

Public Hearing Opened

Walt Pollman had reviewed the projects and stated that widening Main Street from Sterling to the western City Limits was a very important project from a pedestrian safety standpoint. He further felt that the motoring public should be encouraged to use alternate routes, other than Main Street, for freeway ingress and egress. He stated that with some minor modifications, Portal Way would be an excellent alternative.

Public Hearing Closed

Council Discussion

Councilmember Hansen agreed with Mr. Pollman's suggestion regarding I-5 alternatives. He further suggested that Somerset Street should be added to item #20 on the list which is explained as "*Second Avenue Reconstruction - from Washington Street to Eaton Street - removal of p.c.c. pavement, utility relocation, and storm drainage.*" The Council as a whole discussed these items and felt they were both appropriate to transportation priorities in the City.

First Motion

It was moved by Councilmember Hansen and seconded by Councilmember Oliver to add Somerset Street to item #20 from Second Avenue to Portal Way.

Motion passed unanimously.

Second Motion

It was moved by Councilmember Hansen and seconded by Councilmember Oliver to approve the Six Year Transportation Improvement Plan 2004-2009 as amended.

Motion passed unanimously.

PUBLIC HEARING: ORDINANCE #1304 EXTENDING PLANNED UNIT DEVELOPMENT ORDINANCE

Staff Report

Director Black reviewed Ordinance #1304 which extends the current PUD Moratorium for a maximum of an additional six months. The Council had been provided with the proposed new provisions regarding Planned Unit Developments, which will undergo a public hearing with the Planning Commission who will incorporate any additional changes, and then make a recommendation to the City Council. This process should take approximately two months. Director Black had added a provision to Ordinance #1304 stating that once the new provisions are adopted, the moratorium is lifted.

Public Hearing Opened

Lloyd Zimmerman felt the extension was appropriate.

Public Hearing Closed

Council Discussion

Councilmember Elgart stated that the new provisions were well thought-out, and that she would support Ordinance #1304.

Motion

It was moved by Councilmember Hansen and seconded by Councilmember Wilson to approve Ordinance #1304 providing for a six month extension of the PUD moratorium, and the lifting of said moratorium once the new provisions have been adopted.

Motion passed unanimously.

STORMWATER CULVERT REPLACEMENT

Streets and Utilities Committee Action Item

Director Sperry updated the Council that Strider Construction had provided an estimate for slip-lining the existing 36 inch cmp storm pipe with 30 inch sdr from Pacific Northwest Bank on Fourth Avenue to the outfall located near Dimitri's Restaurant on Main Street just west of City Hall. Including taxes, permits, and fees, the total would be approximately \$120,000 to complete the project.

Administrator Signett stated that to fund this project the Utility Reserve Fund could be used. This would leave about \$80,000 in the fund, which leaves it critically depleted. Engineer Ebe stated that the 30 inch liner will handle approximately ten-percent less capacity than the 36 inch pipe. He further stated that eventually the outfall area will need to be addressed.

Councilmember Wilson asked which permits needed to be secured. Director Sperry stated that Department of Ecology permission was needed.

Councilmember Oliver wondered if the ten-percent drop in flow capacity would present problems with the culvert. Director Sperry said that due to the different type of material being used to slip-line the culvert, the water flow will meet less resistance than the steel corrugated material. It was Sperry's opinion that the slight reduction in flow should present no problems.

Councilmember Elgart stated that she was very uncomfortable with such a severe depletion in the Utility Reserve Fund and wondered if the project could be delayed while the City explored loans or grants. Director Sperry and Administrator Signett understood these concerns and stated that any delay could result in the total collapse of the culvert, resulting in at least tripling the proposed \$120,000 expenditure.

It was moved by Councilmember Hansen and seconded by Councilmember Elgart to approve the culvert slip-line by Strider Construction for approximately \$120,000.

Motion passed unanimously.

Administrator Signett will present a six-month budget report at the next Council meeting, which will include revenues on connection fees.

ORDINANCE #1303 - PROVIDING SHORT-TERM FINANCING FOR MAIN STREET PROJECT

Planning and Judicial Committee Action Item

Administrator Signett stated that this ordinance will provide for a \$1 million grant anticipation loan which will act as a line-of-credit for payment of expenses on the Main Street Project. The payback rate will be set at 65% of the prime rate.

It was moved by Councilmember Wilson and seconded by Councilmember Elgart to approve Ordinance #1303.

Motion passed unanimously.

