



March 31, 2008

Steve Marcotte  
Clerk, Treasurer, and Finance Director

Carl Smith  
Interim Community Development Director

City of Fife  
5411 - 23rd Street E  
Fife, WA 98424-2061

Re: Inflation Adjustment of Water Capital Facility Charges

Dear Steve and Smith:

In accordance with Fife Municipal Code (FMC) Section 13.04.095, Fife's Water general facility charges for April, 2008 and thereafter should be \$4,103 per equivalent residential unit.

This change is in accordance with the FMC text, which states, in part:

Prior to connecting to the city's water system, the property owner shall pay, in addition to other applicable charges, a general facility charge of \$3,040 per equivalent residential unit (ERU). The rate shall be adjusted in April, 2004, and annually in April of each year thereafter by the Engineering News Record (ENR) Construction Cost Index 20-city average based on the April, 1999, number of 6008.

ENR publishes its cost indices quarterly, and First Quarter 2008 cost indices were published in ENR's issue dated March 24, 2008; a copy is attached. Because the FMC requires that the new rate be implemented in April, the first quarter index must be used, and the most current index in the report is dated March, 2008. The March, 2008 20-city average is 8109, so the calculation is as follows:

$$\text{New Rate} = \text{Original Rate} \times ((\text{New Index}) / (\text{Original Index}))$$

$$\$4,103 = \$3,040 \times (8109 / 6008)$$

Please implement this rate for all applications received on April 1, 2008, or thereafter.

Sincerely,

Russ Blount, P.E.  
Public Works Director

Cc: City Council, City Manager, Water Department

*Council*

Richard Godwin

Mayor Barry Johnson

Glen Hull

Cedric "Butch" Brooks

Rob Cerqui

Nancy de Booy

Kim Roscoe

Steve Worthington

City Manager

Jim Reinbold

Assistant City Manager

Loren Combs

City Attorney

Carl Smith

Community Development

Director

Kurt Reuter

Parks, Recreation &

Community Services Director

Steven Marcotte

City Clerk/Treasurer &

Finance Director

Brad Blackburn

Police Chief

Sally Dowty

Court Administrator

Russell Blount

Public Works Director &

City Engineer

*Public Works*

3725 Pacific Hwy. E

Fife, WA 98424-1135

(253) 922-9315

*Criminal Justice Center*

3737 Pacific Hwy. E

Fife, WA 98424-1135

(253) 922-6633

*Fife Community Center*

2111 - 54th Avenue E

Fife, WA 98424-2061

(253) 922-0900

*Fife Swim Center*

5410 - 20th Street E

Fife, WA 98424-2061

(253) 922-7665

*Fife City Hall*

5411 - 23rd Street E.

