu Hotel/Motel taxes back to General Fund				\$ 250,000	
Pool and Parks operations support transfer out to General Fund				<u>\$ 100,000</u>	
Total				<u>\$ 350,000</u>	

(Revised January 12, 2010, Including Contract)

Fund: 104
 Dept: 6
 Div: 0

City Mgr
 Proposed
 Reappropriations
 In 2010

Description	2006			Four-Year Totals			City Mgr Proposed Reappropriations In 2010
	Budget	Actual	Unspent <Overspent>	Budget	Actual	Unspent <Overspent>	
Expenditures:							
Locomotive Purchase			\$ -	-	\$ 18,000	\$ (18,000)	N/A
Professional Expenses (Historical Society Contract)	\$ 50,000	\$ 50,305	\$ (305)	200,000	\$ 200,305	\$ (305)	N/A
Locomotive			\$ -	61,000	\$ -	\$ 61,000	\$ 61,000
Museum Site Improvement	\$ 43,175	\$ 33,373	\$ 9,802	208,175	\$ 133,796	\$ 74,379	\$ -
	<u>\$ 93,175</u>	<u>\$ 83,678</u>	<u>\$ 9,497</u>	<u>469,175</u>	<u>\$ 352,100</u>	<u>\$ 117,075</u>	<u>\$ 61,000</u>

Notes:

(1) Final Vendor (Historical Society) Invoice Payment

Final Request For Reimbursement In 2009 - Museum Site Improvement
 Costs Incurred 1/21/2009-10/14/2009 (Various) - Spreadsheet With
 Costs Incurred 1/14/2009 (MerrittArch/Design)
 Cost Incurred 11/28/2009 (Arrow Lumber/Lumber)
 Costs Incurred 12/14/2009 (Cornerstone Electric/Lighting, etc.)
 Costs Incurred 12/24/2009 (Pacific Overhead Door Inc /Bathroom)
 Costs Incurred 12/29/2009 (Cornerstone Electric/Electrical Panel and
 Amount Claimed
 Annual Budget
 Less Monies Paid Jan-Nov 2009
 Less Monies Paid December 2009 (Pro-Build, etc.)
 Budget Remaining To Pay Final Vendor Invoice
 Amount Over 2009 Budget Line Item

(2) Analysis of City Council discussion and motion to increase expenditures

Council Target
 Less Actual Expenses
 Less Budget/Actual
 Unspent Target

re Museum professional services agreement year 2008 quarter four (2)

(4) This amount is net of the sewer line installation reimbursement of \$27,0

FIFE CITY COUNCIL MINUTES

**Fife City Hall
Council Chambers**

**Date: May 27, 2008
Time: 7:00 p.m.**

**EXECUTIVE
SESSION**

Mayor Johnson convened an executive session at 6:30 p.m. for the purpose of Real Estate RCW 42.30.140 for approximately 20 minutes.

ADJOURNMENT

Mayor Johnson adjourned the executive session at 6:58 p.m.

**CALL TO ORDER
AND ROLL CALL**

Mayor Johnson called the regular meeting of the Fife City Council to order at 7:03 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, Finance Director Steve Marcotte, Public Works Director Russ Blount, Confidential Administrative Assistant Andrea Richards, City Attorney Greg Amann, Police Chief Brad Blackburn, City Marketing Coordinator Laura Potter, Director of Parks, Recreation & Community Services Kurt Reuter, Assistant City Engineer Ken Gill, Assistant Police Chief Mark Mears, GIS/CADD Tech David Sherfield, Senior Engineering Technician Construction Specialist Cary Maschner, and Recording Secretary Cheri Lindgren.

**PLEDGE OF
ALLEGIANCE**

Councilmember de Booy led the pledge of allegiance.

**CHANGES,
ADDITIONS OR
DELETIONS TO
AGENDA**

Resolution No. 1211 – Interlocal Agreement – City of Edgewood to fund a preliminary assessment of the cost of sewer service by Fife to a portion of Edgewood was added to the agenda as item 8F.

