

**CITY OF PACIFIC  
CITY COUNCIL MEETING  
Date: December 10, 2012  
Council Chambers  
City Gym, 6:30PM**

**1. CALL TO ORDER AND FLAG SALUTE**

Mayor Pro Tem Jones called the City Council Meeting to order at 6:30 p.m. and led the Pledge of Allegiance.

**Mayor:**

Cy Sun, Absent

**2. ROLL CALL OF COUNCIL MEMBERS**

Leanne Guier

Gary Hulseley

John Jones

James McMahan

Josh Putnam

Clint Steiger

Tren Walker, Excused

Staff present: City Clerk Patti Kirkpatrick, Finance Director Betty Garrison, City Attorney Ken Luce, and Public Safety Director John Calkins.

**Councilmember Guier Moved and Councilmember McMahan seconded the motion to excuse Councilmember Walker. Motion passed by unanimous voice vote.**

**3. APPROVAL OF AGENDA**

Councilmember Guier asked that a claims warrant be added to the Consent Agenda.

**Councilmember Guier Moved and Councilmember Putnam seconded the motion to approve the agenda. Motion passed by unanimous voice vote.**

**4. AUDIENCE COMMENT**

Mayor Pro Tem Jones reminded the audience that if they are here to comment on a specific agenda item, public comments will be heard at that time.

**Mr. Don Thomsen** voiced concern that there would be no extension of insurance coverage and urged the Council to secure insurance than annex or disincorporate.

**Mr. Stacey Jackson, Sr.**, voiced concern with how the City got into the position it is in, noting that the Mayor and Council were elected to do what is best for the City.

**Mr. John Abernathy and Ms. Carol Inch** requested waivers regarding the property they purchased in the White River Subdivision, noting that the new foundations meet today's code standards and they felt the homes were new enough that the current insulation

within the walls would be sufficient, adding that he increased the insulation under the home and in the attic to meet current codes.

Councilmembers asked that this item be brought forward to the next Workshop for further review and discussion.

**Mr. Gerald McBreen** inquired as to what additional information the current insurance carrier needs to continue to provide insurance.

**Ms. Anita Scroggins** objected to the behavior of the Council and the Mayor, and asked they be more respectful of each other.

## 5. **REPORTS**

**Mayor** - Councilmember Jones advised he had received a letter from the Mayor stating he would not be able to attend the meeting as his wife has some medical issues and he is taking time off from work.

**Finance** - Councilmember Putnam reported the final draft of the budget does reflect the discussion held at the last meeting; he attended the CIAW Board meeting by telephone, listened to a presentation by the City Clerk regarding the progress of what has been done to comply with their concerns, but the Board took no action and the cancellation stands, with their request that if anything changes in the City's Executive Branch to let CIAW know and they would reconsider coverage.

**Court** – A handout was provided by the Municipal Court Administrator.

**Public Safety** – A handout was provided by the Public Safety Director.

**Public Works** – Councilmember Jones reported the Committee met and went over the Skillings Connoll/Stewart Road and Valentine Road Projects and those were moving along.

**Community Services** – Shirley Thomsen announced the Senior Center was holding a raffle to purchase supplies and encouraged those in attendance to stop by and purchase a ticket; and stated the current Council is one of the best that the residents could ask for.

**City Council** – Councilmember Guier attended the King County Council meeting wherein they approved minimal services for sheriff and emergency services as of January 1, 2013, in the event the City was unable to secure insurance.

Councilmember Putnam advised that Pierce County Sheriff is ready to provide support within their jurisdiction as of Midnight on December 31, 2012, should the City not have insurance.

Councilmember Steiger reported that he has received many phone calls voicing concern with how the City will be able to conduct business with no Council. It was his understanding that if there is no insurance the Council can meet, but can take no action and requested the City Attorney provide an opinion on how the Council can conduct business if there is no insurance.

Councilmember Hulsey announced that the City was still pursuing insurance coverage with a broker, and it was his understanding the Mayor signed an application on Friday with Mr. Brian Berends, Farmers Insurance Group as well.

**SCA** – Councilmember Guier has not been able to attend meetings and no report was given.

**VRFA** – Councilmember Walker announced there would be a meeting this Thursday.

## 6. PUBLIC HEARING

### A. Ordinance No. 12-1837, Adopting the Final Budget for the Year 2013, and Setting Forth the Estimated Revenues and Appropriations

Finance Director Garrison presented a staff report, noting that the public hearing was continued from the November 26, 2013 meeting, and the budget is balanced with the additional police officers as requested at the last meeting. Councilmember discussion ensued regarding franchise fees.

At 7:10 p.m. Mayor Pro Tem Jones opened the Public Hearing.

**Ms. Norma Jean Harrison** inquired when the City will remove the Public Safety Director position back to a police chief position as she felt that salary was too high and unnecessary.

**Ms. Joanne Wilson** inquired what the garbage charge is for and Finance Director Garrison explained that even though collection was turned over to Lemay and there are some funds available for recycling events, which was provided by a grant and it is carried over into 2013.

