

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

**JANUARY 19, 2016
6:00 P.M.**

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

CALL TO ORDER, PLEDGE OF ALLEGIANCE AND ROLL CALL

Mayor Matthew Jolibois called the special meeting to order at 6:00 P.M. and led the pledge of allegiance. Councilmembers Blake Surina, Shannon Reynolds, Brett Wittner, Denny Waltier and Jason Medley were present. Councilmember Hunter T. George was absent. George arrived at 6:05 P.M.

Utility Financial Plan and Rate Outlook Update

Public Works Director Wakefield introduced Katy Isaksen, Katy Isaksen & Associates, to provide a financial plan and outlook on utilities.

Isaksen provided a Utility Financial Planning Summary, noting that the rate study looked at sustainable utilities, financial planning, water, sewer and storm utilities, and a six-year program outlook, and stated that tonight would include review scenarios and input from council. She noted that in the future, the program outlooks would be refined and recommendations developed for balanced utilities. Isaksen described what a sustainable utility is and outlined a long-term view of financial planning with the following assumptions:

- Begin with the 2016 budget
- Conservative assumptions:
 - New homes per year = 1 (average for Fircrest)
 - General cost escalation = 3% per year
 - Sewer treatment cost escalation = 6% per year
 - Construction cost escalation = 4% per year (CIP)
 - Current rates and connection fees
- Annual increase/(use) of Ending Fund Balance (estimated revenue minus expenses by year)
- Estimated impact on rates (cumulative without use of Ending Fund Balance)

Isaksen described three scenarios in the Storm, Water and Sewer utilities that show the estimated impact on rates without the use of Ending Fund Balance:

- Option A – Operations (O&M) + existing debt (the minimum that is required)
- Option B – add capital improvements (CIP) from adopted plans (starting in 2017)
- Option C – add asset management/system-wide replacement

Isaksen highlighted the revenues and expenditures for each utility using the three options that showed the impact on rates. She explained that the scenarios show that there isn't enough growth in revenue to offset the expenditures and there needs to be a review of the assumptions along with input to see what can be refined to create better estimates. Isaksen stated that she is presenting models with six-year projections and Council can make choices about the programs, the revenue, the rates, etc.; and whatever rates are in place at the end of each year, the revenues and expenses can be reviewed to see whether the rates are sufficient or if a change is necessary. Isaksen clarified that the six-year model can always be revised.

Isaksen reported that using the Storm Scenarios A, B and C it shows that rates don't need to be adjusted until 2018; the Water Scenarios A, B and C show that rates would need to be adjusted in 2016; and the Sewer Scenario A shows that rates would need to be adjusted in 2018 and Scenarios B and C show that the rates would need to be adjusted in 2017. Isaksen clarified that the impact on rates is shown as a dollar per month impact. Isaksen also stated that three years of history were reviewed, instead of six years, as three years is a good window to review trends.

Isaksen noted that studying will continue with key areas underway: Target the Ending Fund Balances, future CIP, CIP funding strategies, asset management/system replacement and rate structure analysis. She indicated that the next steps are getting Council's input on scenarios, modify the scenarios based on Council's input, continue working on key areas, develop recommendations for balanced utilities, and another presentation by her at the March study session.

Isaksen stated it would be useful to get Council's input, such as:

- After looking at the target ending balance, what might be programmed towards the CIP
- What is the lowest balance desired to be maintained
- Does Council want to start designating money for capital improvements

Discussion continued on the desired amounts for the target minimum of the Ending Fund Balances to determine what is available for capital improvements. Isaksen stated it is oftentimes desirable to maintain a cash flow of two to three months of operating expenses. There was further discussion to discuss a strategy regarding what the fixed costs are that are part of the base rate that might be able to be broken out, and perhaps billed differently to larger consumers, and also the possibility of having staff do as many projects as possible to reduce capital expenditure costs.

Isaksen further noted there will be a Capital Improvement Plan strategy that will be presented in the future for each utility, as well as strategies for Asset Management and a rate structure analysis. Isaksen concluded by stating it is all about sustainable utilities and protection of the rate payers.

Wakefield provided an overview of the rate structures that are used to determine the usage charges.

