

MINUTES
Ferndale City Council Meeting
Held Monday, December 16, 2002
City Hall Annex Building - 5694 Second Avenue
7:00 p.m.

PRESENT: Councilmember Albert Lavine
Councilmember Mike Reilly
Councilmember Susan Cole
Councilmember Ron Wilson

Councilmember Mel Hansen
Councilmember Marianne Elgart
Councilmember Jerry Landcastle

ABSENT: Mayor Carolyn Jensen

Mayor Pro-Tem Mel Hansen presiding

STAFF: City Administrator Roland Signett
Planning Director Tom Black
Police Chief Dale Baker

City Clerk Linda Knutson
Public Works Director Loren Sperry

CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Mayor Pro-Tem Hansen.

CONSENT AGENDA

The following consent agenda was moved for approval by Councilmember Cole and seconded by Councilmember Lavine:

1. Approval of Minutes of 12/02/2002 Council Meeting
2. Approval of Payroll of 12/03/02; Auto-Deposit Amount: \$104,982.15; Checks #21623 - #21634 Amount: \$29,219.37; Total Payroll: \$134,201.52
3. Approval of Claims Run for December, 2002; Checks #38830 - #38894; Total Claims: \$212,492.19 Checks #38842 & 38843 VOID - Printer Jam

Motion passed unanimously.

PUBLIC HEARINGS - KENT SELBY VARIANCE AND NORM ROBERTSON VARIANCE

Mayor Pro-Tem Hansen announced that the public hearings on the variances sought by Kent Selby and Norm Robertson had been postponed to the January 6th Council meeting. John Slaughter, of 6035 Westerland Court, asked why he had not been notified of the cancellation prior to the meeting. It was explained that postponements are to be announced to a date certain at the meeting for which they were scheduled. Mr. Slaughter felt that a mailed notice would have been more appropriate.

PUBLIC COMMENT

Ernie Heinrich thanked Public Works and City staff for removing a hazardous tree near his home.

Lonnie Bauman, a Sergeant with the Ferndale Police Department, stated that officers had not heard anything recently regarding a new police facility, and wondered what the status was. Administrator Signett replied that location was now the biggest issue. A recent offer for a property that the City was interested in was declined. The City is now hoping to locate on property already owned by the City that is not in the floodplain. The City is also exploring building alternatives, including state-of-the-art modular facilities such as the recently installed Walla Walla County criminal justice building.

John Friberg asked about the future of the Tosco Sports Complex since the bond issue failed. Administrator Signett explained that the City was working towards a revised and much scaled down project with what funds are still available. A new proposal will be submitted to IAC regarding completing one or two fields and the lighting.

2003 BUDGET ORDINANCE #1291

Mayor Pro-Tem Hansen announced that the revised 2003 Budget had been handed out and included all consensus changes requested at the last budget workshop of December 5th.

Motion

Councilmember Landcastle moved to allow citizens to comment on the budget at any time during the discussion. This was seconded by Councilmember Wilson.

Discussion

The Council discussed at length different formats for allowing public comment during the budget deliberations.

Motion passed unanimously.

Main Motion

It was moved by Councilmember Landcastle and seconded by Councilmember Cole to approve Ordinance #1291 adopting the 2003 budget for the City of Ferndale.

Discussion

Councilmember Landcastle had several questions about different line items. Administrator Signett responded that the Tillicum House's roof and other needed repairs is being reviewed by the Equipment and Facilities Committee, and that the Alcoa contributions for 2002 and 2003 were reflected in different funds in the 2003 budget.

Amendment to Main Motion

It was moved by Councilmember Reilly and seconded by Councilmember Lavine to leave the two clerical positions that had been tentatively cut back into the 2003 budget.

Discussion

Councilmember Reilly stated that reinstating these positions would lower cash reserves from \$330,000 to \$270,000, which he felt was sufficient. He further felt that the City could review staff levels again in June, but that these two positions were needed.

Councilmember Lavine agreed with Councilmember Reilly, reiterating that reserves were adequate.

Vote on Amendment

Motion passed four to three, with Councilmembers Landcastle, Cole and Elgart voting no.

Motion for Reconsideration

Councilmember Cole moved for reconsideration of the water and sewer connection fee increase passed at the last regular meeting of December 2nd, 2002. Councilmember Elgart seconded.