**Mr. Duwayne Gratz** questioned the costs for City Attorney fees in 2012 and what is budgeted for in 2013. Finance Director Garrison explained that the attorney fees also include the prosecuting attorney, indigent defense, and city attorney costs; and that currently, the City has spent \$261,614.44 in attorney fees total. City Attorney Luce stated that most of what he is asked to do, he should not have to do in areas such as public works.

**Mr. Stacey Jackson** encouraged the Council to let its citizens know how much more they will pay should they annex into Auburn.

Mayor Pro Tem Jones reminded the citizens that the City is required to adopt a balanced budget for each upcoming year, regardless if the City disincorporates or annexes into Auburn.

Finance Director Garrison advised that per King County's website, the current tax rate for the City of Pacific is \$1.61; and the City of Auburn is \$2.07527 for property tax only.

**Mr. Tom Halstead** voiced his support for funds to restriping City roads.

**Ms. Shirley Thomsen** encouraged the Council to consider a part-time director in the Senior Center as a means to save money.

**Ms. Joanne** Futch voiced her concerns with the budget, noting there is no funding for a part-time van driver, which is desperately needed; and supported a part-time Community Services Director.

There being no further testimony, Mayor Pro Tem Jones closed the public hearing at 7:29 p.m.

7. **OLD BUSINESS**

**A. Second Reading and Adoption of Ordinance No. 12-1837, Adopting the Budget for the Year 2013 and Setting Forth the Estimated Revenues and Appropriations**

Finance Director Garrison presented the staff report, noting the changes and dollars listed match the recommendation of the Finance Committee.

Councilmember Putnam noted this was not an ideal budget and there were still some issues to be worked through, but this is balanced and maintains all services going into 2013. Councilmember discussion ensued regarding issues with street/water funds and sufficient funds to cover potential insurance premiums.

**Councilmember Putnam Moved and Councilmember Guier seconded the motion to adopt Ordinance No. 12-1837, adopting the Budget for the Year 2013 and setting forth the estimated revenues and appropriations. Councilmembers McMahan, Putnam, Steiger, Guier, and Jones voted in favor; Councilmember Hulseley opposed. Motion passed.**

**B. Adoption of Resolution No. 12-1217, Consenting to the Annexation of the Territory of the City of Pacific, Washington into the City of Auburn, Washington Simultaneous with the De-Annexation of the City of Pacific Pursuant to RCW 35.10.217(2)**

City Clerk Kirkpatrick presented the Staff report, noting the City Council has been working towards a viable solution to ensure the City remains incorporated in the event there is no insurance. One option was to look at annexing into another City such as Auburn. The City of Auburn has expressed the desire that Pacific will be able to secure insurance and remain a City; however, they are committed to coordinate and cooperate with respect to any financial, planning, property ownership, transportation, or development issues that would affect the cities and the annexation/de-annexation process.

**Councilmember Putnam Moved and Councilmember Guier seconded the motion to adopt Resolution No. 12-1217, consenting to the annexation of the Territory of the City of Pacific, Washington into the City of Auburn, Washington simultaneous with the de-Annexation of the City of Pacific pursuant to RCW 35.10.217(2)**

Councilmember discussion ensued regarding the tough decisions they have had to make to date on what is best for the citizens of Pacific; and voiced consensus to continue the meeting to December 17, 2012 to allow for additional citizen comments.

**Mr. Bernie Harrison** voiced support of changing to a Manager-Council form of government and wondered why the Council has not pursued annexation into the City of Algona.

**Mr. Tom Halstead** sought clarification on:

- Why the insurance company would not consider the City for renewal unless
  - The Mayor resigns
  - The Mayor has refused to resign.
- Annexation to Auburn would eliminate the Mayor and Council. Councilmembers responded in the affirmative and Mr. Halstead voiced his opposition to annexation and his support of the Council.

**Mr. Don Thomson and Mr. Howard Erickson** voiced their opposition to annexation.

**Mr. Stacey Jackson** thanked the Council for the job they are doing and stated he was confident the City will find insurance.

**Mr. Brian Foster** inquired to the cost of insurance and how will the City pay for a substantial increase. Councilmember Putnam responded that there would be no increase in taxes in 2013 and the Council will have to first know the premium amount and then determine where to reallocate resources.

**Mr. Duwayne Gratz** voiced his support of City police services; supported annexation only as a last resort; and encouraged the Mayor to resign now in order for the City to obtain insurance.

**Ms. Cheri Cason** thanked the Council for their time and effort, noting they have been doing a good job to resolve these issues. She reminded the citizens that it will take 60% of the property owners to file protests with the City of Auburn to not annex.

**Ms. Joanne Wilson** voiced her frustration that the citizens do not have any rights to protect the city from one man and urged the residents to write letters to Governor Gregoire asking for her assistance.

**Mr. Gary Van Hee** noted the City has the following options:

- The Mayor can resign
- Find insurance coverage
- Annex into the City of Auburn
- Disincorporate

He voiced his support of securing insurance, and then looking at disincorporation.

**Mr. Russ Tyree** noted that if the Mayor were to step aside, the City could avoid the pitfalls they are faced with and that would be the best solution. He asked the supporters of the Mayor to ask him to do the honorable thing if what he wants is for the City to be successful and resign.

**Councilmember Guier Moved and Councilmember Putnam seconded the motion to continue Resolution No. 12-1217, Resolution No. 12-1218, and Resolution No. 12-1219 to December 17, 2012 at 6:30 p.m. Councilmembers McMahan, Putnam, Steiger, Guier, Hulsey, and Jones voted in favor. Motion passed.**

**8. NEW BUSINESS**

**A. Adoption of Resolution No. 12-1218, Calling for a Special Election on February 12, 2013, Concerning the Disincorporation of the City of Pacific**

This item was continued to December 17, 2012 at 6:30 p.m.

Councilmember Guier explained that even if the Council had voted on Resolution Nos. 12-1217 and 12-1218, there would still be no insurance coverage come January 1, 2013. This also postpones when the time starts to voice opposition to annexation with the City of Auburn.

**B. Adoption of Resolution No. 12-1219, Authorizing the Mayor to Execute Supplemental Agreement No. 10, with Skillings Connolly for Time Extension**

This item was continued to December 17, 2012 at 6:30 p.m.

**C. Adoption of Resolution No. 12-1220, Authorizing the Mayor Pro Tem to Execute Interlocal Agreement Reassigning the Job Development Grant No. J2011-011 for the 136th/Valentine Corridor Improvements to the City of Sumner**

City Clerk Kirkpatrick presented the Staff report, noting the Cities of Sumner and Pacific entered into an Interlocal Agreement (ILA) on April 24, 2012 to have Sumner provide a lead entity role for this project. As a follow up to that ILA, the reassigning of the Job Development Grant to Sumner will result in more efficient project management and the ability to meet project milestones and deadlines.

**Councilmember Hulsey Moved and Councilmember Steiger seconded the motion adopting Resolution No. 12-1220, authorizing the Mayor Pro Tem to executive an Interlocal Agreement reassigning the administration of Job Development Grant from the Washington State Community Economic Revitalization Board, Contract No. J2011-011, for the 136th/Valentine Corridor Improvements in the amount of \$4,946,000 to the City of Sumner. Councilmembers McMahan, Putnam, Steiger, Guier, Hulsey, and Jones voted in favor. Motion passed.**

**D. Adoption of Resolution No. 12-1221, Authorizing the Mayor Pro Tem to Execute an Interlocal Agreement with the City of Sumner Who Shall Assume All Responsibility for the Administration of LID No. 6**

**Councilmember Guier Moved and Councilmember Putnam seconded the motion adopting Resolution No. 12-1221, authorizing the Mayor Pro Tem to execute an Interlocal Agreement with the City of Sumner who shall assume all responsibility for the administration of LID No. 6. Councilmembers McMahan, Putnam, Steiger, Guier, Hulsey, and Jones voted in favor. Motion passed.**

**E. Adoption of Resolution No. 12-1222, Authorizing the Mayor Pro Tem to Execute an Interlocal Agreement to Transfer the Sanitary Sewer Utility**

**Funds, the Storm Utility Funds, and the Public Works Trust Fund Loan to the City of Sumner for the 136<sup>th</sup>/Valentine Corridor Project**

**Councilmember Guier Moved and Councilmember Putnam seconded the motion to adopt Resolution No. 12-1222, authorizing the Mayor Pro Tem to execute an Interlocal Agreement with the City of Sumner in which the City of Pacific will undertake the steps necessary to transfer the Sanitary Sewer Funds, the Storm Utility Funds, and the Public Works Trust Fund loan to the City of Sumner for the 136<sup>th</sup>/Valentine Project. Councilmembers McMahan, Putnam, Steiger, Guier, Hulsey, and Jones voted in favor. Motion passed.**

**9. CONSENT AGENDA**

- A. Approval of Payroll for period of November 1, 2012 through November 15, 2012, and Claim Vouchers for November 14, 2012 through November 26, 2012.
- B. Approval of the November 26, 2012, Council Meeting Minutes

**Councilmember Guier Moved and Councilmember Putnam seconded the motion to approve the Consent Agenda. The motion passed by unanimous voice vote.**

**10. EXECUTIVE SESSION**

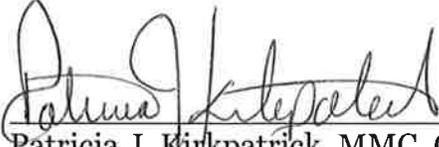
At 8:40 p.m. Mayor Pro Tem Jones recessed the regular meeting for a 30-minute executive session to discuss potential litigation in accordance with RCW 42.30.110(i), and announced action may be taken.

At 9:12 p.m. Mayor Pro Tem Jones reconvened the regular meeting.

**Councilmember Hulsey Moved and Councilmember Putnam seconded the motion to participate in a claim against the City in the amount of \$25,000, which represents the City's contribution of settlement. Councilmembers McMahan, Putnam, Steiger, Guier, Hulsey, and Jones voted in favor. Motion passed.**

**11. ADJOURN**

At 9:15 p.m. Mayor Pro Tem Jones continued the December 10, 2012, City Council Meeting to December 17, 2012.

  
Patricia J. Kirkpatrick, MMC, City Clerk