**CITIZEN
COMMENTS**

Kenny Nieto testified that a Fife Police Officer stopped his wife earlier in the afternoon on Levee Road. His wife is eight months pregnant and she had their infant daughter in the car. Ms. Nieto did not realize her driver's license had expired. The officer took her license and had the towed vehicle towed. Ms. Nieto was left standing on the road with her infant daughter. The car was legally registered and insured. He said when his wife called him, he could hear the officer in the background saying, "give me the keys to the car" repeatedly. Levee Road is a narrow street and is unsafe for pedestrians. The officer refused to give her a ride and said he was in a hurry. The incident was very upsetting.

Karen Robinson Nieto stated the officer should have used some discretion. She said she went to Fife Towing to retrieve her vehicle and the company would not accept her copy of the proof of insurance document. Fife Towing wanted the insurance company to fax a copy of the proof of insurance. She had to pay \$167 to get car out of the impound yard. The incident was unnecessary. She said her license was renewed in February 2007. The officer was rude and did not care. Ms. Nieto said she also has a doctor's note that states she should limit her activity.

the vehicle. Discussion ensued on funding resources in place to fund operation and maintenance costs associated with the vehicle.

Mayor Johnson acknowledged the efforts of Strategies 360 in securing funding as well.

Motion

Motion carried unanimously.

#1208 Authorize Fife Historical Society Facilities Use Agreement Second Amendment

City Manager Worthington reported staff negotiated an extension of the Facilities Use Agreement between the City of Fife and the Fife Historical Society. The amendment continues the same terms as the previous agreement providing supplemental funding of not less than \$50,000 annually for calendar years 2008 through 2012. Supplemental funding is provided through LTAC revenues.

Louise Hospenthal, President, Fife Historical Society, asked the Council to support continued funding for the organization. The agency has used the funds wisely to establish an asset for the City of Fife.

City Clerk/Finance Director Marcotte read the title of Resolution No.1208:

A resolution of the City Council of the City of Fife, Pierce County, Washington authorizing the City Manager to execute an amendment to the Facilities Use Agreement between the City of Fife and the Fife Historical Society.

Motion

Councilmember Godwin moved, seconded by Councilmember Cerqui, to approve Resolution No. 1208; Authorize Fife Historical Society Facilities Use Agreement Second Amendment.

Councilmember Godwin referred to a barn bid sheet and whether the roof component received multiple bids. Ms. Hospenthal confirmed bids were received. The recommendation from the Fife Historical Society is also reflected on the bid sheet. The agency did not solicit multiple bids for some of the building work completed by Quality Touch. Quality Touch has provided quality services at a lower cost compared to other contractors.

City Manager Worthington referred to the Dacca Barn outline sheet detailing the overall costs to renovate the structure. There are two separate questions of whether Fife should enter into the second amended Facilities Use Agreement and the organization allocating operational funds that could be dedicated to finish renovation of the barn.

Ms. Hospenthal pointed out the organization requested an additional \$55,000 from the LTAC to renovate the barn. The mechanical foundation and site plan has been funded. A bid to rough in the plumbing is shown on the bid sheet and costs to connect utilities are an estimate. The document is intended to provide an overall picture of the costs associated with improving the structure to a useable status.

Councilmember Godwin said the intent of the motion includes the barn. Leadership of the Fife Historical Society is moving in the right direction. Installing flooring and plumbing is acceptable.

Councilmember Cerqui supported the Fife Historical Society and the City Manager executing the agreement. He pointed out the funding comes from the LTAC and costs to citizens are minimal. He expressed appreciation to the agency for its work and to Ms. Hospenthal for her leadership. He recognized that additional work is required to bring the barn up to a usable standard.

Councilmember Hull asked about the number of visitors this year. Ms. Hospenthal there has been approximately 390 visitors. Councilmember Hull expressed mixed feelings for continuing to fund the project in light of the current economy. One issue is whether there are other ways to utilize LTAC funds to provide additional services to citizens. He said he will support the motion and acknowledged Ms. Hospenthal's leadership.