PIONEER PARK TOUR AND CONCESSION AGREEMENT

This item was referred back to Planning and Judicial Committee, as the President of the Heritage Society has not had time to for review.

DARE AGREEMENT 2003-2004

Planning and Judicial Committee Action Item

Mayor Jensen reported that Administrator Signett had presented the proposed DARE agreement for the upcoming school year. The much-scaled down agreement provides for 300 hours of DARE education to schools in the Ferndale District, with the District paying \$12,000 to cover officer wages, benefits, and other associated expenses. Officer Melanie Campos will be the instructor for the program.

Councilmember Elgart had some concerns regarding officer time which might be better spent on patrol and asked Chief Baker if he anticipated any problems in this area. Chief Baker said scheduling will provide for adequate coverage.

It was moved by Councilmember Elgart and seconded by Councilmember Hansen to approve the DARE Agreement for the 2003-2004 school year.

Motion passed unanimously.

ADMINISTRATIVE ACTION ITEMS

Tosco Project Update

Director Sperry noted that the contractor awarded the Tosco bid has completed all necessary document requirements and is ready to proceed.

Rural/Sunset Project Bid

Director Sperry stated that WashDOT was reviewing the bids received the previous Friday and would render an opinion/ruling by Tuesday July 8th. There will be a probable Special Council Meeting set to consider the bid award on this project sometime during the week.

Under-grounding Conversion Bid - Electrical

Dales Electric had the low bid for the Main Street Customer Service Electrical Conversion from Third Street to LaBounty Drive. It was the recommendation of City Engineers and Public Works staff to award the bid to Dale's Electric.

It was moved by Councilmember Hansen and seconded by Councilmember Elgart to award the bid to Dale's Electric in the amount of \$38,876.16.

Motion passed unanimously,

EXECUTIVE SESSION

At 8:20 p.m. the Council adjourned to executive session to consider collective bargaining issues. Mayor Jensen announce that the Council would reconvene in fifteen, for possible action.

RECONVENED AT 8:35

POLICE MANAGEMENT BARGAINING UNIT CONTRACT

Administrator Signett reviewed that the latest negotiations with the Police Management Bargaining Unit proposed a 1 ½% COLA increase for 2003, and 2% increases for 2004 and 2005.

It was moved by Councilmember Hansen and seconded by Councilmember Elgart to ratify the Police Management Unit Contract for 2003 - 2005.

Motion passed unanimously.

ADJOURNMENT

There being no further scheduled City business, the meeting was adjourned at 8:40 p.m.

ATTEST:

Carolyn Jensen, Mayor

Linda Knutson, City Clerk

ATTACHMENT "A":

**MINUTES
Planning and Judicial Committee Meeting
Wednesday, June 25, 2003
City Hall Conference Room
1 p.m**

**COMMITTEE: Councilmembers Cole, Elgart, and Reilly
STAFF: Roland Signett, Linda Knutson, Tom Black
GUESTS: Donna Pollman, Jim Elliott**

PIONEER PARK TOUR AND CONCESSION AGREEMENT - HERITAGE SOCIETY

The Committee reviewed the Pioneer Park Tour and Concession Agreement between the City and the Heritage Society. Provisions of the agreement include responsibilities of both parties, including compensating the tour guides through the City payroll, structural maintenance, signs, etc.

The funds used to compensate the tour guides were briefly discussed. The City allotted \$3,500 from the Transient Lodging Fund for 2003. Also, the proceeds of tour fees will be used to compensate the tour guides. The Heritage Society will make up any deficit at the end of the tour season. This language will be added to the agreement.

It was moved by Councilmember Reilly to recommend approval of the Pioneer Park Tour and Concession Agreement, adding language to the compensation section regarding the Heritage Society providing any additional funds to the City to cover tour guide compensation once the allotted Transient Lodging funds and tour proceeds are gone. Councilmember Cole seconded. Motion passed unanimously.

DARE AGREEMENT - 2003 TO 2004 SCHOOL YEAR

Administrator Signett presented the proposed DARE agreement for the upcoming school year. The much-scaled down agreement provides for 300 hours of DARE education to schools in the Ferndale District, with the District paying \$12,000 to cover officer wages, benefits, and other associated expenses. Officer Melanie Campos will be the instructor for the program.

It was moved by Councilmember Reilly and seconded by Councilmember Elgart to approve the DARE Agreement between the City of Ferndale and the Ferndale School District. Motion passed unanimously.

