

**MINUTES
SPECIAL MEETING
Ferndale City Council
Held Friday, November 5, 2004
City Hall Conference Room – 2095 Fourth Avenue
8 a.m.**

PRESENT:

**Councilmember Steve Oliver
Councilmember Mike Reilly
Councilmember Susan Cole
Councilmember Ron Wilson**

**Councilmember Mel Hansen
Councilmember Marianne Elgart
Councilmember Carol Brumet**

STAFF:

**City Administrator Greg Young
Public Works Director Bob Cecile
City Treasurer Mark Peterson**

**City Clerk Linda Knutson
Planning Director Tom Black**

Mayor Jerry Landcastle Presiding

SPECIAL MEETING TO CONSIDER 2005 BUDGET – DECISION CARDS

Decision Card – Banked Property Tax Levy Authority

Administrator Young reviewed that the Preliminary 2005 Budget contains a one-percent property tax levy, as allowed by statute, plus one-percent banked capacity. The Council discussed the many areas of the budget that are extremely lean, and the increases in health care premiums, fire control, etc.

It was the consensus of the Council to return to this decision card later in the meeting.

Decision Card - Contribution to Ferndale Food Bank

Administrator Young advised the Council that state statute allows cities to provide funding for “low-income” and “needy” persons in their communities, either through direct financial aid or help with city-run utilities. The Ferndale Food Bank, which will soon be moving to a new building after operating out of a local church for decades, is asking for \$3,000 in financial help in 2005.

It was moved by Councilmember Reilly and seconded by Councilmember Brumet to approve \$3,000 to the Ferndale Food bank to be used for payments of utilities.

Discussion

Councilmember Hansen stated that while he was supportive of helping the needy in the community, he wondered if approving this financial aid would open the door to every charity that does work for low-income and needy individuals.

Councilmember Cole agreed, and asked what other municipalities in Whatcom County do for their community food banks. Mayor Landcastle responded that the City of Bellingham leases a warehouse storage facility to their food bank for one dollar per year. The Blaine Food Bank has corporate support.

Councilmember Oliver believed that a policy should be formulated for these types of contributions, since there are such a large number of charitable organizations needing help. Councilmember Cole agreed.

Councilmembers Wilson and Elgart both felt that the Ferndale Food Bank supports a very basic need in the community and should be supported.

Vote

Motion passed unanimously.

Staff will formulate an agreement for Food Bank funding, similar to that used with the Council on Aging for the Senior Center.

Decision Card - Engineer or Full-Time Engineering Technician

Mayor Landcastle began the discussion by asking for Council support on this somewhat controversial issue. He further stated that he would like to bring the person who is currently filling the position of Engineering Tech to full-time immediately.

It was moved by Councilmember Brumet and seconded by Councilmember Wilson to authorize the Engineering Technician position full-time.

Discussion

Administrator Young noted that the 2005 preliminary budget includes funding for a full-time technician. If the Council desires to modify that that position to a Professional Engineer, more funds must be appropriated.

Councilmember Reilly stated that he strongly supports a Professional Engineer being hired.

Councilmember Oliver stated that his concerns centered on the fact that the Council had authorized the hiring of a Professional Engineer during the 2004 budget process, and City Administration had not followed through. It was his desire to find a way to get the necessary work accomplished that would not leave the Council and Administration frustrated.

Mayor Landcastle responded that a Professional Engineer was hired in early 2004, with the hiring of the Public Works Director. He felt that having two Professional Engineers on staff was an unnecessary expenditure of public funds.

Councilmember Oliver supports that the Public Works Director should also be an engineer, but still felt that the City should have two engineers on staff as an investment in the City's ailing infrastructure.

Administrator Young added that few cities in this state use their on-staff engineers for design work, which is normally contracted. Most in-house engineers act as project managers and review staff.

Councilmember Hansen felt that it had not been the Council's intention to have the Public Works Director's combined with the authorized engineering position. He felt that the Planning Department needed at least fifty-percent of an engineer's time to help with planning issues.

Public Works Director Cecile noted that the current technician is very capable of handling the City's in-house engineering needs once that position is authorized for full-time.

Councilmember Elgart stated that if staff feels that the Engineering Technician is sufficient to carry out the needed work, that she supports that position.