Responding to Council questions, City Manager Worthington advised that approximately \$200,000 has been spent to date to renovate the barn.

Councilmember Brooks commented on the piecemeal approach and emphasized the importance of completing the projects. He agreed with completing the barn project rather than making incremental improvements.

The Council discussed the following points pertaining to the Dacca barn renovations::

- The barn measures 40 feet by 70 feet. It could be used by other venues such as displaying the daffodil float.
- The barn could be used to support Dacca sports field use. The sports park should be full with sports teams at all times.
- The barn could provide a space for a Fife Farmers Market.
- The barn could support Fife Harvest Festival activities.

Councilmember Brooks said expenditures for the barn are substantial. He suggested involving staff in the project and asked whether those types of expenditures would be supported by the LTAC. Councilmember Cerqui confirmed it's likely that there would be support. Ms. Hospenthal added that the Fife Historical Society applied for LTAC funding during the last funding cycle. However, the application was not processed pending further information on how the funds would be allocated. Councilmember Cerqui reported the LTAC approved the request. The funds were earmarked in the budget pending additional information. City Manager Worthington said funding was not released based on the Council's direction. Councilmember Brooks said the expenses are eligible for LTAC funding and he intends to support the motion.

Councilmember de Booy expressed support for the amendment. She asked about potentially phasing the improvements. Ms. Hospenthal replied that the priority is to construct the roof and insulation to protect the structure. Another major expense involves utility connections. Steel costs continue to escalate. The bid involves installing plumbing to serve two restrooms and a small kitchen facility, which should be completed prior to installing a cement floor. Electricity to the building has to be relocated to an external transformer. Councilmember de Booy requested additional information on the costs for each work element before the agency expends the funds.

City Manager Worthington advised that if the Council approves the resolution, he will work with the Historical Society on the work estimates and develop a budget for the Council's approval. A separate Council action is required to approve a capital allocation for the barn apart from the roof and insulation components and customary operating expenses.

Mayor Johnson reported the motion is to approve \$50,000 annually for operating expenses over the next five years. The barn is a separate consideration. Funding is approved for the roof portion this year.

Motion

Motion carried unanimously.

Councilmember Cerqui left the meeting.

Councilmember Godwin commented on the length of the barn work and suggested moving forward and soliciting bids so that work can begin to complete the barn for the community's benefit.

#1209 Authorize Pre-order of Culvert Pipe and Pump for EDA Pump Station Repair and Maintenance

Engineer Gill provided a review on the status of the Erdahl pump station culvert replacement project. The two resolutions authorize acquiring culvert piping, headwall and connectors, and a contract amendment with Robinson Engineers, LLC for construction services for the pump station.

City Clerk/Finance Director Marcotte read the title of Resolution No.1209:

A resolution of the City Council of the City of Fife, Pierce County, Washington authorizing the City Manager to pre-order culvert pipe from Contech Bridge Solutions and pump from Granich Engineered Products, Inc., for the Erdahl ditch pump station repair.

Engineer Gill reported Fife has maintained the Erdahl ditch since it was built within an easement on Port of Tacoma property. An aerial photo was presented showing the Blair waterway and the inlet to the Fife ditch. A picture of the existing pump station was provided. He described the current conditions of the deteriorated piping system.

Motion

Councilmember Brooks moved, seconded by Councilmember Godwin, to approve Resolution No. 1209; Authorize Pre-order of Culvert Pipe and

**SECOND AMENDMENT TO
CITY OF FIFE AND FIFE HISTORICAL SOCIETY
FACILITIES USE AGREEMENT**

ORIGINAL

This Amendment is dated for reference purposes the 8 day of April, 2008, and is entered into by the Fife Historical Society, a Washington non-profit corporation ("Historical Society"), and the City of Fife, a Washington municipal corporation ("City").

