

GIG HARBOR CITY COUNCIL MEETING OF OCTOBER 28, 2002

PRESENT: Councilmembers Ekberg, Young, Owel, Picinich, Ruffo and Mayor Wilbert.
Councilmembers Dick and Franich were absent.

CALL TO ORDER: 7:03 p.m.

PLEDGE OF ALLEGIANCE

SPECIAL PRESENTATION:

Brian Sonntag, State Auditor, explained that it was an honor to be present to congratulate the achievements by the City of Gig Harbor. He said that for the past ten years, the audit reports issued from his office have contained no findings, which illustrates the commitment by city staff and the direction of the City Council. He read the letter that was sent to the city in recognition of this significant accomplishment.

Mayor Wilbert thanked Mr. Sonntag for the positive suggestions from the Auditor's staff that allowed the city to make positive corrections.

PUBLIC HEARING:

1. 2002 Budget Amendment – Purchase of the Skansie Property. Mayor Wilbert opened the public hearing on this budget amendment at 7:07 p.m. David Rodenbach, Finance Director, explained that this budget amendment would allow for the purchase of the Skansie Property. He said that the ordinance had been amended to show the entire purchase price of \$2,880,000 to be expended from the Property Acquisition Fund.

No one signed up to speak on this issue, and the Mayor closed the public hearing at 7:09 p.m. and opened the public hearing on the next agenda item.

2. 2003 Revenue Sources. David Rodenbach said that when he started with the city and began working on the 1998 Budget, the total resources for the General Fund were \$4,400,000. The 2003 Budget is at \$8,960,000, which illustrates the amount of growth in the past few years. He continued to say that the projected amount for 2003 shows property taxes with the 1% increase from last year, excluding new construction and improvements. He gave an overview of the projected revenue sources and offered to answer questions.

No one from the public came forward to speak, and the public hearing was closed at 7:13 p.m.

3. Comprehensive Transportation Plan – Mayor Wilbert explained that this public hearing had been rescheduled for the November 12th meeting.

CONSENT AGENDA:

These consent agenda items are considered routine and may be adopted with one motion as per Gig Harbor Ordinance No. 799.

1. Approval of the Minutes of City Council Meeting of October 14, 2002.
2. Correspondence/Proclamations:
 - a) Letter from George & Lavonne Hoivik
 - b) Traffic Impact Fee
 - c) Letter regarding GH Peninsula Communities
 - d) Choral Festival
 - e) Proclamation – Disabled Veterans Month
3. Easement Agreement – Huber Homes, Estates at Gig Harbor.
4. Approval of Payment of Bills for October 28, 2002.
Checks #38179 through #38336 in the amount of \$270,948.04. Checks #38019 and 38089 voided from 10/14/02 Council meeting.

MOTION: Move to approve the consent agenda as presented.
Ruffo/Picinich – unanimously approved.

OLD BUSINESS:

1. Second Reading of Ordinance – 2002 Budget Amendment. David Rodenbach introduced this amendment to the 2002 Budget, which was explained during the public hearing.

MOTION: Move to adopt Ordinance No. 916.
Young/Ekberg – unanimously approved.

2. Second Reading of Ordinance – Comprehensive Transportation Plan (postponed).

NEW BUSINESS:

1. Renewal of an Interlocal Agreement for Fire Inspection Services. John Vodopich, Community Development Director, presented this agreement for the annual commercial inspection program. He explained that this agreement reflects less than a 2% increase in the cost since last year, and a few typographical corrections.

MOTION: Move approval of the renewal of the Interlocal agreement with Pierce County Fire District #5 for fire inspection services for 2003 and authorize the Mayor to sign the agreement.
Ruffo/Picinich – unanimously approved.

2. First Reading of Ordinance – 2002 Property Tax Levy Ordinance. David Rodenbach presented this ordinance for funds collected in 2003. He explained that the total assessed valuation, including new construction improvements is \$858,227,000, a 6% increase from last year. He was asked to explain how the 1% property tax would affect property owners. Dave explained that property taxes would increase if property values went up even without the 1% increase. He said that the 1% increase is based on the city's total levy collected last year, and divided backwards. He said he would return at the next meeting with a clarification on this tax increase.

David explained that the amount of increase is based upon the assessed needs, and other revenue sources that are more difficult to predict.

3. First Reading of Ordinance – Providing for the Issuance and Sale of a Limited Tax General Obligation Bond for Financing the Acquisition of Real Estate. David Rodenbach introduced Kerrin Gibbons, Bank of America, and Cynthia Weed, Preston Gates and Ellis to present information on this ordinance authorization sale of a LTGO bond to purchase the Skansie Property.

Kerrin Gibbons gave an overview of the proposal, explaining that the term was for ten years with a fixed rate of 3.63% interest.

Cynthia Weed explained that the ordinance authorizes the issuance of a long-term financial obligation for funds to be used to purchase property, and represents the written form of the terms of the commitment made by Bank of America. She added that the interest rate is very attractive in today's market and would save the cost of the issuance of public bonds. She recommended that the Council authorize the acceptance of the offer from Bank of America and issuance of the bond.

4. City Hall Bid. Mark Hoppen, City Administrator, explained that one bid had been received for the building on Judson Street in the amount of \$1,110,000 from Donkey Creek Holding, LLC. He said that he would like time to get together with Mr. Perrow and the City Attorney to access some of the conditions attached to the bid to better understand and clarify these conditions. He said that he anticipated bringing this back to Council at the next meeting. Michael Perrow explained that there was no expiration date on the offer, but that he wished to expedite the process.

STAFF REPORTS:

David Rodenbach, Finance Director – Quarterly Report. Mr. Rodenbach gave a brief overview of the report and offered to answer questions.

PUBLIC COMMENT: None.

COUNCIL COMMENTS / MAYOR'S REPORT:

Councilmember Young said that he was planning to attend the Transportation Impact Fee Workshop at the County, and that if anyone had comments that they would like him to share, to let him know.

Mayor Wilbert announced that she would be unable to attend the December 9th Council meeting, as she was scheduled for surgery on the 3rd of December.

ANNOUNCEMENT OF OTHER MEETINGS:

1. City Council Budget Worksessions: Monday, November 4th and Tuesday, November 5th, Civic Center Community Rooms A and B, 6:30 p.m.

2. City Council Meeting – Tuesday, November 12th due to the holiday on Monday the 11th.

EXECUTIVE SESSION: For the purpose of discussing potential litigation per RCW 42.30110(i).


MOTION: Move to adjourn to Executive Session at 7:35 p.m. for approximately five minutes.
Picinich/Ruffo - unanimously approved.

MOTION: Move to return to regular session at 7:40 p.m.
Picinich/Ruffo - unanimously approved.


ADJOURN:

MOTION: Move to adjourn at 7:40 p.m.
Picinich/Ruffo - unanimously approved.

Cassette recorder utilized:
Tape 663 Side B 000 – end.
Tape 664 Side A 000 – 069.



Gretchen A. Wilbert, Mayor



City Clerk