

**CITY OF FIRCREST
SPECIAL CITY COUNCIL MEETING MINUTES**

**TUESDAY, JANUARY 20, 2015
6:00 P.M.**

**COUNCIL CHAMBERS
FIRCREST CITY HALL, 115 RAMSDELL STREET**

CALL TO ORDER, PLEDGE OF ALLEGIANCE AND ROLL CALL

Mayor David M. Viafore called the special meeting to order at 6:00 P.M. and led the Pledge of Allegiance. Councilmembers Matthew Jolibois, Shannon Reynolds, Denny Waltier and Jason Medley were present. Councilmembers David R. Goodsell and Hunter T. George were excused. George arrived at 6:11 P.M.

Presentation by Tacoma Power and Tacoma Water on rate changes

Bob Mack, Tacoma Public Utilities (TPU) Deputy Director for Public Affairs, provided an overview on the proposed rate increases. Mack stated that TPU would be better communicating with jurisdictions that were served outside the City of Tacoma. Mack stated that TPU went through a charter review with discussions about expanding the Board to have representation from rate payers outside the City of Tacoma, as well as inside the City of Tacoma but the Board decided against putting something like that on the ballot. He indicated that would be considered in the future. Mack stated the Tacoma City Council adopted the biennial budget for 2015/2016 and will have a rate ordinance in from of them in a few months for the proposed rate increases. Mack stated that TPU has, for a number of years, collected franchise fees and passed on those costs as a surcharge to the customers within Fircrest that have been a party through the franchise. Mack stated they are recommending that the better way is to spread out the franchise fee across the entire rate base, resulting in rate increases for Fircrest that are proportionately less.

Greg Campbell, TPU Rates & Forecasting, Energy Risk Management, and Utilities Economist for this rate case, outlined the Customer Outreach that will be performed as well as the timetable for Policymaker Consideration. Campbell stated the system average rate increase of 3% is proposed for April 1, 2015. Campbell described the franchise fee allocation to all residential and commercial customers who, in the past, weren't charged the fee, noting that the fee is being proposed to be spread across the entire customer base. Campbell described why the rates are increasing and what Tacoma Power has done to mitigate the rate increase. Campbell outlined the revenue and expense budget details, describing the Other Revenue Sources rate stabilization fund and additional other revenues received. Campbell noted there were expenses of \$18 million additional proposed power purchases. Campbell noted that the debt restructuring has decreased between the time the budget was proposed and present day. Campbell reported that Fircrest residential customers will see a rate decrease of approximately 2.3% effective April 1, 2015, mainly due to the franchise fees being allocated across the entire base. Campbell concluded by stating that Tacoma Power is proposing a one-time overall system average 3% increase in 2015 and no proposed increase in 2016.

Sean Senescall, Rates and Financial Planning Manager for the Tacoma Water Utility, stated that Tacoma Water serves a subset of approximately 100 Fircrest residents and operate through a franchise that expires in 2025. He noted that effective April 1, 2015 there would be a \$0.37 adjustment to the rates and on January 1, 2016 the adjustment would be \$0.76. Senescall described the Rate Drivers, noting this was the first year of full-scale operations of the Green River Filtration Facility and represents a significant capital investment of operating costs. He described the mitigation measures taken to mitigate the rate increase noting that Tacoma Water restructured debt payments to take advantage of historically low interest rates, implemented a new asset management program, increased wholesale costs, and built a filtration plan under budget with significant low interest financing. Senescall concluded by comparing the monthly average bill for Fircrest residents versus Seattle, Bellevue and Covington after the rates are implemented effective April 1, 2015.

Discussion ensued regarding the inclusion of the Fire Hydrant Service Fee on the water bill and the reasons why Tacoma Water charges that fee to the water rate payers instead of the general government.

Community Center/Pool Feasibility Discussion

City Manager Rosenblatt provided an overview of the status of the Feasibility Study for the Community Center and Pool. He noted that he and Parks and Recreation Director Grover were researching what other entities had done and their resultant feasibility studies. Rosenblatt called attention to a draft that could be circulated for a Request for Proposal (RFP) or a Request for Qualifications (RFQ) for a feasibility study and requested Council feedback on the direction they were proceeding.

Discussion included the following:

- A geotechnical engineer should be involved in the study
- It would be helpful to gather data about who uses the pool before doing a survey
- What are the scope of services and vision that we are asking
- The Deliverables & Schedule in the outline identifies the expected outcome of the project
- Copying what the City of Sammamish did could be overkill
- Consider managing the feasibility study in segments, instituting differing parts and getting feedback before stepping wholesale into the RFP
- Scale is important
- The outline that was presented shows that staff could possibly do some of the work
- The feasibility study will provide both assessments and options
- Some of what is needed from the study could be done in-house
- A part of the feasibility study will be to gather information from the public in terms of what the public wants and needs and Council would then make decisions based on what the public wants
- The feasibility study will provide information that isn't available, or it might be difficult to obtain, and the most important thing is to get from the people paying for it what they want
- Spray grounds and slides are popular right now
- It is difficult to find a lap-swimming pool in the area and the Fircrest pool is a good lap pool
- Should the target area for outreach be Fircrest residents only, or should it include all users of the pool
- Perhaps consider using some of the available Parks space to construct a building designated to a seniors or activity center
- The assessment period might take up to four months

Discussion continued and staff will provide a final draft of the feasibility study at the February study session.

ADJOURNMENT

Moved by Waltier, seconded by Reynolds, to adjourn the meeting at 7:00 P.M. Ayes: Jolibois, Reynolds, Viafore, George, Waltier and Medley. Noes: None. Excused: Goodsell. Motion carried.



David M. Viafore, Mayor



Lisa Keely, City Clerk