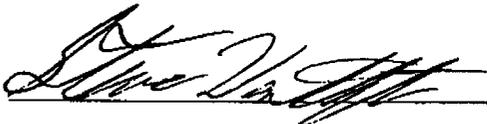
The Facilities Use Agreement between the City and the Historical Society, dated April 8, 2003 is hereby amended as follows:

1. The City agrees to provide supplemental funding to The Fife Historical Society of not less than \$50,000.00 per year for calendar years 2008, 2009, 2010, 2011, and 2012. This amount shall be paid in equal payments on or before April 15th, July 15th, October 15th of each year, with the final quarterly payment being made by Jan 15th of the following year.

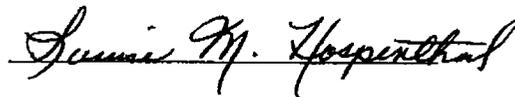
This amendment modifies the Facilities Use Agreement described above and is being entered into pursuant to paragraph seven of said agreement. Unless specifically modified by this amendment, all other terms of the agreement and the amendment dates August 9th, 2005 shall remain in full force and effect.

CITY:

HISTORICAL SOCIETY



Steve Worthington, City Manager



Louise Hospenthal, President

ATTEST



Pat Reed, Secretary

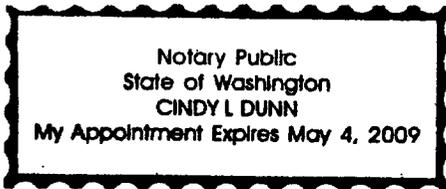
STATE OF WASHINGTON)

) SS

County of Pierce)

I certify that I know or have satisfactory evidence that Louise Hospenthal and Pat Reed are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath, stated that they were authorized to execute the instrument and acknowledged it as the president and Secretary of Fife Historical Society to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: May 28, 2008.



Cindy L. Dunn

NOTARY PUBLIC

Print Name: Cindy L. Dunn

My appointment expires: May 4, 2009

Councilmember Hull said he would like the survey mailed at the earliest possible date. City Attorney Combs said a utility billing will not reach all Fife citizens.

Motion

Councilmembers Hull and Roscoe withdrew the main motion of directing staff to include a library survey with the next utility bill to avoid additional mailing costs and terminate all efforts to proceed with a November ballot.

Motion

The amendment to the main motion directing staff to use a broad-brush approach to public outreach carried. Councilmember Cerqui opposed.

Funding for Dacca Barn Renovation

City Manager Worthington reported information related to funding the Dacca Barn renovation is not ready. Staff is working with the Fife ~~Historical Society~~ and will present supplemental materials to the Council at a future meeting.

DISCUSS CITY MANAGER SALARY

Councilmember Brooks moved, seconded by Councilmember Roscoe, to adjust the City Manager's salary from \$110,000 to \$120,000 per year on a pro-rated basis effective July 1, 2008. Motion carried.

CITY MANAGER REPORT

City Manager Worthington thanked the Council for their confidence in staff. He conveyed his appreciation for the Council and staff's work during the recent budget retreat.

COUNCILMEMBER COMMENTS

Councilmember Hull asked if the culverts in Brookville Gardens are fish friendly. Director Blount reported the culverts are not a problem.

Councilmembers Hull and de Booy thanked members of the public for their comments.

Councilmember Roscoe asked whether staff has further plans to encourage citizens to obtain flood insurance. City Manager Worthington replied that there is an ongoing program. A joint meeting with the Chamber of Commerce is scheduled for July 24, 2008.

Councilmember Roscoe asked about the Council's interest in conducting a speed study on the street that runs through Wapato Point in conjunction with other speed studies in the City. A citizen expressed concerns about the 25 mile per hour speed limit compared to a 20 mile per hour speed limit on Valley Avenue. The corridor is not marked as a school zone and serves the backside of Columbia Junior High School. Councilmember Roscoe said a 25-mile per hour speed limit is too high. Director Blount said he's unsure staff can undertake a speed study prior to the end of the school year. A study when school is not in session would not be meaningful. The Council asked staff to provide additional information at a future date.