Fife, WA 98424-2061

(253) 922-2489

Fax (253) 922-5355

# ENR

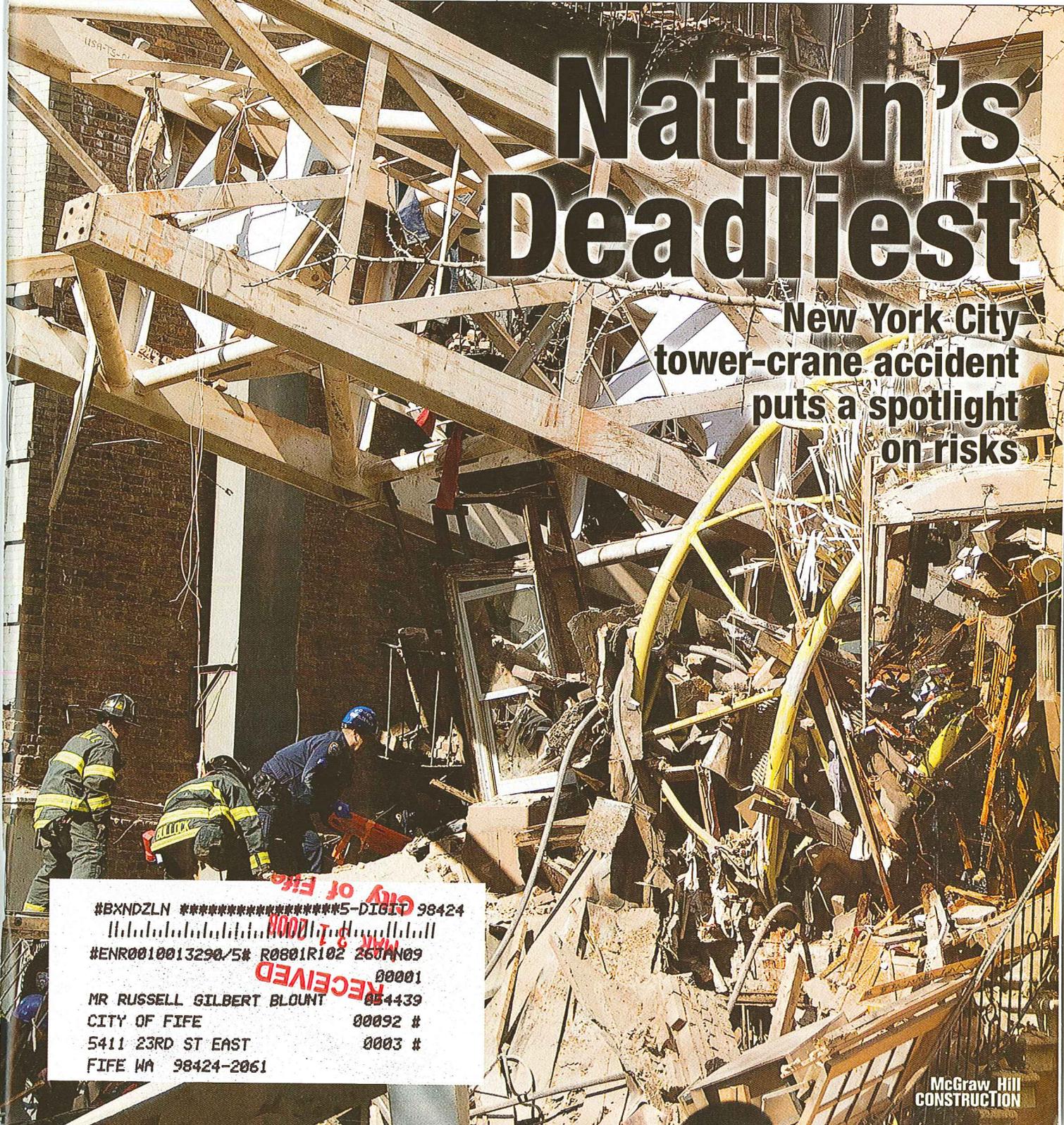
Engineering News-Record

## First Quarterly Cost Report

As the economy slows, high oil prices and a weak dollar give inflation new strength

# Nation's Deadliest

New York City  
tower-crane accident  
puts a spotlight  
on risks



#BXNDZLN \*\*\*\*\*5-DIGIT 98424  
 00001  
 #ENR0010013290/5# R0001R102 260AN09  
 00001  
 RECEIVED  
 MR RUSSELL GILBERT BLOUNT 004439  
 CITY OF FIFE 00092 #  
 5411 23RD ST EAST 0003 #  
 FIFE WA 98424-2061

McGraw Hill  
CONSTRUCTION

## Cost Indexes



### Construction Cost Index

A 0.9% increase in the CCI's materials component was bumped up by a 0.1% increase in the labor cost component.

20-CITY: 1913=100	MARCH 2008 INDEX VALUE	% CHG. MONTH	% CHG. YEAR
<b>CONSTRUCTION COST</b>	8109.00	+0.2	+3.2
<b>COMMON LABOR</b>	17096.97	+0.1	+3.5
<b>WAGE \$/HR.</b>	32.48	+0.1	+3.5

### Building Cost Index

An increase in material costs drove the annual escalation rate for the BCI from 2.8% last month to 3.6%.



