

**City Council
Special Meeting
June 7, 2010**

Mayor Johnson called the regularly scheduled meeting to order at 7:05 P.M.

Upon roll call the following members were present: McNally, Patson, Montgomery, Reed and Twardoski. Council members Boyle Barrett and Harple were absent and excused. Also in attendance was City Administrator Dave Schmidt.

Finance and Public Safety:

Council member Reed stated they had a meeting on June 2, 2010. Items of discussion included hiring a financial advisor, which will be discussed later in the agenda, and how we collect for gambling taxes. They had a request to review this and look at other options, and staff will be bringing back an ordinance. Basically, the problem with the gambling tax profits is that regardless of whether or not you lose money or make money, it is based off the gross receipts. What will be changed is it will be based off net receipts. The committee is recommending that we approve the change. Their next meeting will be June 16, 2010 at 6:30 PM.

Streets and Utilities:

Council member Montgomery stated they have not had a meeting.

Community Services and Recreation:

Council member Patson stated they have not had a meeting but will have one on June 9, 2010, at 9:30 AM.

Community and Economic Development:

Council member McNally stated he cancelled his meeting and has not rescheduled it at this time.

Mayor's Report:

Mayor Johnson stated that she attended the Cities and Towns meeting last week. Emergency Management was there and they talked about the new Pierce County Emergency Notification System, which is similar to a reverse 911 system. It has been tested in Fircrest and they are ready to go county-wide. The system is a notification in case of evacuation or some type of emergency. If you have a land line telephone you are already in the system, but you will have the option of giving them your cell phone numbers and the order in which you want them to notify you. One of the nice things is that it can be localized by neighborhoods. This is brought to us by our 911 funds.

Staff Reports

City Administrator Schmidt stated that staff met with the owners of Heritage House and they are proceeding with adding a 36 unit memory impaired facility next door on the corner of Hinkleman Extension and Highway #410.

MAIN AGENDA

Fire Station Bond – Discussion:

Chief Predmore stated that at this time there is really not much to discuss regarding the bond. The process going forward will be to select a bond underwriter, and part of that is the discussion that goes along with item #8 on tonight's agenda.

Consultant Scope: Financial Advisor:

Chief Predmore said one item that has been discussed in Public Safety meetings is whether there are benefits to, or what those benefits were if the City was to use some, services of a financial advisor if we proceeded to move forward with selecting a bond underwriting service and eventually negotiating the sale of bonds. Having done some investigation both through discussion with our bond council and discussion with other agencies who have recently done bond measures, he thinks it is in our best interest to have someone with that type of knowledge looking out for the citizens' best interest as we move forward with the bond measure. What the Financial Advisor would do is really a fairly limited scope, and that is helping us to select the bond underwriting service. We have been contacted by three different bond underwriting firms to date that know we have a bond measure. Soon we will need to start the process of selecting who the bonding underwriting service is going to be, and building that relationship with them so we can begin bond rating scores. We don't want to get pushed too close to the time line. The financial advisor would be able to ask questions, so when they start talking about the fees and how they break their fees out in different ways Mr. Dashen can decipher that and know which questions to ask. The big thing will be having the financial advisor looking out for the best interest of the citizens who are going to be funding and paying for those bonds when it comes time to actually negotiating the sale. Several people recommended this firm for financial advisor. The proposal for A. Dashen & Associates is to provide financial services for a not to exceed price of \$6,500. **Council member Reed moved to authorize the Mayor to accept the agreement with A. Dashen & Associates for financial services related to the fire station bonds for a cost not to exceed \$6,500. Council member Montgomery seconded the motion and the motion carried.**

Consultant Scope: Fire Station Design:

Chief Predmore stated this is the scope for Architectural Design Services for the new fire station. The City advertised an RFP in 2009 and went through the process of creating a short list of architects who were interviewed, and as a result of that process the City selected Group Mackenzie and gave them a notice to proceed on what we had identified in the request for proposal as Phase I, which was a needs assessment in helping us build a conceptual design and detailed cost estimate of what a new fire station project would cost. We completed that process with Group Mackenzie and we had a very good and