Sweeper Truck Discussion

Public Works Director Wakefield provided an overview of the Street Sweeper Summary sheet that had been provided in Council's packet. Wakefield stated that there have been challenges with the current sweeper for the past two years regarding repairs and maintenance, as not only are parts difficult to locate and the costs high for repairs, but the sweeper is having difficulty picking up debris from the roadway and the dump gate has quit working. He stated that in the spring of 2015 they began looking into the cost of a new sweeper for replacement in 2016. Wakefield stated that three different dealers were contacted to obtain prices for a mechanical style sweeper. He noted that based on the replacement cost amount accumulated in the ERR program, additional funds were needed from the Storm Ending Fund Balance to purchase a new sweeper. Wakefield stated that based on three replacement costs obtained, a budget amount of \$260,000 was established for the 2016 budget request and that is the amount that will be requested for the purchase. He indicated the budget was passed but this item was frozen until a study session could be held to discuss the purchase. Wakefield stated Public Works has had the opportunity to

demo four different sweepers and get more specific cost quotes for each of the sweepers. He stated that after discussion with the Public Works staff, operators, suppliers and other users (City of University Place and City of Tacoma), Public Works is recommending that the Tymco 660 Regenerative Air Sweeper is purchased, as it is the best sweeper for the needed applications and is the most cost effective. Wakefield indicated that the Tymco 660 also meets requirements of the Department of Ecology for the stormwater program. Wakefield concluded by noting that the cost and purchase arrangements are planned to be done through the National Joint Power Alliance (NJPA).

Discussion continued as follows:

- What is the cost, including tax (\$240,000, but there could be additional costs such as delivery)
- What is the proposed replacement schedule (15 years)
- Is the model proposed to be purchased the correct one for the type of debris that is needing to be picked up (yes)
- What is the warranty (this information will be provided in Friday's packet)
- Hopefully Tymco will have local availability of mechanics and parts, when needed
- What is the timeline on payment (at delivery)
- What is the timeframe for delivery, once ordered (two to three weeks)
- It would be useful to include a Town Topics article that highlights the new sweeper, some of the issues that sweepers have in general in terms of limbs and debris, and making people aware of placing large limbs in yard waste bins, etc.

There were no objections in bringing a motion forward at the next regular Council meeting to unfreeze the funds to purchase a new street sweeper.

Council Liaison Assignments

Jolibois outlined the following 2016 Liaison Assignments:

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| Environment, Planning and Building | Waltier |
| Public Safety and Court | Medley |
| Parks and Recreation | Surina |
| Street, Facilities and Equipment | Reynolds |
| Finance and Information Technology | George |
| Water, Sewer, Storm | Wittner |
| Administration | Jolibois |

George stated he was liaison to Finance a few years ago and was hoping to be assigned to a department he hadn't already been a liaison to. Jolibois stated his forward thinking, when he spoke with City Manager Rosenblatt, was to assign George as chair to a Communications Committee and as liaison to Information Technology, that would be sensible and a key area to his expertise.

Discussion on Topics for Joint City Council/Planning Commission Meeting

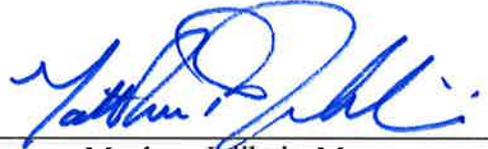
Rosenblatt reported there were no responses received from the Planning Commissioners regarding ideas they might have for discussion purposes. He stated that Attorney Carol Morris could be asked to present

a discussion on conducting quasi-judicial hearings. Council discussion ensued on the following possible topics for discussion at February 2nd joint meeting:

- Design element standards and uniformity in the community
- Planning Commissioner training opportunities
- Quasi-judicial hearings process and options for processing land use applications
- Create a design and standards committee consisting of two Councilmembers, one Planning Commissioner, and two to three members from the community
- Nail down some of the issues that were brought up at the previous joint meeting, i.e., concerns regarding infill lots and the Fircrest ‘look’ that is desired, especially uniformity for the commercial areas
- Conduct multiple meetings if the February 2nd meeting needs to exceed the two hour time limit
- Consider listening to a recap from the seminar attended by Principal Planner Boers at Harvard University regarding retail development and new urbanism
- Review a slide show on Mashpee development in Cape Cod
- Design standards that will encourage what Fircrest needs to look like
- Design plans for the parks to discourage smoking and make it less desirable
- Amendments to the code that would prohibit smoking in the parks
- Walkability in the community and ‘buy local’ programs
- The importance of a community’s identity by either creating or improving what presently exists
- History and development of the City of Fircrest and style, design and architype of the town’s origination
- The pattern and language of the City’s architype
- Foster an identity to catapult the City forward

ADJOURNMENT

Moved by Surina, seconded by Reynolds, to adjourn the meeting at 7:20 P.M. Ayes: Surina, Reynolds, Wittner, Jolibois, George, Waltier and Medley. Noes: None. Motion carried.



Matthew Jolibois, Mayor



Lisa Keely, City Clerk