Motion for reconsideration passed four to three, with Councilmembers Landcastle, Wilson and Lavine voting no.

Mayor Pro-Tem Hansen announced that the original motion to increase water and sewer fees 25% (5% increase with 20% surcharge) and to increase water and sewer connection fees by 5% was back on the floor.

Motion

Councilmember Reilly moved to raise water and sewer connection fees by 10%, rather than 5%, and to leave the water and sewer user rates at the previously decided upon 25%. This was seconded by Councilmember Elgart.

Discussion

Councilmember Reilly stated that the connection fees have not kept pace with the water and sewer rates.

Councilmember Elgart agreed, saying that new development should not burden existing homeowners, and this increase would be more of a "fair share" arrangement.

Councilmember Landcastle said he would not support any further increases. He felt that this decision would amount to "shooting themselves in the foot" and the result would be fewer connections.

Councilmember Elgart felt the increase would bring about equalization.

Douglas Knight, from the assembled, felt that the Council needed to do whatever they had to do to meet debt service.

Mayor Pro-Tem Hansen said that he would not support anything over a 5% increase in connections.

Vote

Motion failed three to four, with Councilmembers Lavine, Landcastle, Wilson and Hansen voting no.

Original Motion on Water and Sewer Rates and Fees

The original motion to set 2003 water and sewer rates at 25% and water and sewer connection fees at 5% was stated.

Vote

Motion passed five to two, with Councilmembers Reilly and Cole voting no.

Amendment to Main Motion

Councilmember Cole moved to increase the contribution to the Chamber of Commerce from \$13,000 to \$15,000. This was seconded by Councilmember Reilly.

Discussion

Councilmember Cole felt that it would be punitive to cut back Chamber funding. Councilmember Reilly agreed, stating that the extra \$2,000 would not impact the bottom line in the Transient Lodging Tax Fund.

It was pointed out that the Council had agreed to fund the Heritage Society at \$3,500 for 2003 rather than the \$3,000 listed. Staff will correct this error.

Vote

Amendment passed unanimously.

Amendment to Main Motion

Councilmember Elgart moved to reduce the Council's travel line-item from \$3,000 to \$2,000. This was seconded by Councilmember Lavine.

Discussion

Councilmember Elgart felt that since the City was in a tight budget situation, the Council should reduce this item.

Councilmember Reilly responded that 2003 will be an important year for Council to attend meetings in Olympia and urge legislators to help the smaller cities with various funding challenges.

Administrator Signett agreed and stated that it would probably be a good idea to meet with federal officials regarding the bigger projects and priorities the city is facing.

Vote

Amendment failed three to four, with Councilmembers Reilly, Hansen, Cole, and Wilson voting no.

Amendment to Main Motion

Councilmember Landcastle moved to strike the \$3,000 earmarked for "Main Street Project Publicity" in the Current Expense Fund. Councilmember Wilson seconded.

Discussion

Councilmember Landcastle believed that expenditure should come from the Main Street Project Fund and not Current Expense.

Councilmember Elgart did not care for the term "publicity" and thought that "communications" would be more appropriate. She further stated that \$1,500 might be a more reasonable expenditure.

Councilmember Reilly agreed to the word change, but said that this would be money well-spent in keeping citizens informed.

Mayor Pro-Tem Hansen also agreed, and offered that "Main Street Project Communications" better described the real intention of the item.

Vote

Amendment passed six to one, with Councilmember Reilly voting no.

BREAK

The Council and assembled took a break from 9:00 p.m. to 9:05 p.m.

MEETING RECONVENED AT 9:05 p.m.

Final Vote on Main Motion with Amendments

Mayor Pro-Tem Hansen asked if the Council was ready to vote on the main motion with amendments. They stated that they were.

Main Motion for approval of 2003 Budget Ordinance #1291 passed five to two, with Councilmembers Landcastle and Wilson voting no.

RIGHT-OF-WAY PURCHASES FOR RURAL & SUNSET PROJECT AND MAIN STREET PROJECT

Public Works Director Sperry outlined that right-of-way purchases for the two projects that were now ready for signing. Councilmember Reilly noted that the projects cannot proceed without finalization of these purchases.

Rural and Sunset R-O-W

Councilmember Reilly moved to approve purchase of rights-of-way associated with the Rural and Sunset Project. Councilmember Lavine seconded.

Motion passed unanimously.