ORDINANCE EXTENDING PLANNED UNIT DEVELOPMENT MORATORIUM

Director Black explained that the current moratorium placed on PUD provisions of the Ferndale Municipal Code expires on July 15th, 2003. Although a great deal of work has been accomplished to revise said provisions, the Planning Commission and City Council still have some mandatory reviews to complete. This necessitates an additional extension and public hearing on July 7th via the proposed ordinance.

In answer to some Committee concerns, Director Black stated that once the new provisions are in place, the extended moratorium can be lifted. He further stated that the new provisions should most likely be completed and approved by August, 2003.

It was moved by Councilmember Elgart and seconded by Councilmember to recommend the extension of the PUD ordinance for an additional six months with additional language to be added to the ordinance that the moratorium be lifted upon adoption of the new PUD provisions. Motion passed unanimously.

OTHER

in upcoming weeks the Committee asked staff to provide information on:

- X elected officials' salaries, and
- X travel policies and budgets

ATTACHMENT "B":

MINUTES
Planning and Judicial Committee Meeting
Held Wednesday, July 2, 2003
City Hall Conference Room
1 p.m.

COMMITTEE: Councilmembers Reilly and Elgart
STAFF: Roland Signett, Linda Knutson
CITY ATTORNEY: Mark Lee

AGREEMENT WITH ALASKA FERRY SYSTEM FOR K-9 SERVICES

City Attorney Mark Lee expressed the concerns of the City Attorney's Office regarding the proposed agreement with Alaska DOT Marine Highway System and the City for K-9 explosives deterrence at the Bellingham Ferry Terminal. The Alaska Ferry System included no provisions in the final draft of the agreement that would "indemnify or hold the City harmless from any claim or demand for any injury or damages arising out of the use of the K-9 Unit or the City's acts or actions undertaken pursuant to the agreement, unless such acts or actions were a result of the K-9 Unit's or the City's negligence." It was the opinion of attorneys Langabeer and Lee that this agreement, even if Hold Harmless and Indemnification clauses were included, puts the City in a position of potential risk so great that it outweighs any consideration the City would receive in making the K-9 Unit available to the Alaska Ferry.

The Committee was in unanimous agreement that the proposed agreement should be considered no further.

ORDINANCE #1303 - PROVIDING SHORT-TERM FINANCING FOR MAIN STREET PROJECT

Administrator Signett reviewed that the proposed ordinance will act as a line of credit to provide the funds necessary to pay the costs of the Main Street Project pending payment of the grants which are funding the project.

It was moved by Councilmember Reilly and seconded by Councilmember Elgart to recommend approval of Ordinance #1303. Motion passed unanimously.

DISCUSSION ON ELECTED OFFICIALS' SALARIES

The Committee had requested elected officials salaries from comparable cities. It was noted that while the Mayor's salary was one of the highest among the cities, the Councilmember compensation for Ferndale was the lowest. Councilmembers Elgart and Reilly were in agreement that they were uncomfortable proposing an increase for the Council positions, but felt that the Mayor's salary should be more in proportion with the Council's, somewhere between two and three times.

It was moved by Councilmember Elgart and seconded by Councilmember Reilly to recommend reducing the Mayor's compensation from the current \$1,000 per month to \$550 per month. Motion passed unanimously.

This item will be scheduled for the meeting of July 21st.

DISCUSSION ON COUNCIL TRAVEL POLICY

The Committee requested a draft document outlining an equitable travel distribution and policy for

Council's Rules of Procedures, when it was discovered recently that no guidelines exist in the current document. It was suggested the budget amounts be distributed evenly among all Councilmembers, who could track their expenditures with dedicated line-items. Allowing for under-use or over-use by individuals, transfers could be made from line-items to cover differences, with the agreement of the individuals involved.

It was moved by Councilmember Elgart and seconded by Councilmember Reilly to recommend amending the Council Rules of Procedure with the suggested travel provisions. Motion passed unanimously.

This item will be scheduled for the July 21st Council agenda.

ATTACHMENT "C":

**MINUTES
Streets and Utilities Committee Meeting
Wednesday, June 25, 2003
City Hall Conference Room
10 a.m.**

**COMMITTEE: Councilmembers Reilly, Hansen, and Landcastle
STAFF: Roland Signett, Linda Knutson**

DISCUSSION ON THIRD AVENUE IMPROVEMENTS

Administrator Signett stated that Third Avenue is in need of improvements, including sewer, curb, gutter and sidewalks. The proposed stretch of Third Avenue to be improved would be from Vista to Washington to Golden Eagle near the High School gymnasium.

The Committee was in agreement that the sewer line was the most urgent of the proposed improvements due to the advanced age of the clay pipes. Curb, gutter and sidewalks are also important from a risk management perspective. Administrator Signett pointed out that funds were available from the Public Works Trust fund on a competitive basis, at a rate of approximately one-half percent over 20 years. Also feasible is the creation of an LID for the area.

The Committee asked Administrator Signett to obtain rough monetary estimates and preliminary engineering for the improvements, as well as determining survey lines determining City right-of-way along the east side of Third between Vista and Washington.

ATTACHMENT "D":

**MINUTES
Streets and Utilities Committee Meeting
Wednesday, July 2, 2003
City Hall Conference Room
10 a.m.**

**COMMITTEE: Councilmembers Reilly and Landcastle
STAFF: Roland Signett, Loren Sperry, Linda Knutson
ENGINEER: Greg Ebe**

UPDATE ON McFARLAND PROJECTS

Director Sperry updated the Committee that he had met with developer Bob McFarland the previous afternoon to discuss issues related to two projects being undertaken in the City.

Regarding the manufactured/modular home development, three items remain on the punch list, which will be completed by Mr. McFarland..

Regarding the office building project on LaBounty, a time-line was worked through establishing remaining items to be submitted to Public Works and Planning and Building. Director Sperry was confident that the review process will proceed smoothly, and that expectations and communications were clear for all parties.

Application and review processes were discussed in general. The Committee felt that a check list could be developed that would benefit and streamline the permitting process. Director Sperry will follow up.

STORMWATER CULVERT REPLACEMENT ESTIMATE

Strider Construction provided an estimate for slip-lining the existing 36 inch cmp storm pipe with 30 inch sdr from Pacific Northwest Bank on Fourth Avenue to the outfall located near Dimitri's Restaurant on Main Street just west of City Hall. Including taxes, permits, and fees, the total would be approximately \$120,000 to complete the project.

Administrator Signett stated that to fund this project the Utility Reserve Fund could be used. This would leave about \$80,000 in the fund, which leaves it critically depleted. Councilmember Landcastle suggested looking into funding the project through the Public Works Trust Fund. Administrator Signett said that loans available through the PWTF are on a competitive basis and take approximately 2½ to 3 months to process, but is worth looking into for replenishing the reserve fund after an interfund loan.

Engineer Ebe stated that the 30 inch liner will handle approximately ten-percent less capacity than the 36 inch pipe. He further stated that eventually the outfall area will need to be addressed.

It was moved by Councilmember Reilly and seconded by Councilmember Landcastle to proceed with the culvert replacement project with Strider Construction, using funds from the Utility Reserve Fund. Motion passed unanimously.

Administrator Signett will process an interfund loan and research loan and funding sources to replenish the Utility Reserve Fund.

DISCUSSION ON PROJECT MANAGEMENT FOR MAIN STREET IMPROVEMENT PROJECT

Engineer Ebe outlined the processes used by municipalities for the management construction projects. While the cost of construction and project engineers has been included in the Main Street Project, some municipalities will hire a third party project and/or construction manager to act as an advocate of the City and protect its interests. This is a more expensive alternative, but also has benefits.

The Committee appreciated the discussion and had a better understanding of how the project will be administered. They asked that Engineer Ebe address the full City Council at the meeting of July 21st to explain the project management process for Main Street.

CURB, GUTTER AND SIDEWALK IMPROVEMENTS FOR SOUTH SIDE OF MAIN STREET, EAST OF BRIDGE

Councilmember Landcastle felt that the City would greatly benefit by adding the portion of Main Street improvements eliminated during the bid acceptance. Engineer Ebe stated that while the elimination of this portion of the project saved approximately \$122,000, the cost of improving it later will double the amount. Engineer Ebe suggested that the street improvements proceed as

if the eliminated portion were still in the specs, and in two months evaluate where the City is cost-wise.

The Committee felt that this was something the full Council should discuss, as it was Council's decision to eliminate that section to meet budget limitations. Engineer Ebe agreed and will present information for discussion at the meeting of July 21st.

TOSCO PROJECT UPDATE

Engineer Ebe updated the Committee on where the Tosco Project is as far as beginning work. ***This item will be up for discussion and possible action at the meeting of July 7th.***