positive working relationship with them. They did everything that we asked them to, and he thinks our experience in working with them so far has shown they are very responsive and confident, and he doesn't see any reason we would go out for a new request for proposal to consider any of the other firms again for the next phase. The subsequent phases were identified in the request for proposal so it is not necessary for us to go out and seek new proposals from firms. With that, he has asked Group Mackenzie to prepare the scope of work and cost for continuing on with the project now from final design to permitting to construction, and including warranty inspections and warranty services after construction is completed. What you have before you is the proposal that was put together. This is a revised one that was based upon the review and comments that he sent back to them from the first proposal. Chief Predmore then went through the changes that had been made. The fee they have proposed of \$310,171 is within the cost estimate we had for architectural and engineering services based upon the first scope of work that they did. What this \$310,171 doesn't include, which was captured in the cost estimate as part of the A & E services, would be the City will still likely hire a geo technical service for a few of the special inspections that would occur during construction. City Administrator Schmidt stated that Gray & Osborn has one on staff. The other thing that is in the proposal that he needs to discuss is LEED. The discussion he has had with the architects is whether it is the City's goal and intent to have a LEED certified building. This will be a Council decision. He feels through value engineering and through the design of the building we would certainly want to take a look at any opportunity to use components of LEED design and construction that would prove to be cost effective in the life of the building. To go through the whole process, to have the building actually commissioned, would be a Council decision. The cost of \$310,171 does not include going through the process of actually having it be a LEED certified building both in terms of the documentation, additional engineering that is necessary for that and paying the fee for the commissioning. They estimate that to be an additional \$70,000-\$90,000 if we want to go through that. The way we have done this with them is when we get to the end of the building, if we decided we wanted to move forward with that we could come back and ask them for another scope, or we could amend this scope to have them do the LEED certification process. Discussion ensued as to whether or not to go with the LEED certification. City Administrator Schmidt stated that the City Attorney has made a recommendation that any consultant agreement we have should be an attachment to the City's standard consultant agreement. Most consultant agreements are drafted to benefit and protect them; it doesn't necessarily protect the City. The other thing is, he and Chief Predmore haven't had a chance to talk about this but we need to figure out how we are going to pay for this and finance it. If the Council authorizes the execution of this agreement, we really don't have the mechanism for paying for it at this point because it wasn't a budgeted item for this year. There is either going to have to be an interfund loan done or an amended budget. Chief Predmore stated that the document that was distributed tonight, the AIA Document B141, is the architect's agreement. This would need to be reviewed to find out if it would be an addendum, or whether that agreement would replace this one, subject to acceptance of Group Mackenzie, or whether there are things within the City's agreement that are contradictory to what's in the Group

Mackenzie agreement, or how we mesh those agreements together. Chief Predmore said he just received this from Group Mackenzie today and there are some changes that need to be made. He has contacted Group Mackenzie and those changes are agreeable to them. Regarding the budgeting, we did not have this budgeted within the Station Construction Fund. If the Council's decision is to proceed, then it would require Council action also to do an interfund transfer from the Fire Equipment Reserve Fund to the Station Construction Fund to be able to make the progress payments to Group Mackenzie. Then when we receive the bond proceeds in early December we could repay those funds to the Fire Equipment Reserve Fund. Discussion ensued. Chief Predmore stated that by the end of November of this year we have to have our tax levy certification filed with Pierce County for collection in 2011, and to be able to give them accurate numbers we should be at the point of going out to bid, and have bids in at the time we set that levy. To be able to do that, the project needs to be going out to bid in mid-October. We want to be receiving bids by mid-November so when we do the negotiated sale of bonds in late November we would be able to set the tax collection rates for 2011. If we cannot maintain that timeline, the difference is whether we can begin the project in 2011 or whether we begin the project in 2012. If we can't do this by November of this year, we have to wait until November of 2011 to set the collection rate for 2012. City Administrator Schmidt stated we also miss the opportunity of being able to utilize the Build America Bonds. Council member McNally asked if we go with the architectural agreement and decide later to go with the LEED program, is that going to change the architectural design. Chief Predmore stated he doesn't believe it will significantly change the design. Discussion ensued. Chief Predmore stated we may go through the process and have a building that is eligible for LEED certification so then the question is do we want to spend the additional dollars to have it certified. Chief Predmore said right now we would work with Group Mackenzie in the design of the building, and when we get to a component that has LEED practices that can be utilized Group Mackenzie would say okay here are your heating system options and they would then ask which option you want to go with. Then that is what they would include in the design of the building. Council member Montgomery stated it would be interesting to talk to some of the other communities that have gone with LEED certified buildings and see if they feel they have benefited from that. Council member Reed asked if we can approve the scope of work without accepting the contract yet. City Administrator Schmidt stated he would recommend that you approve the scope of work subject to the City Attorney's approval of the contract, because the City Attorney has not yet had the opportunity to look at the contract. Chief Predmore stated that the scope of work is complete. He feels the scope and their proposal could be approved by the Council and then the rest would be authorizing the Mayor to execute the agreement subject to the approval of staff and the City Attorney. He has no idea how the two agreements are going to marry together. Administrator Schmidt stated we can have the Ordinance for the interfund loan transfer ready for the meeting on the 29th. **Council member Reed moved to authorize the Mayor to execute the Scope of Work with Group Mackenzie and direct staff to issue a notice to proceed contingent upon the Staff and City Attorney being able to marry our standard consultant document with the AIA Document B141 standard**