Main Street R-O-W

Councilmember Reilly moved to approve the purchase of rights-of-way associated with the Main Street Project. This was seconded by Councilmember Cole.

Motion passed unanimously.

CANCELLED CONTRACT - MATIA CONTRACTORS

Streets and Utilities Committee Action Item

Councilmember Reilly, Chair of the Committee, related that the Committee had reviewed tentative settlement figures for start-up costs incurred by Matia Contractors for the Tosco Sports Complex

Improvement Project which was cancelled approximately 10 days after the bid was awarded due to grant monies being withdrawn.

The City and the Contractor were initially at an impasse regarding fair settlement, and after intensive review by City staff and engineers, it was generally felt that \$20,000 was a fair and equitable settlement.

Motion

Councilmember Reilly moved to approve settlements costs to Matia Contractors in the amount of \$20,000, which was seconded by Councilmember Landcastle.

Discussion

Several Councilmembers noted the addition of \$1,580.00 in sales tax added to the agreed upon \$20,000. They were adamant that the \$20,000 was a firm offer, and that nothing above that amount was acceptable.

Vote

Motion passed six to one, with Councilmember Cole voting no.

2003 INTERGOVERNMENTAL ASSIGNMENTS

Mayor Pro-Tem Hansen opened the discussion regarding intergovernmental assignments for the 2003 year.

Councilmember Reilly stated that he wished to resign from the **Solid Waste Advisory Board**, since he had sat on that Committee for five years. The City Clerk will send a letter of resignation to the Board on behalf of Councilmember Reilly, and submit Councilmember Elgart's name as a possible replacement.

Councilmember Reilly also wished to resign from the **Flood Control Zone District Advisory Committee**, but felt that it was very important for Ferndale to continue to have a strong voice in these matters. He stated that if no one else wished to fill this position he would remain on this Board. Councilmember Wilson said he would consider it for a few weeks.

Mayor Jensen, who was absent from this meeting, will be asked if she wishes to continue on the **Whatcom County Council of Governments (COG)**, since she has many other assignments to attend. Councilmember Reilly volunteered to sit on this Council if Mayor Jensen wishes to vacate.

The rest of the assignments will remain as in 2002 and as listed below:

Bellingham International Airport Advisory Committee _____ Councilmember Mel Hansen

Emergency Management Council Mayor Carolyn Jensen

Growth Management Oversight Committee Planning Director Tom Black

Ferndale School Board Liaison _____ Councilmember Mel Hansen

Flood Control Zone District Advisory Committee POSSIBLY Councilmember Mike Reilly

Risk Service Management Agency Operations Committee _____ City Administrator Roland Signett

Solid Waste Exec Committee _____ Mayor Carolyn Jensen

Solid Waste Advisory Board VACANCY

Transient Lodging Tax Advisory Committee _____ Councilmember Susan Cole

Transportation Technical Advisory Committee _____ Public Works Director Loren Sperry

What-Comm Operations Advisory Committee Police Chief Dale Baker and Councilmember Marianne Elgart

Whatcom County Council of Governments POSSIBLY Mayor Carolyn Jensen

Whatcom Transportation Authority Governing Board Councilmember Jerry Landcastle

Whatcom County Fire District #7 Council Liaison Councilmember Jerry Landcastle

SET COMMITTEE MEETINGS

The following Committee meetings were set for the week of December 16th:

Streets and Utilities	Wednesday, December 18 th	10:00 a.m.
Planning and Judicial	Wednesday, December 18 th	1:00 p.m.

No other meetings are planned until January.

COUNCIL REPORTS

Councilmember Cole reported that the Chamber of Commerce auction to raise funds for new holiday decorations for street lights netted over \$3,000 . Also she asked that people contact her if they wished to attend the upcoming installation banquet for 2003 officers for the Chamber.

Councilmember Elgart suggested that the City contact the Bellingham Herald to make sure that City Council agendas, meeting times, and hotline and contact phone numbers are published on a regular basis in the almanac section.

Councilmember Landcastle explained how the recent anonymous donation to the Whatcom Community Network, in the amount of \$100,000, will be awarded to non-profit entities based on certain grant criteria.

ADJOURNMENT

There being no further scheduled City business, the meeting was adjourned at 10:00 p.m.

ATTEST:

Hansen, Mayor Pro-Tem Mel
Linda Knutson, City Clerk