

**CITY OF UNIVERSITY PLACE  
MINUTES  
Regular Meeting of the City Council  
Monday, October 2, 2023**

**1. CALL REGULAR MEETING TO ORDER**

Mayor Pro Tem Figueroa called the Regular Meeting to order at 6:30 p.m.

**2. ROLL CALL**

Roll call was taken by the City Clerk as follows:

Councilmember Keel	Present
Councilmember Wood	Present
Councilmember McCluskey	Present
Councilmember Flemming	Present
Councilmember Belleci	Present
Mayor Pro Tem Figueroa	Present
Mayor Worthington	Excused

Staff Present: City Manager Sugg, City Attorney Kaser, Police Chief Burke, Administrative Services Director Petorak, Community & Economic Development Director Briske, Human Resources Manager Moreland, Senior Human Resources Analyst Hands, Public Works Director Ecklund, and City Clerk Genetia.

**3. PLEDGE OF ALLEGIANCE**

Councilmember Wood led the Council in the Pledge of Allegiance.

**4. APPROVAL OF AGENDA**

**MOTION:** By Councilmember Belleci, seconded by Councilmember Keel, to amend the agenda to remove Item #10-State Building Code Amendments.

**The agenda was approved as amended.**

**5. PUBLIC COMMENT – None.**

**6. CONSENT AGENDA**

**MOTION:** By Councilmember Belleci, seconded by Councilmember Keel, to approve the amended Consent Agenda as follows:

- A. Approve the minutes of the September 18, 2023 Council meeting as submitted.
- B. Receive and File: Payroll for period ending 09/15/23; and Claims dated 09/15/23.
- C. Authorize the City Manager to award the 35<sup>th</sup> Street West Phase I Improvements project to R.L. Alia Company in the amount of \$2,520,604.40 and execute all necessary contract documents.

**The motion carried.**

**7. CITY MANAGER & COUNCIL COMMENTS/REPORTS**

City Manager Sugg reminded the Council and the public of the Oktoberfest event taking place at Market Square on October 13, from 5:00 p.m. to 9:00 p.m.

Councilmember Wood reported that he participated in the Pierce County climate conversation, "Creating Regional Resilience Through Collaboration," and shared information on grants available for potential climate related uses/applications and future meeting policies.

Councilmember Keel reported that he attended the National League of Cities Board meeting and conveyed its discussions with U.S. congressional leaders in Washington, D.C. He also attended the Association of Washington Cities Board meeting and shared discussions on membership and strategic plan. He encouraged his colleagues to be part of AWC's leadership roles.

Councilmember Belleci provided information on upcoming community events. She shared that she attended the West Pierce Fire and Rescue's Community Emergency Response Team training and is now a certified CERT team member. Councilmember Belleci suggested inviting WPFR to give a brief presentation to the community on the CERT training program.

Mayor Pro Tem Figueroa supported Councilmember Belleci's suggestion and asked City Manager Sugg to relay it to the Mayor during the next agenda meeting. He reported that the PCRC workgroup has presented its funding recommendation to Pierce County Regional Council. He also reported on Puget Sound Regional Council Executive Board and Operating Committee's meeting discussions.

## STUDY SESSION

### 8. COUNCIL SALARY ADJUSTMENTS

Human Resources Manager Moreland provided an overview of State laws pertaining to Council salary and Public Employees Retirement System-related adjustments. She covered and explained the State's minimum wage and its role in determining PERS eligibility, the administrative codes that regulates the eligibility requirements for elected officials to earn service credits, and the membership rule and length for elected officials.

Ms. Moreland noted that in January 2023, the Washington prevailing minimum wage was \$15.74 an hour. Based on the service credit calculation, council members need to earn at least \$1,416.60 a month to be eligible for service credit towards retirement. She indicated that the Mayor and Mayor Pro Tem are eligible to earn PERS service credits for now based on their respective salaries. However, the other council members whose salaries are \$8.60 less than the minimum required under state law, did not receive service credits for 2023. Participating members and the City continued to contribute as membership is an irrevocable decision per WAC 415-108-550.

Adjustment of council salaries is controlled by the Washington State Constitution. It prohibits any salary increase or decrease after an election and during the term of office, but Article 30, Section 1 restricts this to those officials who set their own salaries. In this instance, any increase or decrease in salaries may not take effect until the next term of office. Should Council decide to pursue a salary adjustment, the compensation change to meet PERS service credit requirement estimate for the next election cycle (assuming a 4% inflation) is: \$1,783 for Councilmember, \$1,926 for Mayor Pro Tem, and \$2,080 for Mayor. This will result in an estimated cost (annually) of \$38,000 more than what is budgeted for 2024.

