

MINUTES
Ferndale City Council Meeting
Held Monday, July 19, 2004
City Hall Annex Building – 5694 Second Avenue
7:00 p.m.

PRESENT BY ROLL CALL:

Councilmember Steve Oliver	Councilmember Mel Hansen
Councilmember Mike Reilly	Councilmember Marianne Elgart
Councilmember Carol Brumet	Councilmember Ron Wilson

STAFF: **City Administrator Greg Young** **City Clerk Linda Knutson**
 City Treasurer Mark Peterson **Police Chief Dale Baker**

Mayor Pro-Tem Susan Cole Presiding

CALL TO ORDER

Mayor Pro-Tem Cole called the meeting to order at 7 p.m.

CONSENT AGENDA

The following consent agenda was moved for approval by Councilmember Wilson and seconded by Councilmember Oliver:

1. Approval of Minutes of 07/06/2004 Council Meeting
2. Approval of Minutes of 07/13/2004 Special Council Meeting
3. Approval of Payroll of 07/16/04; Auto-Deposit Amount: \$100,929.04; Checks #22248 - #22262 Amount: \$35,290.61; Total Payroll: \$136,219.65
4. Approval of Claims Run for July, 2004; Checks #41728 - #41888 Total Claims: \$1,237,874.13

Motion passed unanimously.

PUBLIC COMMENT

No one spoke.

PUBLIC HEARING - 2004 BUDGET AMENDMENTS – ORDINANCE #1320

Mayor Pro-Tem Cole reviewed the protocol governing public hearings. She then introduced staff to present the financial background information on the proposed budget amendments.

Staff Report

City Administrator Young and City Treasurer Peterson outlined the financial condition of each City fund, including unanticipated revenues and expenditures. Several factors lead to the proposed amendment, including higher than anticipated beginning cash balances, higher revenues for the Water, Sewer, and Storm funds, healthy Real Estate Excise Tax revenues and high permit activity.

On the expenditure side, interfund loans and transfers have been necessary in order to keep up with major project payments. Several omitted interfund transfers were added due to bookkeeping errors, and a \$1 million line of credit needs to be repaid with interest after all requests for payment have been received from major project contractors. These will be reimbursed through the grant process.

Council Discussion

The Council discussed the various changes proposed. There were many questions regarding the difference between interfund loans and interfund transfers, as well as specific fund overages and shortages. Administrator Young said that there was a lot of information to digest regarding the

amendment as presented. Councilmember Elgart stated that she would appreciate some additional time to study the documents and better understand the proposed amendments. Councilmember Reilly agreed, adding that some of the transfers should be made back to the originating funds, as in the case of the Shop Construction Fund.

Public Hearing Opened
No one signed up to speak
Public Hearing Closed

Further Council Discussion

After further questions and responses on the various proposed changes, it was generally agreed that Council would like more time to study the amended budget. Council will forward any questions to the City Administrator and City Treasurer either by phone, fax, or e-mail within the next several days.

Vote

It was moved by councilmember Reilly and seconded by Councilmember Elgart to move Ordinance #1320 for a second reading at the first meeting in August. Motion passed unanimously.

Councilmember Oliver thanked the Administrator and Treasurer for the substantial amount of work spent in researching and compiling the financial documents.

NON-REPRESENTED EMPLOYEE AGREEMENT

Planning and Judicial Committee Action Item

Mayor Pro-Tem Cole reviewed that the proposed agreement for non-represented personnel had been re-worked to include a grid which would pay severance based on a years of service scale. She said that the Committee was recommending approval to the full Council, however it still needed to be reviewed by the City Attorney.

It was moved by Councilmember Reilly and seconded by Councilmember Brumet to review the Non-Represented Employee Agreement at the first meeting in August, pending City Attorney review. Motion passed unanimously.

COUNCIL REPORTS

Councilmember Reilly stated that the Engineer position should have been posted no later than May 20th. He said that through the passage of the ordinance creating the position, it was his understanding that the City must now fill the position. He said he would like an opinion from the City Attorney regarding the obligation of the City in this matter. Mayor Pro-Tem Cole pointed out that the Council may contact the City Attorney directly in this regard.

Mayor Pro-Tem Cole reviewed that the Planning and Judicial Committee discussed the possibility of holding a Council retreat to discuss budget and other matters. The City Clerk and City Administrator will be gathering information on possible locations and facilitators.

DEPARTMENT HEAD REPORTS

City Clerk Knutson said that the EMS agreement had been pulled from the agenda pending the results of the City of Bellingham and Whatcom County working out their differences regarding this document.

COMMITTEE MEETINGS

No Committee meetings were needed for the week of July 19 – 23. City Clerk Knutson will contact Council on any meetings that may be needed the following week.

ADJOURNMENT

There being no further scheduled City business, the meeting was adjourned at 8:10 p.m.