Mayor Johnson thanked citizens for attending the meeting. The Council is

FIFE CITY COUNCIL MINUTES

Fife City Hall
Council Chambers

Date: August 26, 2008
7:00 p.m.

EXECUTIVE SESSION Mayor Pro Tem Cerqui convened an executive session at 6:30 p.m. for the purpose of Real Estate RCW 42.30.140 for approximately 20 minutes.

ADJOURNMENT Mayor Pro Tem Cerqui adjourned the executive session at 6:50 p.m.

**CALL TO ORDER
AND ROLL CALL** Mayor Pro Tem Cerqui called the regular meeting of the Fife City Council to order at 7:03 p.m. with the following Councilmembers present: Richard Godwin, Butch Brooks, Rob Cerqui, Nancy de Booy, and Kim Roscoe.

Excused: Mayor Barry Johnson and Councilmember Glenn Hull.

Staff present: City Manager Steve Worthington, Assistant City Manager Jim Reinbold, Assistant City Attorney Gregory Amann, Finance Director Steve Marcotte, Municipal Court Judge Kevin Ringus, Acting Community Development Director Carl Durham, Police Chief Brad Blackburn, Public Works Director Russ Blount, Parks, Recreation & Community Services Director Kurt Reuter, Administrative Assistant Andrea Richards, Financial Analyst Dave DeGroot, Code Enforcement Officer Chris Larson, Planner I Chris Pasinetti, and Recording Secretary Cheri Lindgren.

**PLEDGE OF
ALLEGIANCE** Councilmember Brooks led the pledge of allegiance.

**CHANGES,
ADDITIONS OR
DELETIONS TO
AGENDA** A revised noise ordinance was provided.

CONSENT AGENDA

- a. Approval of Minutes: Date: August 12, 2008 Council Meeting
- b. Approval of Vouchers:
 - Payroll #44821-44872 \$371,985.06
 - Claim: #73444-73611 \$288,179.68
- c. Set a Special Meeting for September 6, 2008 Council Budget Retreat

Motion Councilmember Brooks moved, seconded by Councilmember Godwin, to approve the consent agenda. Motion carried.

SPECIAL PRESENTATIONS

**Future Business
Leaders of America
(FBLA) Award
Recognition** Laura Hilzendeger, Business Teacher, Fife High School, reported three Future Business Leaders of America (FBLA) students placed second at state and earned the right to compete in FBLA's 2008 National Leadership Conference in Atlanta, Georgia. Out of 60 teams, the students placed in the top 12. The three students placed 10th in Emerging Business Issues against student state representatives across

MEMORANDUM
For Meeting of August 26, 2008

TO: Mayor and Councilmembers
FROM: Steve Worthington, City Manager
SUBJECT: Fife History Museum Update

REPORT IN BRIEF:

The Fife Historical Society has been successfully moving forward on the Dacca Barn project. A few items need to be approved in order to complete the project for the expected grand opening in October 2009.

In 2007, the Society under expended by \$42,500 and is asking for \$25,000 of that allotment to be brought forward to cover expenses for work projects from 2007 that were completed and paid for in 2008. Council had previously approved \$50,000 for 2008 and that amount added to the requested \$25,000 will take care of the prior expenses and the 1st Phase of the Dacca Barn project. In order to complete the 2nd Phase in 2008, the Society will need an additional \$50,000 from the 2008 Lodging Tax fund for a total of \$75,000.

FISCAL IMPACT:

2008 1st Phase \$50,000

Barn roof-COMPLETED

2008 2nd Phase \$50,000

Barn floor, plumbing (stub-in) and electrical to the bldg

2009 3rd Phase \$55,000

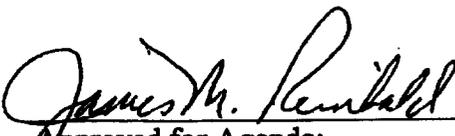
Barn doors, bathrooms, interior electrical/lightening, misc

DISCUSSION:

Presentation from Society followed by Q&A.

