

MINUTES
Special Meeting of the Ferndale City Council
Held Monday, April 25, 2005
City Hall Annex – Council Chambers
5 p.m.

PRESENT BY ROLL CALL:

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

Councilmember Mel Hansen
Councilmember Marianne Elgart
Councilmember Carol Brumet

ABSENT: Mayor Jerry Landcastle

STAFF:

City Administrator Greg Young City Clerk Linda Knutson City Treasurer Mark Peterson
Planning Director Tom Black Public Works Director Bob Cecile

Mayor Pro-Tem Susan Cole Presiding

CALL TO ORDER

Mayor Pro-Tem Cole called the Special Meeting of the Ferndale City Council to order at 5:00 p.m.

FINANCIAL MANAGEMENT POLICIES – ELEMENT #7

City Administrator Greg Young reviewed the seventh element of the Financial Management Policies entitled "General Utility Policies". This element outlines the establishment, maintenance and goals of enterprise funds. The intent of the City is that all costs of providing service should be financed primarily through user charges and the fund purpose will be to account for City-operated utility services.

Several suggestions to test changes were considered, including the elimination of references to tying future rate increases to the Consumer Price Index. Also, the policy suggested dollar amount thresholds for certain reserves, and the Council preferred percentages.

A motion to approve element #7 was unanimously defeated after Council discussion resulted in the desire to have more Committee review before final approval.

It was moved by Councilmember Hansen and seconded by Councilmember Oliver to send element #7 of the Financial Management Policies to the three major committees for further refinement. Motion passed unanimously.

WATER AND SEWER RATE INCREASE – PROPOSED ORDINANCE

Administrator Young stated that the purpose of the proposed Ordinance was to set in place a rate structure, over the next three years, that will support the refunding 1996 bonds in order to raise the needed funds for two sewer projects currently being engineered.

The Council generally agreed that without the needed policies in place, along with some remaining issues regarding refunding options, consideration of the Ordinance was premature.

ADJOURNMENT

There being no further scheduled business, the meeting was adjourned at 7:30 p.m.

ATTEST:

Susan Cole, Mayor Pro-Tem

Linda Knutson, City Clerk