Administrator Young said that at some point in the next several years, a Professional Engineer will be needed, just not at this point in time.

Mayor Landcastle said that while he respected everyone's positions on this matter, he felt that Administration has the insight as to the day-to-day staffing needs of the City's workload, and has the responsibility to be certain that day-to-day functions are not micro-managed by the Council.

Councilmember Oliver responded that the Council is not in place to micro-manage, but feels strongly that this is a policy decision. Councilmember Cole agreed, saying that while this has become an emotional issue, the City still needs a full-time engineer. She added that the Public Works Director is doing a great job, but could use the help and expertise of another Professional Engineer.

Mayor Landcastle said that the law requires that the Mayor administer tax-payer funds in a responsible manner, and did not feel that having two Professional Engineers on the staff of a City the size of Ferndale was responsible.

Vote

Motion passed four-to-three, with Councilmembers Cole, Hansen, and Reilly voting no.

Staff will formulate an ordinance reflecting this decision and rescinding the prior Engineer ordinance.

Decision Card – Part-Time Parks Coordinator

Administrator Young said that with the near completion of the Tosco Sports Complex, the hiring of a part-time Parks Coordinator in early 2005 is proposed. In the alternative, an intern could be recruited from Western Washington University.

It was moved by Councilmember Reilly and seconded by Councilmember Brumet to pursue the use of an intern from Western Washington University to serve as Park Coordinator.

Discussion

There was discussion on whether or not interns are to be paid stipends or whether they are to be unpaid by University rules. Staff will research this when contacting the University.

Vote

Motion passed unanimously.

Decision Card – Pay Revision for Council and Mayor – 2006 Implementation

The Council and Mayor's salaries were set in late 1998 after the change of government. The Council's compensation has not increased in more than twenty years, and remains at \$200 per month. If changed, it would affect only positions five, six, and seven, which are up for election in late 2005.

Councilmember Oliver stated that the impacts of being a Councilmember are "huge" as far as time commitments are concerned, and that in fairness to future Councilmembers, an increase should be seriously considered.

It was moved by Councilmember Oliver and seconded by Councilmember Reilly to add a \$50 per-meeting stipend to the Council's base pay of \$200, not to exceed \$500 per month. This includes Ferndale standing Committee meetings and Council meetings, sessions, and workshops.

Councilmember Reilly stated that he supports a Salary Commission setting elected officials' compensation.

Councilmember Hansen responded that the Salary Commission idea had been voted down previously because the Council was not comfortable with having no say in a Commission decision regarding salaries.

Councilmember Cole concurred, saying that a Commission decision would be unpredictable. She added that she was comfortable with a cap of \$500.

Councilmember Wilson thought that citizens would be supportive of a Council raise that is long overdue.

Vote

Motion passed six-to-one, with Councilmember Reilly voting no.

Decision Card – Mayor’s Salary

Councilmember Oliver stated that the Mayor’s salary should be reviewed because it is a full-time position with many responsibilities.

It was moved by Councilmember Hansen and seconded by Councilmember Oliver to raise the Mayor’s salary to \$1,500 per month effective January 1, 2006. Motion passed unanimously.

Decision Card – Elected Officials’ Compensation Tied to CPI Annually

It was moved by Councilmember Reilly and seconded by Councilmember Hansen that the Council and Mayor compensation be automatically adjusted at 80% of the Seattle Consumer Price Index on an annual basis, beginning January 1, 2007. Motion passed unanimously.

Decision Card – Banked Property Tax Levy Authority

The property tax levy was brought back to the table. Administrator Young again reviewed that the Preliminary 2005 Budget contains a one-percent property tax levy, as allowed by statute, plus one-percent banked capacity.

Main Motion

Councilmember Oliver moved to take a one-percent increase, plus a one-percent banked capacity. Councilmember Hansen seconded.

Discussion

Councilmember Wilson stated that the City is in the position of needing extra funds to cover the most basic services, and needs to look at two-percent banked capacity.

Councilmember Reilly stated that he would only support the one-percent allowed by statute, and no banked capacity.