RECOMMENDED MOTION:

"Motion to authorize \$75,000 in total from 2008 Lodging Tax funds to undertake next phase of the Dacca Barn renovation"


Approved for Agenda:
for Steve Worthington, City Manager

Director Reuter advised that the Parks Board will review the master plan at its next meeting.

Train Engine and Caboose Update

City Manager Worthington reported the City of Tacoma has a train engine available at a cost of \$18,000, which includes delivery. The engine will enhance the City's heritage. The cost estimate is based on the engine's salvage value. Staff is seeking Council direction for acquiring the train engine. He referred to a letter from CEECO. The company will work on removal of the scrap components and will sell them in payment for a complete [REDACTED] paint job, the production of the vinyl graphics, and finish work to make an attractive display. The City would be responsible for delivery and removal after the project is completed. The cost to acquire the engine is an eligible Lodging Tax Fund expense. Additional costs include \$4,000 for site preparation, \$24,000 for an extended roof of the Dacca Barn, and \$6,000 for crane services. The total project cost is \$52,000 allocated between 2008 and 2009.

Dave Cantlin reported he's been working on the project over the last two years. Fife had four railroads in previous years. The [REDACTED] locomotive is one of the last Chehalis Western locomotives in the area. Combining the history piece with the caboose will provide an attraction that will attract visitors to the City and Fife History Museum. Acquiring the engine is a worthwhile investment.

Mayor Pro Tem Cerqui noted a funding request was presented to the LTAC.

Councilmember Godwin reported the Council approved a \$130,000 allocation to the FHS for the Dacca Barn project. He said he's supportive of the train engine and caboose project as the two projects are interrelated. If the goal is to attach something to the barn before it's completed, now is the time to do it. He asked for coordination of the plans for both the train engine and caboose with FHS's Dacca Barn plan by developing a plan addressing both projects. Mr. Cantlin acknowledged Councilmember Godwin's comments and noted he is negotiating a \$5,000 donation from the Weyerhaeuser Foundation to help offset expenses. The Dacca Barn and the caboose are two different projects.

City Manager Worthington said the FHS is engaged with the caboose project. However, they are two separate projects. The proposal is to locate the engine in front of the caboose immediately south of the existing barn. Ultimately, a budget is required. Staff is seeking the Council's on how to proceed in acquiring the engine.

Councilmember Godwin said he's not opposed to appropriating funds but prefers a common vision.

Councilmember Brooks said he's opposed to the purchase of the engine because it's not a Council priority and is more inclined to support completing the project if volunteers work to raise funds necessary to acquire the engine.

Mike Seeger, 1504 54th Avenue East, commented that volunteers are working on

the project and there is coordination between the caboose and Dacca Barn projects. Council support is needed so volunteers can solicit contributions from the community. Volunteers are seeking Council feedback concerning the plan.

Mayor Pro Tem Cerqui commented that the budget includes the funds, which the Council will consider at its September 9, 2008 meeting.

Mr. Cantlin pointed out the train engine will enhance the caboose, which was already acquired.

Councilmember de Booy supported the request. The train engine will draw visitors to the museum and the City, enhance visitor experiences, and provide educational opportunities.

Councilmember Roscoe supported the project and expressed a willingness to allocate funds to acquire the engine. She encouraged volunteers to solicit matching funds. There are utility structures on the north side of the property. The utility company agreed to fence the structures with matching fence materials. She asked staff to follow up.

Mr. Cantlin reported volunteers have secured approximately \$17,000 in matching funds.

In response to a question from Councilmember Godwin regarding funding, City Manager Worthington said staff is seeking a Council decision on whether to expend \$18,000 to acquire the engine. The other items represent the balance of the costs, which is a future decision.

Councilmember Roscoe said she supports allocating the balance based on the hope that the volunteers are able to provide matching funds.

Motion

Councilmember de Booy moved, seconded by Councilmember Roscoe, to acquire the train engine for \$18,000. Motion carried. Councilmember Brooks opposed.