20-CITY: 1913=100	MARCH 2008 INDEX VALUE	% CHG. MONTH	% CHG. YEAR
<b>BUILDING COST</b>	4570.70	+0.3	+3.6
<b>SKILLED LABOR</b>	7795.74	0.0	+4.4
<b>WAGE \$/HR.</b>	43.27	0.0	+4.4



### Materials Cost Index

A 1.6% increase in structural steel prices pushed the MCI up 0.9% this month, keeping the MCI 1.8% above a year ago.

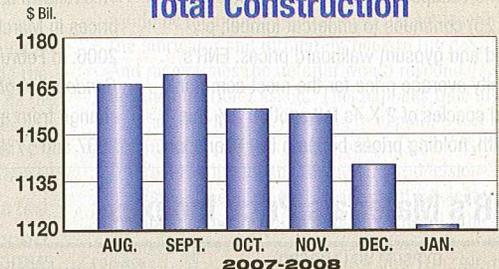
20-CITY: 1913=100	MARCH 2008 INDEX VALUE	% CHG. MONTH	% CHG. YEAR
<b>MATERIALS</b>	2600.25	+0.9	+1.8
<b>CEMENT \$/TON</b>	101.26	0.0	+3.8
<b>STEEL \$/CWT</b>	41.16	+1.6	+3.9
<b>LUMBER \$/MBF</b>	431.00	-0.2	-1.9

## Construction Growth Hits The Brakes

The downturn in housing is starting to take a big bite out of overall construction growth. During the first month of the year, the seasonally adjusted annual rate of growth for the industry declined 2% from the previous month, marking the fourth consecutive monthly decline, according to the U.S. Dept. of Commerce (see chart). On a year-to-date basis, the dollar value of total construction starts in January was down 3% from the opening month of last year (see table).

The biggest hit was in housing, which fell 14% from December 2007's pace and 21% from a year ago. The recession in housing appears to be spreading with all other construction markets also declining between last December and January, including a monthly drop of 23% for communications work and a 14% decline in the manufacturing market. Two of the industries fastest growing markets, lodging and health care, both saw the value of monthly construction starts slip 3% in January. Private power work also fell 9% this month.

### Total Construction



SOURCE: U.S. DEPT. OF COMMERCE. CONSTRUCTION PUT-IN-PLACE, SEASONALLY ADJUSTED ANNUAL RATE IN CURRENT DOLLARS.

### Private Construction

ANNUAL VALUE OF CONSTRUCTION \$ BIL.	2008 JAN.	2007 JAN.	% CHG. MONTH	% CHG. YEAR
<b>TOTAL CONSTRUCTION</b>	77.88	80.38	-10.7	-3.1
<b>TOTAL PRIVATE CONSTRUCTION</b>	58.48	62.38	-10.8	-6.3
<b>RESIDENTIAL BUILDINGS</b>	30.04	38.18	-14.0	-21.3
<b>LODGING</b>	2.67	1.72	-2.9	+55.2
<b>OFFICE</b>	4.51	4.19	-0.4	+7.6
<b>COMMERCIAL</b>	5.85	5.75	-5.3	+1.7
<b>HEALTH CARE</b>	2.97	2.80	-2.9	+6.1
<b>EDUCATIONAL</b>	1.35	1.09	-0.7	+23.9
<b>RELIGIOUS</b>	0.52	0.58	-5.5	-10.3
<b>AMUSEMENT &amp; RECREATION</b>	0.84	0.65	-1.2	+29.2
<b>TRANSPORTATION</b>	0.71	0.62	-12.4	+14.5
<b>COMMUNICATION</b>	1.99	1.62	-23.2	+22.8
<b>POWER</b>	3.50	2.51	-8.6	+39.4
<b>MANUFACTURING</b>	3.39	2.56	-14.4	+32.4

SOURCE: DEPT. OF COMMERCE. CONSTRUCTION PUT-IN-PLACE. DETAILS MAY NOT ADD TOTAL SINCE ALL TYPES OF CONSTRUCTION ARE NOT SHOWN SEPARATELY.