ATTEST:

Mayor Pro-Tem Susan Cole

City Clerk Linda Knutson

Attachment A:

**MINUTES
Planning and Judicial Committee
Held Wednesday July 14, 2004
City Hall Conference Room
1 p.m.**

**COMMITTEE: Councilmembers Cole and Elgart
ADMINISTRATION: Linda Knutson**

REVIEW OF REVISED NON-REPRESENTED EMPLOYEE AGREEMENT

The Non-Represented Employee Agreement had been referred back to the Planning and Judicial Committee for revisions and further review. At issue was the clarification of language regarding severance pay and conditions leading to such pay.

The original draft contained a severance clause that provided for a lump sum payment of three months salary plus the pre-payment of three months medical premiums. The revised language sets out severance provisions based upon years of service, on a graduating scale.

The Committee also reviewed the pay grid attached to the agreement. City Clerk Knutson stated that the figures represented low and high salaries for the non-represented positions as set forth in the Association of Washington Cities 2004 Salary Survey for cities of comparable size. Also in the pay grid were actual 2004 salaries for the City's non-represented positions. Clerk Knutson further pointed out that the three positions listed have been paying a percentage of medical premiums for themselves and their spouse/dependants (five percent and fifteen percent, respectively) since May 1 of this year. This language is also contained within the revised agreement.

It was moved by Councilmember Elgart and seconded by Councilmember Cole to recommend approval of the revised non-represented employee agreement to the full Council. Motion passed unanimously.

COUNCIL RETREAT DISCUSSION

The Committee asked staff to look into the possibility of holding a Council retreat within the next couple of months. They felt it would be helpful for the budget process, as well as working on past, present, and future issues and goals. Staff will compile a list of facilitators, locations, and costs.

COUNCIL MEETING ATTENDANCE

During a brief discussion on Council attendance, City Clerk Knutson explained that Mayor Landcastle took the approach that if a department head did not have an item on the agenda, they need not be in attendance. Councilmembers Cole and Elgart felt that the attendance of department heads at Council meetings and workshops was extremely helpful as a resource for questions and issues that invariably arise, and is a positive communication tool in keeping everyone informed and up-to-date of various

issues. They further appreciated the past practice of the introduction of new police officers and employees to the Council and public. Staff will bring this item to the next department head meeting.

FOLLOW UP ON SURPLUS VEHICLES

The Committee asked staff to follow up on the mechanic reports on the recently surplused vehicles.

Attachment B:

**MINUTES
Street and Utilities Committee
Held Wednesday, July 14, 2004
City Hall Conference Room
7:30 a.m.**

COMMITTEE: Councilmembers Oliver and Hansen
ADMINISTRATION: Bob Cecile, Linda Knutson

REQUEST FOR FREE WATER FOR IRRIGATION

Director Cecile reviewed that the Callens have offered to install an irrigation meter and equipment in order to water the new strip of grass that fronts their business in the City right-of-way. They are asking that they not be charged for water used for this purpose.

Councilmembers Oliver and Hansen appreciated the Callens offer, but both felt strongly that doing so would set a precedent that neither is comfortable with at this time.

Director Cecile will notify the Callens.

WATER TREATMENT PLANT UPGRADE

Director Cecile updated the Committee on the mandated updates occurring at the Treatment Plant. Keystone Company is accomplishing the engineering and being flexible on in-house work and equipment for this project. Director Cecile will send all preliminary plans to the Department of Health for pre-approval.

Attachment C:

**MINUTES
Recreation and Finance Committee
Held Wednesday July 7, 2004
City Hall Conference Room
9 a.m.**

COMMITTEE: Councilmembers Wilson, Elgart and Oliver
ADMINISTRATION: Jerry Landcastle, Greg Young, Linda Knutson

HERITAGE SOCIETY CATALOGING OF CABINS

The Heritage Society has requested they be allowed to use the Bergsma House/Parks Office for the purpose of cataloging artifacts found in the historic log cabins located at Pioneer Park. City Administration okayed the office for this use and passed the information to the Recreation and Finance Committee.

STORAGE FOR NON-PROFITS

The Heritage Society, along with other area non-profit organizations, volunteer for clean up along stretches of Interstate 5 for the "Adopt A Highway" program. Recently, the Washington State Department of Transportation began requiring that the volunteer groups purchase their own vests, hardhats, and other items. The Heritage Society purchased the required items and stated that they would share them with other nearby groups for the purpose of highway cleanup. The Heritage Society asked the City for permission to use any available storage closet in a City facility. The most practical option is located in the Bergsma House/Parks Office.

The Committee felt this was an appropriate courtesy to the Heritage Society. City Clerk Knutson will work with Heritage Society member Dave Nelson to locate a suitable storage location.

HOTEL-MOTEL TAX ADVISORY BOARD – PROCESS FOR FUNDING REQUESTS

City Clerk Knutson reviewed a letter received from the Old Settlers requesting help with propane bills. Propane is used to heat the cabins at Pioneer Park, which helps to preserve the artifacts and items located within. Knutson stated that she recommended to the Old Settlers that they formally request funding help through the 2005 budget process. Administrator Young pointed out that this would be a good item to be considered by the Hotel-Motel Tax Advisory Board. Clerk Knutson will send the Old Settlers an application for funding through this source.