Preview of Comprehensive Plan Amendments

Planner Pasinetti briefed the Council on the 2008 proposed comprehensive plan amendments. The *Citywide comprehensive review and analysis of all City zoning* has been removed from the list presented to the Council in January and will be placed on the 2009 docket. New topics include *sustainable development goals and policies*, and *updates to the Housing Element*. The Planning Commission will hold a public hearing on September 8, 2008 and forward a recommendation to the Council.

Planner Pasinetti reviewed the six proposed amendments:

1. CPA08-01: Future Land-use Map Designation and Zoning Revisions
2. CPA08-02: Land Use Element – Updates to Developable Lands and Employment Capacities

FIFE CITY COUNCIL MINUTES

Fife City Hall
Council Chambers

Date: September 9, 2008
7:00 p.m.

EXECUTIVE SESSION Mayor Johnson convened an executive session at 6:30 p.m. for the purpose of Real Estate RCW 42.30.140 for approximately 20 minutes.

ADJOURNMENT Mayor Johnson adjourned the executive session at 6:50 p.m.

**CALL TO ORDER
AND ROLL CALL** Mayor Johnson called the regular meeting of the Fife City Council to order at 7:03 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, Assistant City Manager Jim Reinbold, City Attorney Loren Combs, Finance Director Steve Marcotte, Acting Community Development Director Carl Durham, Police Chief Brad Blackburn, Public Works Director Russ Blount, Parks, Recreation & Community Services Director Kurt Reuter, Administrative Assistant Andrea Richards, Financial Analyst Dave DeGroot, Marketing Coordinator Laurel Potter, Code Enforcement Officer Chris Larson, Planner I Chris Pasinetti, and Recording Secretary Valerie Gow.

**PLEDGE OF
ALLEGIANCE** Councilmember Brooks led the pledge of allegiance.

**CHANGES,
ADDITIONS OR
DELETIONS TO
AGENDA** The title of Resolution #1237 was changed to reflect, "Authorize City Manager to Sign LID Petitions for Sewer, Water, and Storm Drainage Improvements Benefitting the City's Levee Road Properties." Item 8d; Resolution #1239, Set Hearing, Declare Intent to Form 70th Avenue/48th St. E. LID was added to the agenda. The agenda was approved as amended.

CONSENT AGENDA

- a. Approval of Minutes: Date: August 26, 2008 Council Meeting
- b. Approval of Vouchers:
 Payroll #44873-44918 \$360,930.21
 Claim: #73612-73714 \$492,904.22
- c. Set a Special Meeting for September 16, 2008 Study Session

Motion Councilmember Cerqui moved, seconded by Councilmember de Booy, to approve the consent agenda as presented. Motion carried unanimously.

SPECIAL PRESENTATIONS

Fife Harvest Festival Marketing Coordinator Potter provided an update on activities scheduled for the Fife Harvest Festival on Saturday, October 4, 2008, at Dacca Park. Major sponsors include Fife Flowers & Gifts, Click! Cable Network, Pierce County Community Newspaper Group, and Emerald Queen Casino. Vendors are welcome to submit applications at the City's website or by calling or visiting City Hall. The festival includes vendors, food, Council Corn on the Cob, mini-train rides, face painting, arts & crafts, U-Fish Pond, bouncy toys, Kids Korner, strolling magicians and

Councilmember Hull commented on an upcoming softball tournament in Tacoma. He asked how many rooms were booked in the City of Fife for the tournament. Mr. Waer said the tournament has been cancelled. He noted the event did not generate many room nights and the only hotel rooms that would have been generated were for players coming to compete in the tournament. All of their reservations were at Fife hotels. He cited different types of sports events that have held events in the area.

Councilmember Hull asked how the Sports Commission attracts people to stay in Fife hotels. Mr. Waer said for some events, the website is used for reserving lodging. For other events, a preferred list of hotels is published. The Commission works with each hotel to offer a block of rooms for specific events and works with hotel sales directors to qualify as the preferred hotel for major events.