## Lumber, Plywood, Plyform

ITEM	UNIT	ATLANTA	BALTIMORE	BIRMINGHAM	BOSTON	CHICAGO	CINCINNATI	CLEVELAND	DALLAS	DENVER	DETROIT	KANSAS CITY
<b>2" X 4": S4S</b>												
Pine	mbf	-408.12	-350.00	325.00	371.90s	-497.00	-	320.00s	-495.00	-	400.00	-
Fir	mbf	-	-	250.00	-	-529.10	360.00	-	-	-468.21	440.00	+620.00
Common	mbf	-415.90	-350.00	325.00	400.25s	-501.38	-295.00	340.00s	-547.00	-455.00	400.00	+600.00
<b>2" X 6": S4S</b>												
Common	mbf	-464.25	-325.00p	300.00p	347.80s	-511.30	-333.00p	620.00c	-480.00p	-522.80	590.00s	+630.00f
<b>2" X 8": S4S</b>												
Common	mbf	-487.70	-325.00p	260.00p	368.70s	-589.80c	+313.00p	740.00c	-479.00p	495.00h	630.00s	+720.00f
<b>2" X 10": S4S</b>												
Common	mbf	-516.40	-355.00p	325.00p	402.74s	-500.54h	320.00p	505.00p	-584.00p	525.00h	740.00s	+680.00f
<b>4" X 6": S4S</b>												
Common	mbf	787.00	+445.00p	550.00	649.30s	754.40f	451.00	695.00	-672.00	1207.00	620.00p	-
<b>4" x 12": S4S</b>												
Common	mbf	-	+770.00p	-	-	904.58	850.00	-	-	1170.50	720.00p	1685.00
<b>PLYWOOD: 5/8" THICK</b>	msf	670.00	+485.00	400.00p	641.13	738.70f	+455.00	475.00p	-700.00	722.00	620.00	-705.00
<b>PLYFORM: 3/4" THICK</b>	msf	*932.30	-835.00	875.00	699.02	945.40p	1073.00	910.00	-979.47	944.80	940.00	1330.00
<b>PARTICLE BOARD: UNDERLAYMENT</b>												
5/8"	msf	405.90	-272.50	250.00	504.00	419.08	250.00	330.00	-530.00	405.82	408.00	230.00
<b>GYPSUM BOARD: REGULAR</b>												
1/2"	msf	257.08	240.00	240.00	377.38	241.12	+215.00	240.00	251.49	257.70	240.00	260.00
5/8"	msf	265.97	270.00	270.00	222.90	241.12	+230.00	-	+254.00	302.38	-	290.00
Type-X:												
1/2"	msf	293.38	240.00	240.00	239.87	261.74	+215.00	240.00	+277.00	305.40	240.00	260.00
5/8"	msf	293.38	270.00	270.00	270.00	279.05	+230.00	270.00	+287.50	310.20	270.00	-270.00
<b>ROOFING INSULATION: UNFACED</b>	sf	5.30	5.50	4.40	7.70	6.42	6.00	7.00	+5.82	5.98	6.80	8.05
<b>WALL INSULATION: UNFACED</b>	sf	5.15	+4.65	4.40	5.22	5.28	3.90	6.40	+6.54	5.50	5.50	7.50
<b>PIPE INSULATION: FIBERGLASS</b>	sf	6.15	6.73	5.94	7.05	5.90	5.50	8.80	+6.79	6.80	8.40	6.73

+ or - denotes price has risen or fallen since previous report. c=spl, d=douglfir, f=fir, h=hemfir, p=pine, s=spruce. Monthly market quotations by ENR field reports as of March 14, 2008. All prices are spot prices quoted from a single source. Common lumber prices are those quoted for the most popular species in the area. Quotes are delivered prices. Some prices may include taxes or discounts for prompt payment, etc. Product specification may vary. (continued on p. 26)