Ms. Moreland presented Council with three options:

1. Make no changes to Council salary. Current participating members will continue to contribute but will not receive any service credits unless the member is selected as Mayor or Mayor Pro Tem.
2. Consider raising the Council salary to \$1,783 and maintain a uniform 8% differential in-between for the Mayor Pro Tem and Mayor. This consideration will result in an increase of approximately \$37,475 or 26% over what is currently budgeted for the 2024 year.
3. The Council can create a salary commission, who would have the authority to set Council salaries, including the ability to increase salaries during a council member's term. The commission's decision to reduce salaries would take effect after a council member's term ends. The commission members would have no obligation to maintain PERS eligibility.

Questions were answered about qualifications and eligibility requirements for service credit, pension calculation process, timing for the creation of a salary commission and salary increase/decrease, budget

cost estimate, and PERS credit and salary threshold. Discussion on the pros and cons of a salary adjustment and the creation of a salary commission followed. After discussion, the Council consented to move option #2 for consideration at a future meeting, and to have a study on salary commission later.

**9. UPMC CHAPTER 12.15 SURFACE WATER MANAGEMENT FEE UPDATE**

Public Works Director Ecklund provided a recap of the previous discussion on surface water management fee update. The City’s SWM Fee is currently \$191.15/single family residence per year. Commercial users are charged based on actual impervious areas on their lots. The fee was last adjusted for inflation in 2005. In 2008 an adjustment for additional operational costs was made to account for the new NPDES permit implementation requirements. Director Ecklund indicated that the City’s financial projection shows the SWM fund will go negative in 2025 and within ten years, will have a deficit of nearly \$2 million. This forecast assumes no capital expenditures after 2023 and the three percent average increase of operating cost. He noted that the State is issuing the City a new NPDES permit in 2025 which will impose additional storm water management requirements. The current SWM fee level will not allow the City to meet the current NPDES requirements after 2023 as well as other future requirements under the new permit. The City has contracted with Gray & Osborne to update the City’s Comprehensive Storm Drainage Plan and has performed an engineer’s estimates for the needed capital improvements, evaluated the staffing levels required to meet the City’s NPDES obligations and have built a financial model that includes current and needed operational costs, capital costs, equipment needs, funding sources and projected growth rates. To minimize the annual SWM fee to all property owners, staff are recommending implementing a system development charge. This charge would be assessed for new developments at the time of permitting. The charge is based on the impervious surfaces added to the development and represents new growth buying into the existing storm system capacity. He indicated that State law limits the maximum fee for the system development charge (SDC). For the City, this would equate to a maximum SDC of \$1,551 per equivalent residential unit (ERU). Staff recommends \$280 per ERU and for the fee to not take effect until 2025. He went over the annual SWM fee calculation built on a cost-based model prorated over 20 years. Based on the calculation, the needed annual SWM fee equals to \$284.22/ERU.

At the last study session, Council have expressed concerns with regards to the SWM fee increase and how it would impact property owners, especially commercial properties. They also did not want to see the fee spread out in a way that would result in a higher fee being imposed later down the road. Director Ecklund went over the fee adjustments that have been made and presented the following rate comparison scenarios to address them:

	<u>2024</u>	<u>2025</u>	<u>2026</u>
SWM Rate full increase 2024 with 1.65% annual increase	\$284.22	\$288.91	\$293.68
SWM Rate ramp over 2 years with 1.65% annual increase	\$237.69	\$288.91	\$293.68
SWM Rate ramp over 3 years with 1.65% annual increase	\$222.17	\$257.37	\$293.68

The financial model requires an adjustment of 1.65% to be able to account for inflation and normalized growth. Staff recommends the 3-year implementation scenario. Director Ecklund explained that although there are disadvantages to this scenario, staff believes that the benefit of spreading the fee over the 3-year term greatly outweighs the negative. In addition, Director Ecklund shared that the City’s current NPDES permit requires the City to encourage a low impact development credit (10%) – this will be included as part of the of the existing SWM credit under the code.

Questions were answered regarding rate comparison among jurisdictions, programmatic requirement costs, accounting for increased capital, fee for NPDES permit, delay cause in roadway project, system development charge, impact on new development, and abatement cost.

At 9:00 p.m., a motion was made and was carried to extend the meeting by five minutes.

**10. STATE BUILDING CODE AMENDMENTS – (REMOVED)**

11. **ADJOURNMENT** – The meeting adjourned at 9:04 p.m. No other action was taken.

Submitted by,

Emy Genetia  
City Clerk

UNOFFICIAL DOCUMENT