agreement. Council member Twardoski seconded the motion. Chief Predmore said there is always the possibility that once Group Mackenzie sees the standard document the City has, that may be acceptable to the City but it may not be acceptable to Group Mackenzie. **The motion then carried.**

Ordinance No. 11-10: Amending PC Roles & CP Amendment Process:
Council member Montgomery moved to approve Ordinance No. 11-10 amending Sections 2.33.010 and 19.06.030 of the Buckley Municipal Code to eliminate conflicts resulting from the adoption of Ordinance 08-10. Council member McNally seconded the motion and the motion carried.

Ordinance No. 12-10: Amending 20.01.030 Adding Appeal for Frontage Waivers:
Council member Montgomery moved to approve Ordinance No. 12-10 amending BMC 20.01.030 Table (2) to add frontage waivers as a Type A-1 process. Council member McNally seconded the motion. City Administrator Schmidt stated that Council member Harple had a question about this, and it wasn't clear, so we felt it would be better to clarify it. Council member McNally stated he was under the impression that the appeals would come back to the Council. City Administrator Schmidt stated if that was the case then the entire code would need to be changed; this still allows for an appeal process. **The motion then carried.**

Pierce County Mutual Aid Agreement:
Council member McNally moved to authorize the Mayor to execute the Pierce County Mutual-Aid Agreement involving fire department services. Council member Reed seconded the motion and the motion carried.

Status & Disposition of Taylor Residence:

Mayor Johnson stated that staff needs to know what direction the Council wishes to take. Council member Reed stated we need to get that building occupied. The problem he sees is that right now, with the property and housing market still being very depressed, things are not moving. We have the opportunity to get the building occupied and let the market pick back up before we put the property on the market. We do need to split the house from the lower property, but that doesn't need to be done right now. Administrator Schmidt said to keep in mind that in order to make the house habitable there is still a lot of work that needs to be done. Even to get a lease out to someone like Helping Hand House there needs to be a new roof, windows need to be replaced, needs floor covering, and the kitchen is non functional, it needs kitchen cabinets and new appliances. You are looking at an expense of anywhere from \$30,000-\$70,000. Discussion ensued. Council member Montgomery stated he would be interested in knowing whether or not a firm like Helping Hand House will be bringing in money to help offset the costs of the improvements that need to be done. Mayor Johnson said what she is hearing from the Council is to possibly get an appraisal and move forward with splitting the property. Council member Montgomery said he would also like to see some numbers from organizations as to what kind of rent they would be willing to pay. City Administrator

Schmidt stated before you get the appraisal we should do some type of conceptual plan to see if that could be split into more lots. Mayor Johnson asked Council member Reed if the Helping Hand House is something that he wants to pursue, can he contact them and get more information. City Administrator Schmidt will contact the City Engineer to see about the division of the property.

Council member Reed moved to approve the Consent Agenda. Council member Twardoski seconded the motion and the motion carried.

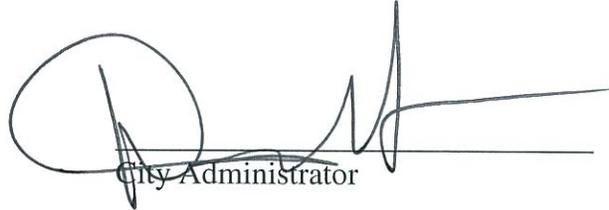
Approve the minutes of the May 25, 2010 City Council meeting.

Claim check numbers 45268 through 45406, in the amount of \$1,004,212.01 for the period of May 26, 2010 through June 8, 2010; Payroll check numbers 30732 through 30785, in the amount of \$299,064.18 for the month of May 2010; and Treasurer check numbers 10839 through 10857, in the amount of \$42,233.71 for the month of May 2010 are hereby approved and ordered paid this 8th day of June 2010.

With nothing further the meeting was adjourned at 8:41 PM.



Mayor



City Administrator