Councilmember Hull said the work of the Sports Commission is admirable but noted when comparing the two presentations, the CVB provided information on the value generated to the City while the Sports Commission appears not able to track the number of lodging rooms generated by its activities. Mr. Waer said staffing resources limits the ability of the commission providing tracking information for each sports event. The commission believes that the events it attracts and promotes to the area create more tourism and more room nights. He suggested the City should contact the hoteliers to verify information.

Councilmember Roscoe said the presentation by the CVB is the first time the organization has been able to provide data. The Sports Commission has always been forthcoming with tourism information.

Councilmember Hull asked to see tracking data in the future.

Mayor Johnson thanked Mr. Waer for the information. He agreed with Councilmember Roscoe and that each year, hoteliers have unanimously supported the City of Fife donating to the Sports Commission, which was during the years when there was very little support from the CVB. Both organizations are doing a good job today. He said he supports funding both organizations.

Ms. Blount and Mr. Waer shared budget figures for their respective organizations at the request of Councilmember Brooks. Councilmember Brooks said although he doesn't wish to diminish the work of the committee, he doesn't believe the City is creatively expending the funds. It appears that most of the funding benefits the hotels, which should occur to some extent, but some of the funds should be expended to mitigate some of the impacts that some of the events have on residents. The City is spending too much money and some recommendations are funded at too high a level. He asked whether additional funds the Council authorized for the Fife Historical Society are included in the recommendation. City Manager Worthington said a portion of the funds is included in the recommendation. The amount not reflected is approximately \$70,000. Councilmember Brooks said he would like to reduce some of the amounts and allocate some of the funds to the Fife

Historical Society to complete the barn project. He suggested pursuing a smarter course of action, reconsider the recommendation, and redistribute the funds to avoiding dipping into the City's fund.

Councilmember Cerqui responded that the committee reviewed the applications thoroughly and engaged in a thoughtful and challenging discussion on the best way to expend the funds. The law limits how the funds are expended as well as dictating the application and review process. The committee was supportive of the funding recommendation. The CVB has done a good job of providing some good numbers and the Sports Commission has always done a good job in promoting the City. He suggested moving forward with the recommendation. He questioned whether an amendment is necessary based on the Council's direction at the last meeting. City Manager Worthington said staff will follow the Council's direction and that it will be incorporated within the documentation for the Fife **Historical Society**.

Mayor Johnson said he believes the amendment for allocating \$130,000 from lodging tax funds pertained to 2008 funds. City Manager Worthington said he understood the direction to be from 2008/2009 funds.

Councilmember Godwin commented positively on the CVB providing honest numbers and expressed appreciation for the work. He asked about the company not recommended for funding. Marketing Coordinator Potter reported the company is a marketing research firm that surveys visitors and tourists on reasons they might visit Fife.

Councilmember Hull asked how funding for the Fife **Historical Society** is allocated. City Manager Worthington explained how staff works with the Fife **Historical Society** on reimbursement of expenses as they are incurred. He answered questions on Fife's regulatory and inspection role with respect to the work completed. Councilmember Hull asked staff to develop a contractual agreement with the Fife **Historical Society** to ensure the project is completed in 2009. City Manager Worthington commented that the City needs to be realistic in terms of the timeline for completion because of factors outside of the City's control in terms of delivery of the train engine and work factors related to the site.

Citizen Comments

P.K. Maclean, Fife Chamber of Commerce, advocated in support of the Sports Commission and the CVB. In past years, there has been the same rhetoric from the CVB. However, she attended the CVB's business planning meeting and was impressed by the enthusiasm and clear objectives the CVB Board outlined. The CVB also has toured all hotel properties to review each facility's capabilities. The Sports Commission does a tremendous job in bringing people to Fife hotels. Hotels in Fife cater to a different demographic and are perfect for sport tournaments. She urged the Council's support of the LTAC funding recommendation.

Motion

Motion carried unanimously.

CITY MANAGER

City Manager Worthington reported on the following activities and events: