

**CITY OF PACIFIC  
CITY COUNCIL MEETING  
Date: August 13, 2012  
Council Chambers  
City Hall, 6:30PM**

**MEETING SUMMARY**

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

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

**2. ROLL CALL OF COUNCIL MEMBERS**

Tren Walker  
Leanne Guier  
Josh Putnam  
James McMahan  
John Jones  
Gary Hulse  
Clint Steiger

Staff present: Betty Garrison, Angelica Solvang, Lt. Massey, Paula Wiech, Sheryl Finwall and Ken Luce.

**3. APPROVAL OF/ADDITIONS TO AGENDA**

- A. Councilmember Jones added the topic: Resolution No. 1188 as item F.
- B. Councilmember Putnam added the topic: 2<sup>nd</sup> Whistleblower complaint under New Business.

Councilmember Jones moved to approve the agenda as amended; Councilmember McMahan second; All the votes were ayes.

**4. AUDIENCE COMMENTS-**

Jeanne Fancher, 37248 55<sup>th</sup> Ave S – Jeanne recites a blessing.

Don Thompson, 416 2<sup>nd</sup> Ave SE – Asks the Mayor to resign.

Kathryn Hull, 102 Alder Lane S – Wants to point out the flag pole has a new light. Boy Scouts Troop 540 installed the light but it was never dedicated so they are going to have a celebration of the light pole this fall.

Gary Van Hee, 205 Hawthorne Ave – He was on the City Council in 2001 when the insurance was cancelled due to the Mayor's action in the past. They found another insurance company and asks the Council if they are looking for another insurance carrier. They did have to borrow money against the enterprise fund to cover the costs.

Duwayne Gratz, 122 3<sup>rd</sup> Ave NW – He has lived here for 15 years. He asks if the Mayor's I-9 about the I-9 form has been filled out and submitted. Ken Luce replied that there has been an I-9 form filed so the requirement has been met. He was at the workshop meeting and saw two situations; one with Skillings Connolly who is projecting \$125,000 in overruns due to lack of management and also he heard the City of Sumner say they have a similar number due to lack of management at the City.

Katherine Garberding, 366 White River Drive – Thanks the persons involved in installing the light on the flag pole. The true appreciation was earned by Jim Schunke and Boy Scouts Troop 540. She also thanks Lt. Massey, Noffke Towing and Cedar Recycling.

Jennifer Newman – Jennifer submitted a proposal for a cleanup at Beaver Park. The Church of Jesus Christ of Latter Day Saints is having an area wide day of service on September 15, 2012. A local ward is seeking the permission from the City of Pacific to clean up the Beaver Park. The also seeking instructions on how to clean up the park without violating code. Mayor asks her to call him and he will gather people to support her clean up.

Roger Freeman, City of Federal Way Councilmember – He represents children who do not go to school and he wants to come to Pacific and partner with the City and the school district to put together a plan to keep kids motivated to stay in school.

**5. REPORTS**

**A.** Mayor – Mayor Sun states there has been a lot of publicity and he has nothing to hide. For interested citizens, he informs them to go to the Superior Court in Pierce County and look up case No. 197989. He states he is hard of hearing due to his right ear and is having it medially corrected. In the meantime, he would like to appoint Councilmember McMahan to be the chairman of the meeting. Ken Luce states the process says either the Mayor Pro-Tem chair the meeting or Council selects a Councilmember to take the Mayor’s place. Councilmember McMahan reads RCW 35A12.110 which Councilmember McMahan interprets to read that if the Mayor is unable to preside tonight that by default it would go to the Mayor Pro-Tem unless the Council selected someone else for the duration of the meeting. Ken Luce agreed with that statement. Councilmember Putnam move to appoint Councilmember McMahan to preside over the meeting tonight; Councilmember Walker second;

Council comment: Putnam states that Councilmember McMahan is doing a good job in assisting the Mayor. Councilmember Jones states he is Mayor Pro-Tem and if the Mayor was not present he requests that he takes over the meeting but since Councilmember McMahan has been working with the Mayor he has no problem with Councilmember McMahan presiding over the meeting with the Mayor present.

	Aye	Nay
Councilmember Walker	X	
Councilmember Guier	X	
Councilmember McMahan	Abstain	
Councilmember Putnam	X	
Councilmember Jones	X	
Councilmember Hulsey	X	
Councilmember Steiger	X	

**THE MOTION CARRIED 6 to 0.**

**B.** Finance – Finance Committee meeting tomorrow night at 6:30 p.m. in the Council Chambers.

**C.** Court Statistics – In the packet.

**D.** Public Safety Department – No report.

**E.** Public Works/Community Development Departments – No report.

**F.** Community/Senior/Youth/Services – Sheryl Finwall states that the Human Services

Committee will meet tomorrow at 3:30 p.m. at the Senior Center.
G. Boards and Committees South King County Transportation Board (SKTBD) – No report. Pierce County Regional Council (PCRC) – No report. SCA – No report. VRFA – No report.
H. City Council Members – No report.
I. Park Board – No report.
J. Planning Commission – No report.
K. Civil Service Commission – No report.

**6. OLD BUSINESS**

**A.** Life Of Victory Church Tent Revival – Paula Wiech states the organizer of the event is present and asks if Council has any questions. A revival meeting will be held at 555 West Valley S which is vacant land and recently graded. Councilmember Walker asks about traffic control since it is the Puyallup Fair weekend. Paula states there will be off duty officers on site to manage the traffic. Lt. Massey states they discussed issues that may be a concern and one of them was traffic activity so he informed them that one solution would be for him to employ an off duty officers as other vendors have done in the past and they could assist during those peak days. They have already designated an area for parking on their own property. The police only make sure people can exit and enter the premises. Councilmember Jones asks Lt. Massey about the noise issue and reminds them that at 10:00 p.m. is the curfew for noise. Anatoly will terminate the meetings at 9:30 p.m. Councilmember Guier asks Lt. Massey if they are contracting with the church. Lt. Massey states they will be contracting with them once approved. Paula Wiech wants Council to approve the event.

**B.** Refund For Billing On Water Meter That Was Not Used – Betty Garrison states the question from Council was when did the property go to the City. It was recorded with the County in March of 2006 and the water meter was installed in March of 2007. The developer came in and said to bill the homeowners and no one looked to see that the property actually belonged to the City. Councilmember Walker move to authorize a refund in the amount of \$854.16 to the Pacific Meadows Homeowner Association; Councilmember Putnam second;

Council Comment: Councilmember Putnam states the meter was never used.

	Aye	Nay
Councilmember Walker	X	
Councilmember Guier	X	
Councilmember McMahan	X	
Councilmember Putnam	X	
Councilmember Jones	X	
Councilmember Hulsey	X	
Councilmember Steiger	X	

**THE MOTION CARRIED 7 to 0.**

- C. Medical Marijuana Collective Gardens/Schedule Public Hearing – Paula states that the City established a 6 month moratorium a year ago and at the end of that 6 months there was a 2<sup>nd</sup> 6 month moratorium. At the end of the 2<sup>nd</sup> moratorium, which ends August 17, 2012, a work plan needs to be done. Paula asks Council to schedule a public hearing. The Planning commission recommends adopting the same ordinance as the City of Edgewood. Councilmember Jones recommends the public hearing be held on August 20<sup>th</sup>. Paula Wiech was concerned there was not enough time to advertise for the hearing. Councilmember Jones moved to have a special meeting for a public hearing on September 4, 2012 at 6:30 p.m.; Councilmember Hulsey second;

Council comment: Councilmember Hulsey stated that at public hearings, you hold a public hearing then close the public hearing and then you go into workshop or the Council meeting.

	Aye	Nay
Councilmember Walker	X	
Councilmember Guier	X	
Councilmember McMahan	X	
Councilmember Putnam	X	
Councilmember Jones	X	
Councilmember Hulsey	X	
Councilmember Steiger	X	

**THE MOTION CARRIED 7 to 0.**

- D. Hatch Property Purchase/Appraisal – Paula Wiech discusses purchasing the Hatch property for creation of wetlands to offset the intrusion into wetland buffers of the interurban trail project. Parametrix was looking at the segment going South from 3<sup>rd</sup> Avenue SW to 4<sup>th</sup> Avenue and since then it appears that the segment that runs North and South through the Gordon Trucking property is closer to being ready to go and the decision has been made to use this mitigation site to offset impacts to the buffer of the Milwaukee ditch along the western edge of the Gordon Trucking property. They do have a willing seller. They need another appraisal and it would have to be a more rigorous appraisal due to federal dollars involved in the project. Paula is asking Council approval to move forward with the appraisal. Councilmember Putnam move to approve request of qualifications and solicitation of appraisal on the Hatch property; Councilmember Hulsey second;

Council Comment: Councilmember Putnam believes this is a good idea. Councilmember Jones reiterates to the citizens that the City has a matching grant. Paula adds the City has a 50 percent match up to 80 thousand dollars. She believes the matching funds can come from our impact fees account and includes the cost of the appraisal. Councilmember McMahan confirms with Paula that she is seeking permission to retain services of an appraiser as well.

	Aye	Nay
Councilmember Walker	X	
Councilmember Guier	X	
Councilmember McMahan	X	
Councilmember Putnam	X	
Councilmember Jones	X	
Councilmember Hulsey	X	
Councilmember Steiger	X	

**THE MOTION CARRIED 7 to 0.**

- E. Monitoring Water Table At City Hall Properties** – Paula states that the Park Board strongly recommends that no design or construction take place on City hall properties until a ground water table is determined this summer season. The recommendation asks for groundwater monitoring devices be installed. Councilmember Jones asks what the costs are associated with this. Paula does not know, however she states Don Blackwell has informed her that it could run a couple hundred bucks and states the two funds in 105 could be used for parks and recreation and enhancement and the King County parks levy fund can be used for that purpose. Paula states that it needs to be done prior to a plan being completely worked out and they also need to have more public input. If it is decided to create a pond then it's important to know what the water levels are at. There are grant monies available for creating wetland parks. Councilmember Jones asks Paula if she is asking Council to approve the investigation of the costs associated with this or to approve her to move forward with the process of monitoring the water and getting the contract. Paula says it is the intention of the Park Board to do so. Paula states that if the City does not use impact fees in 6 years they have to give it back so the City needs to use some of that money this year. Kate Hull stated that in order to get a cost estimate the City would need to write a RFP. Paula says they could ask AHBL. Councilmember Putnam moved to authorize an RFP with funding to be determined at a later point; Councilmember Guier second;

Council Comment: Councilmember Putnam states they don't have any information yet to make a final decision so an RFP is needed to find out how much it is going to cost. Kate Hull wants to change request and spend park 105 funds to have an Engineer write the RFP and to find out first how much it would cost for them to write the RFP. Councilmember Putnam move to amend his motion to authorize an RFP to request the cost for having an engineer develop the RFP; Councilmember Jones second;

Councilmember Putnam stated that it seems they want to know the price for getting a price for an RFP. Councilmember Jones asks Paula if she has time to contact a wetland Engineer. She states she will.

Public Comment: Sharon Cason, Park Board Commissioner – Sharon states if they do not get this started then they will have to wait another year and they cannot build anything until they find out what the water table is which can only be conducted during the dry season.

Don Thompson – Asks why this issue was not brought up months ago and wants to wait until next year.

Gary Nishtke – Wants to wait until next year.

Katy Garberding – Asks if there is a project the Park Board wants to start. Sharon Cason Replies they cannot pick a project until the water monitoring is done.

Jeanne Fancher – She states that the City of Pacific formulated a comprehensive plan and it has a certain level of service. The Park Board has a mission to participate in part of the comprehensive plan. They cannot move on projects until they follow the code processes.

Mindy O'Hara – She states there is urgency on this item and to not be alarmed as it is not expensive.

Kate Hull informs Councilmember Guier that Council approved for her to get a grant for planning and if Council approved this they could use their grant money for a planner. Paula adds that an RFP should cost no more than 4 to 5 hundred dollars. Councilmember Guier states the City does have two engineering firms available to use that is on call that they could call and get a bid from.

	Aye	Nay
Councilmember Walker	X	
Councilmember Guier	X	
Councilmember McMahan	X	
Councilmember Putnam	X	
Councilmember Jones	X	
Councilmember Hulsey	X	
Councilmember Steiger	X	

**THE MOTION TO AMEND CARRIED 7 to 0.**

Gary Nishtke – He lives across the street from the park and it’s a sandlot type park and thinks it’s fine the way it is right now.

Councilmember Jones recommends that they contact AHBL and ask them for an RFP.

	Aye	Nay
Councilmember Walker	X	
Councilmember Guier	X	
Councilmember McMahan		X
Councilmember Putnam	X	
Councilmember Jones	X	
Councilmember Hulsey	X	
Councilmember Steiger		X

**THE MOTION CARRIED 5 to 2.**

**7. NEW BUSINESS**

**A. Sale Of Property With City Lien -** Betty Garrison states that in June of 2009 the City entered into an agreement with MJF Holdings to finance the amount that they owed the City from a development agreement for stormwater retention for three properties off Blueberry Street. The promissory note was for \$116,311.41 at 4.5% interest. This is the same agreement discussed in the Finance Committee meeting and had been discussing with the City Attorney since they had a buyer for one of the lots and wanted the City to accept a partial payment and release the one lot. They received the payment today. Now he has contacted Betty to inform her that he has potential buyers for the other two lots and wants to work out the same deal with the City. Betty ran an amortization schedule and stated that if the dollars work out exactly the same for the sale of the other two lots, the City would be paid in full for the original debt, however, the City would be short \$4,236.36 of the interest calculations. This information was sent to Councilmember Guier and the City Attorney for review. Council needs to decide whether they want to authorize the sale of the property and take a loss in \$4,236.36 in interest. MJF Holdings have identified the fact they would be happy to turn the two lots over to the City and then the City would then inherit the past due property taxes. Ken Luce states that he has not seen it but if the promissory note is for a given amount plus interest and we have a lien on the property, he could sell those lots and pay the City and the city has a deficiency – the City can go after him personally for the deficiency if they want. Councilmember Jones asks Ken Luce would the cost going after the deficiency be worth it. Ken Luce states it would not and recommends Council not pursue it. Councilmember Jones moved to approve the sale of property for the City lien and absorb the cost of the owed amount to the City

value; Councilmember Hulsey second and moved to amend the motion that Council direct the City Attorney to facilitate the legal paperwork for the sale of the property; Councilmember Jones second;

Council comment: Councilmember Putnam states Council cannot give away public funds. Ken Luce states what needs to be done is to release the lien which goes to the escrow company and they pay the City of the net proceeds from the sale of both lots so there is no action to be taken by the Council. Councilmember Hulsey withdraws his motion to amend; Councilmember Jones withdraws his second to amend. Councilmember Jones withdraws his original motion; Councilmember Hulsey withdraws his second to the original motion.

**B.** Second Whistleblower Complaint - Councilmember Putnam believe the City Attorney has received a copy of the whistleblower complaint that was filed today. Ken Luce states Council should recommend an investigation and then the King County Sherriff's office will add it to their items. Councilmember Putnam moved that Council acknowledge receipt of improper governmental action and recommend proper investigation of these charges and compliance with whistleblower protection; Councilmember Jones second;

Council Comment: Councilmember Putnam states there are a number of accusations made and are serious and the City has an obligation to not retaliate against a whistleblower. Councilmember Jones wants Ken Luce to communicate with the proper authorities to add this to their current investigation.

Public Comment: Duwayne Gratz – Asks if Council can state who filed the whistle blower complaint. Ken Luce states it was made by Paula Wiech.

	Aye	Nay
Councilmember Walker	X	
Councilmember Guier	X	
Councilmember McMahan	X	
Councilmember Putnam	X	
Councilmember Jones	X	
Councilmember Hulsey	X	
Councilmember Steiger	X	

**THE MOTION CARRIED 7 to 0.**

**8. ORDINANCES/RESOLUTIONS**

**A.** Resolution No. 12-1183 – Amendment No. 6 for 136/Valentine Consultant Agreement.

Ted Hill, City of Sumner, states that Amendment No. 6 lists changes in the project.

Councilmember Jones moved to approve Resolution No. 12-1183; Councilmember Putnam second;

Council Comment: Councilmember Jones clarifies that the additional funds is coming out of funds for the project.

Public Comment: Duwayne Gratz – Wants to point out if we had a City Engineer in place then the costs would be less.

	Aye	Nay
Councilmember Walker	X	
Councilmember Guier	X	
Councilmember McMahan	X	
Councilmember Putnam	X	
Councilmember Jones	X	
Councilmember Hulse	X	
Councilmember Steiger	X	

**THE MOTION CARRIED 7 to 0.**

**B. Resolution No. 12-1184 – Authorizing The Mayor To Enter Into And Sign An Agreement With Sound Inspections.**

Betty Garrison states that staff prepared a resolution and the consultant gave his contract they have a drafted letter from the union with the intent to extend the agreement. Councilmember Putnam states the paragraph from the Union has 30 day increments and the contract has 90 days initial terms and 90 day extension with the initial date of August 14, 2012 through September 12, 2012. Councilmember Walker states there is a 14 day termination. Councilmember Walker and Councilmember Guier discussed that since Council was only willing to approve 30 day increments they had put a shortened cancellation of termination clause in the contract so if the union does not agree then Council needs to know 14 days beforehand so they can terminate the contract with Sound Inspections. Councilmember Walker had spoken with Evie earlier and the new agreement coming does not have an end date with the understanding that is still 30 days. Councilmember Walker asks the Mayor if this agreement is for only one person working. Mayor Sun responds that they have not agreed upon that yet. Mayor Sun stated that after Council approves the contract he will confirm with Sound Inspections on that question. Councilmember Putnam states that on the final page it states that the City is responsible to issue the certificate of occupancy; he would like to know who is currently on staff that is authorized to make final decisions on building permits. Paula Wiech stated that that it depends on the type of permit so on some of them with fewer requirements she has signed off on them. Frank Mellas from Sound Inspections spoke stating that they will sign the certificate of occupancy with recommendations from Planning and Public Works to make sure everyone is satisfied with the requirements and confirms that the contract is only for one employee. Ken Luce is bothered by the last comment on page 5, "to issue the certificated of occupancy or otherwise make final decisions upon recommendation by the contract Building Official"; it looks like it places the burden on City to do that and he thought he heard Sound Inspections state they were doing that so that should not be part of the City's obligation. Ken Luce asked Frank Mellas who is going to issue the certificate of occupancy and make the final decisions. Frank replied they will as long as they have approval from Planning and Public Works. Ken Luce stated the City does not have a Public Works director or Planning director. Mayor Sun replied to Ken Luce that the directors will be in place as soon as Ken Luce works out the interlocal agreement with the City of Auburn. Ken Luce stated he tried to work with the City of Auburn and they turned it down. Frank Mellas states he does all the inspections for water, sewer, building, plumbing and mechanical permits for residential buildings. Ken Luce asks to take that last statement out of the agreement.

Councilmember Jones moved to approve Resolution No. 12-1184;

Councilmember Walker second;

Council Comment: Councilmember Jones states that Council should modify the contract on page 5 first bullet on top of page to remove that item. Ken Luce states Council is approving the resolution and the contract is separate so whoever is authorized to enter into the contract should be asked to remove that item for consideration at that time. Councilmember Walker moved to amend the motion to approve the Resolution be contingent upon the satisfaction of the City Attorney and terms of the agreement be entirely consistent in place with the Union's letter of understanding; Councilmember Putnam second;

Public Comment: Duwayne Gratz – Wanted an update on Roger Smith. Mayor Sun replied that Roger is still on medical leave. Duwayne asked whether a consultant is authorized to issue final occupancy. Councilmember Hulsey replied that the international building code allows a certified inspector to do the work and Frank Mellas is certified.

	Aye	Nay
Councilmember Walker	X	
Councilmember Guier	X	
Councilmember McMahan	X	
Councilmember Putnam	X	
Councilmember Jones	X	
Councilmember Hulsey	X	
Councilmember Steiger		X

**THE AMENDED MOTION CARRIED 6 to 1.**

Councilmember Putnam states that in the Council packet is a notice from the Washington State Rating and Service Bureau that for lack of response they are going to have the City's rating reduced unless they have the City's responses into their building code survey so the City needs to have someone in there.

Public Comment: Jeanne Fancher – She would like Council to use last names and would like the whereas sections in the Resolutions and Ordinances to be read out loud since the citizens do not have a copy.

Councilmember Guier state she will vote in favor of this even though she is not in favor of the fee and wants to see the position filled.

	Aye	Nay
Councilmember Walker	X	
Councilmember Guier	X	
Councilmember McMahan	X	
Councilmember Putnam	X	
Councilmember Jones	X	
Councilmember Hulsey	X	
Councilmember Steiger		X

**THE MOTION CARRIED 6 to 1.**

**C. Resolution No. 12-1185 – Ratifying Mayor’s Action Signing Letter Of Agreement With Union - Building Official.**

Councilmember Putnam moved to approve Resolution No. 12-1185;  
Councilmember Guier second;

Council Comment: Councilmember Putnam states the City clearly has a need to cover the building inspector position. Councilmember Guier is in favor of the 30 day increment. The contract is for 90 days and can be cancelled by 14 days notice.

Public Comment: None.

	Aye	Nay
Councilmember Walker	X	
Councilmember Guier	X	
Councilmember McMahan	X	
Councilmember Putnam	X	
Councilmember Jones	X	
Councilmember Hulsey	X	
Councilmember Steiger	X	

**THE MOTION CARRIED 7 to 0.**

**D. Resolution No. 12-1186 – Ratifying Mayor’s Action Signing Letter Of Agreement With Union - Community Services Assistant.**

Councilmember Jones moved to approve Resolution No. 12-1186;  
Councilmember Putnam second;

Council Comment: Councilmember Putnam states there is a need to fill this position on an interim basis.

Public Comment: None.

	Aye	Nay
Councilmember Walker	X	
Councilmember Guier	X	
Councilmember McMahan	X	
Councilmember Putnam	X	
Councilmember Jones	X	
Councilmember Hulsey	X	
Councilmember Steiger	X	

**THE MOTION CARRIED 7 to 0.**

**E. Resolution No. 12-1187 – Merchant Card Services.**

Councilmember Putnam moved to approve Resolution No. 12-1187;  
Councilmember Hulsey second;

Council Comment: Councilmember Putnam states this is paperwork clean up.

Public Comment: None.

	Aye	Nay
Councilmember Walker	X	
Councilmember Guier	X	
Councilmember McMahan	X	
Councilmember Putnam	X	
Councilmember Jones	X	
Councilmember Hulsey	X	
Councilmember Steiger	X	

**THE MOTION CARRIED 7 to 0.**

**F. Resolution No. 12-1188 – Authorizing The Execution Of Supplement #8 To A Contract With Skillings Connolly For Costs Associated With Additional Project Management Services And Preparation Of A Memorandum Of Understanding (MOU) Between The City Of Pacific And Gordon Trucking**

Tom Skillings states they have finished 95 percent of the design for Phase I and Phase II in April and then the environmental document was submitted to the highway and local programs of the State. At the same time when they were reviewing it they found a stormwater pond located on the west side of the Gordon Trucking property underneath the PSE's where they were going to put in the pond did not fall within the definition of the area and potential effect to the project so they had to add that to the environmental document. Since April they have been meeting with PRSC and filling out applications and definitions of the project. They have extended about \$60,000 to \$65,000 which has been paid out of the design money. The additional \$35,000 is ongoing work that we anticipate for the life of this project to take care of additional project management in association with the environmental document. Third component is the letter from the Transportation Improvement Board. They state TIB is monitoring the project and they have determined that the agreements were not in place to secure the rest of the project such as an agreement with Gordon Trucking. TIB wants their agreements finalized before they release anymore funding for the project. We have gone through the negotiations to finalize a memorandum of agreement with Gordon trucking as it impacts the funding drastically.

Council Comment: Councilmember Jones states that TIB has stated that the City has to meet these certain criteria otherwise they will not release the funding.

Councilmember Jones move to approve the Resolution; Councilmember Hulsey second;

Councilmember Jones states this Resolution is needed to have Skillings Connolly represent the City on these items in order to move forward on these projects. Councilmember Hulsey states the City needs to continue to get their funding back in place. Councilmember Putnam asks if on section 1, should the Council authorize the Mayor Pro-Tem to be an alternative signor on the agreement. There as no response from the Council to Councilmember Putnam's question.

Duwayne Gratz – He has heard that Skillings Connolly was not paid their last invoice and states they should be paid for their services.

Jeanne Fancher – Jeanne asks if the City Attorney would be assisting Skillings Connolly in the negotiations. Tom Skillings states there will be some need for the City Attorney’s assistance in reviewing past documents to determine their validity and scope. This memorandum of understanding will not buy the ROW, it will only solidify the agreements.

	Aye	Nay
Councilmember Walker	X	
Councilmember Guier	X	
Councilmember McMahan	X	
Councilmember Putnam	X	
Councilmember Jones	X	
Councilmember Hulseley	X	
Councilmember Steiger	X	

**THE MOTION CARRIED 7 to 0.**

**9. CONSENT AGENDA**

*(The Mayor shall place matters on the Consent Calendar which are so routine or technical in nature that passage is likely.)*

- A.** City Council Meeting Minutes from July 09, 21012; City Council Special Meeting Minutes from July 10, 2012; City Council Workshop Meeting Minutes from July 16, 2012 and City Council Special Meeting Minutes from July 16, 2012.

Councilmember Jones made a motion to approve item A; Councilmember Putnam second; All ayes.

- B.** Claim Voucher & Payroll Approval –

Councilmember Putnam move approval of Item B with the exception of Check No. 40379; Councilmember Guier second;

Councilmember Putnam states there are a few discrepancies between the agenda item cover sheet and the actual register of vouchers. Betty Garrison stated that in the Mayor’s absence last week, the Finance department thought it would be best to process all invoices knowing they would not all be approved as it is easier to void them. She has met with the Mayor to obtain signatures and in that process the Mayor pulled four invoices from payment; Council needs to approve them or they will be voided but they are not voided yet. They are: AHBL check No. 40289; Check No. 40344 for Ken Luce; Check No. 40378 for Skillings & Connolly and Check No. 40379 for Sound Inspections.

Councilmember Putnam wants to hear the reasons for non payment for all four invoices. Mayor Sun responds he pulled it because he has some questions to which he does not have the answer to yet until he obtains more information. Councilmember Putnam asks if we are in danger of being late on any of those payments. AHBL are June invoices, the Ken Luce invoice is a July invoice and the Skillings Connolly invoice is from June and July and Sound Inspection is from June and July. Councilmember Guier made a motion to approve checks 40289, 40344, and 40378; Councilmember Jones second;

Council comment: Councilmember Steiger questions a check for administrative leave and wants to know what employee it is for. Councilmember Walker states it is for Bob Boyd. Councilmember Steiger questions why Bob Boyd is receiving administrative pay when he is out on medical leave. Ken Luce states he does not know the City's policy for administrative leave but if it's being abused then the Council will be in the position of waste of City funds and states the Treasurer should look into it and report back to Council and have Bob called back to work then proceed with the process to terminate the employee. Councilmember Walker asks if this is a Council action or Mayor action. Ken Luce states it is an administrative action. Councilmember Walker states Council does not approve administrative leave and if Councilmember Steiger suspect's fraud then he should ask the City Attorney to do an investigation. Councilmember Steiger would like Ken Luce to investigate the matter.

Public Comment: Frank Mellas, Sound Inspections – He states he does have a signed contract. He has provided a service and brought in revenue for the City. He states his contract is a legal document.

	Aye	Nay
Councilmember Walker	X	
Councilmember Guier	X	
Councilmember McMahan	X	
Councilmember Putnam	X	
Councilmember Jones	X	
Councilmember Hulsey	X	
Councilmember Steiger	X	

**THE MOTION CARRIED 7 to 0.**

**C. Financial Statements -**

Betty Garrison states the budget for legal services was \$23,000 for the entire year and the amount spent to date is approximately \$59,000. Betty is presenting financial statements for approval. The City of Pacific has not done it in the past however she did run it by Mark Rapozo out of the State Auditor's office. There were a number of issues that came up that made it very difficult to get the financial statements balanced. The financials are now reconciled for the first time in ten years and the auditor was pleased that it was completed. It is mandatory that it all be caught up current prior to the audit that is coming soon. There will be some journal entries as there were problems with the bars numbers. Councilmember Putnam states there been a lot of talk about a 10 million error in the books. Betty states it was put in the wrong places. Since the switch from Eden software in 2002 to Springbrook, there were problems with the set up. The City of Pacific is a cash basis entity so expenses and revenues are recognized at the time cash changes hands. They have been booking retained earnings. Half of the books were partially done as if it was an accrual basis. It is not that money was missing; it was just not in the right line items. Councilmember McMahan if Betty has found any funds in the red. Betty states that there were funds in the red in 2011 that will cost the City an audit finding as they were street project funds and the reimbursement from the funding agencies were not submitted timely and the money was spent with consultants. Finance Committee has been informed on every issue that Betty has found. Councilmember Putnam asks Betty if she has found any money missing. She replies that she has not; that there was money in the bank but not in the books which may have to do with deposits

Councilmember Putnam moved to approve the year end and 1<sup>st</sup> quarter financial statements;  
Councilmember Walker second;

Councilmember Putnam thanked Betty Garrison for her hard work.

	Aye	Nay
Councilmember Walker	X	
Councilmember Guier	X	
Councilmember McMahan	X	
Councilmember Putnam	X	
Councilmember Jones	X	
Councilmember Hulse	X	
Councilmember Steiger	X	

**THE MOTION CARRIED 7 to 0.**

**10. EXECUTIVE SESSION-**

**11. ADJOURN-** The meeting adjourned at 9:30 p.m.

  
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 Angelica Solvang, Interim City Clerk