Amendment

It was moved by Councilmember Hansen and seconded by Councilmember Reilly to amend the Main Motion to one-percent property tax levy, with no banked capacity. Amendment failed two-to-five with Councilmembers Cole, Brumet, Elgart, Wilson, and Oliver voting no.

Vote on Main Motion

Motion failed one-to-six with Councilmembers Cole, Brumet, Elgart, Wilson, Hansen, and Reilly voting no.

New Main Motion

It was moved by Councilmember Brumet and seconded by Councilmember Wilson to take a one-percent property tax levy plus two-percent banked capacity.

Discussion

Councilmember Brumet requested that Administrator Young write an editorial for the local paper that would clarify for the average citizen how much this increase would affect their property taxes.

Councilmember Reilly was of the opinion that banked capacity should be used for emergencies only.

Councilmember Hansen stated that one-percent is what the voters mandated, and the City should honor it.

Mayor Landcastle stated that all costs associated with running a city have gone up more than one-percent, most notably health premiums, fire contracts, jail contracts, attorney fees, union contracts, and so on.

Councilmember Oliver did not agree that banked capacity was only for emergencies, but felt that the City needs to begin prioritizing levels of services, and how and if to fund them.

Councilmember Reilly stated that perhaps the Council should consider cuts elsewhere in the budget.

Vote

Motion passed four-to-three, with Councilmembers Hansen, Reilly, and Oliver voting no.

Funding for Comprehensive Plan Update in 2005

Councilmember Oliver brought forth the idea of raising the funds available for the Comprehensive Plan Update from \$30,000 to the full \$58,000 requested by staff.

Motion

It was moved by Councilmember Oliver and seconded by Councilmember Brumet to move the \$30,000 allocated for the Comprehensive Plan Update from Current Expense to the Solid Waste Fund plus authorize an additional \$28,000 from the Solid Waste Fund to fully fund the CPU, and eliminate the proposed 2020 Plan, at \$50,000, from the budget.

Discussion

Councilmember Hansen agreed with the concept of fully funding the CPU, but felt that the 2020 Plan should also be funded.

Councilmember Oliver responded that he was concerned about limited City resources.

Vote

Motion failed four-to-three, with Councilmembers Cole, Hansen, Elgart, and Reilly voting no.

MOTION TO EXTEND MEETING

It was moved by Councilmember Cole and seconded by Councilmember Wilson to extend the Special Meeting an addition thirty minutes to 10:30 a.m. Motion passed unanimously.

Funding for Comprehensive Plan Update in 2005 – Continued

It was moved by Councilmember Oliver and seconded by Councilmember Wilson to fund the Comprehensive Plan Update at \$58,000, to be funded completed from the Solid Waste Fund. Motion passed unanimously.

Decision Card – Purchase of New Patrol Cars

Administrator Young indicated that the City wishes to defer the purchase of the proposed two-to-three new police vehicles until 2006. This would allow for some "breathing room" for the 2005 budget year.

Councilmember Wilson felt that at least two new vehicles were necessary in 2005, due to the "hard miles" that are common for police cars. Councilmember Elgart agreed.

It was moved by Councilmember Cole and seconded by Councilmember Brumet to defer the purchase of new police vehicles until 2006. Motion passed five-to-two, with Councilmembers Elgart and Wilson voting no.

Administration will provide Council with an updated mileage chart for police cars.

Decision Card – Recodify Ferndale Municipal Code Book

It was moved by Councilmember Brumet and seconded by Councilmember Cole to allocate \$8,600 in 2005 to recodify the Ferndale Municipal Code through Code Book Publishing. Motion passed unanimously.

Refunding Authorization

It was moved by Councilmember Hansen and seconded by Councilmember Reilly to authorize staff to investigate opportunities for refinancing bonds past 2006, and that that refinancing include the \$2.8 million “balloon payment”. Motion passed unanimously.

Staff will begin immediately investigating due to the favorable rates currently in effect.

REVIEW OF HISTORICAL WATER/SEWER RATES AND CONNECTION FEES

The Council briefly reviewed water and sewer rates and connection fees dating back to 1995.

ADJOURNMENT

There being no further scheduled City business, the Special meeting of the Ferndale City Council was adjourned at 10:30 a.m.

ATTEST:

Jerry Landcastle, Mayor

Linda Knutson, City Clerk