

MINUTES
Ferndale City Council Meeting
Held Monday, May 2, 2005
City Hall Annex – Council Chambers
7 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

STAFF:

City Administrator Greg Young
Planning Director Tom Black
City Treasurer Mark Peterson

City Clerk Linda Knutson
Public Works Director Bob Cecile
Lt. Travis Glass

Mayor Jerry Landcastle Presiding

EXECUTIVE SESSION 6:30 - 6:55 p.m.

The Council met in executive session from 6:30 to 6:55 p.m. to discuss potential litigation.

CALL TO ORDER

Mayor Landcastle called the Meeting of the Ferndale City Council to order at 7:00 p.m.

CONSENT AGENDA

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

1. Approval of Minutes of 04/18/05 Council Meeting
2. Approval of Minutes of 04/25/05 Special Meeting
3. Approval of Claims Run of 05/02/05; Checks #43319 – #43383 Total Claims: \$457,769.88

Motion passed unanimously.

PUBLIC COMMENT

No one spoke

RESOLUTION #05-05-02B

Resolution #05-05-02B was presented for Council consideration. This Resolution covered the revisions to the Shoreline Master Program which had been the subject of several public meetings, two public hearings, and Council discussions.

It was moved by Councilmember Cole and seconded by Councilmember Wilson to approve Resolution #05-05-02B supporting revisions to the Shoreline Master Program text and maps. Motion passed unanimously.

COUNCIL DISCUSSION WITH DAVE TREGASER – BOND REFUNDING

Dave Tregaser was present to discuss various bond refunding scenarios that are being considered by the City.

The original proposition was to refund the 96 bonds at a lower rate, extend the term, and add \$2.5 million to the principle to be used for two sewer projects: the Third Street sewer improvement project, and the Southwest Interceptor project. In order to gain covenant stability/compliance and creditability with the bond insurers, the City would need to raise its water and sewer rates three-percent over each of the next three years.

Council had been favoring the option of refunding the current bonds, not adding the \$2.5 to the refunding scenario, not extending the terms of the bonds, and applying to the Public Works Trust Fund for funding of the two projects.

Mr. Tregaser pointed out that he still had to persuade the bond insurers to “buy” this scenario. Administrator Young added that the City still must qualify and be accepted by the Public Works Trust Fund Board for the project funding.

It was moved by Councilmember Hansen and seconded by Councilmember Reilly to authorize staff to pursue refunding the current bonds, not adding the \$2.5 to the refunding scenario, not extending the terms of the bonds, and applying to the Public Works Trust Fund for funding of the two sewer projects. Motion passed unanimously.

ORDINANCE #1350 – WATER AND SEWER RATES

Ordinance #1350 establishes a three-percent increase in water and sewer rates over each of the next three years in order to take advantage of lower rates, support the refunding of the 96 sewer bonds, and save approximately \$50,000 per year in bond payments over the next ten years.

It was moved by Councilmember Hansen and seconded by Councilmember Brumet to approve Ordinance #1350. Motion passed unanimously.

ORDINANCE #1353 – ESTABLISHING THE OFFICE OF HEARINGS EXAMINER

Ordinance #1353 establishes and sets out the duties of the office of Hearings Examiner for the City of Ferndale. Passage of this ordinance will allow for the dissolution of the Board of Adjustment, the freeing up of the Planning Commission to concentrate on long-term planning, and the City Council to update and refine the Ferndale Municipal Code.

Motion

It was moved by Councilmember Wilson and seconded by Councilmember Cole to approve Ordinance #1353 establishing the Office of Hearings Examiner.

Discussion

Administration answered questions from the Council regarding the new division of decision making duties of the different bodies. Administrator Young provided a “cheat sheet” that outlined the proposed division. Also explained was how the cost of this position would be covered.

Councilmember Reilly was not in favor of converting to a Hearings Examiner, as he felt it might cost more to the average citizen in the long run.

Councilmember Elgart stated that she was strongly in favor of the position because the City is rapidly growing with lots of work to be done. She added that this position will help take out some of the “passion and emotion” inherent to some of the more difficult quasi-judicial decisions that the Council hears.

Vote

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

ORDINANCE #1354 – REVISIONS TO TITLE 14 AND TILES 17 REFLECTING THE OFFICE OF HEARINGS EXAMINER

Administrator Young explained that with the establishment of the Hearings Examiner position, several sections of the code must be updated.

It was moved by Councilmember Wilson and seconded by Councilmember Brumet to approve Ordinance #1354 revising portions of Title 14 and Title 17 of the Ferndale Municipal Code. Motion passed unanimously.

LODGING TAX ADVISORY COMMITTEE GRANT RECOMMENDATIONS

Street Fair

Mayor Landcastle reviewed that the Lodging Tax Advisory Committee had considered a grant request from the Ferndale Chamber of Commerce to fund the Street Festival at \$10,000 for 2005. Councilmember Brumet asked if the Chamber was actively seeking corporate sponsorship for the event. Brenda Rinesmith, current Chamber President, said that several avenues for sponsorship are being pursued.

It was moved by Councilmember Oliver and seconded by Councilmember Wilson to approve the grant request for \$10,000 to the Chamber of Commerce for the 2005 Street Festival. Motion passed unanimously.

Flower Basket Project

Mayor Landcastle reviewed that the Chamber is making final arrangements for flower baskets to be hung on the new light poles lining Main Street. This year's baskets are larger than last year's and the Chamber has been successful in raising most of the funds needed for this annual project. The \$1,500 requested would be used to help defray the cost of watering and fertilizing the baskets throughout the spring and summer.

It was moved by Councilmember Wilson and seconded by Councilmember Hansen to approve \$1,500 from the Hotel/Motel Tax Fund for the Flower Basket Project. Motion passed unanimously.

RESOLUTION #05-05-02A – GMA PUBLIC PARTICIPATION PROCESS

This Resolution lays out the schedule for the upcoming Growth Management Act updates and the required public participation process.

It was moved by Councilmember Reilly and seconded by Councilmember Oliver to approve Resolution #05-05-02A. Motion passed unanimously.

ORDINANCE #1352 – TRAFFIC MITIGATION FEE PAYMENTS

At a previous Council meeting, the Council approved the delay of payment of traffic mitigation fees while awaiting revisions to the Code concerning relocation of in-city businesses meeting certain criteria. It was later pointed out by a member of Council that an ordinance should be enacted in order to legally delay such payments. This Ordinance allows to traffic mitigation fees to be paid half at building permit and half at occupancy.

It was moved by Councilmember Reilly and seconded by Councilmember Hansen to approve Ordinance #1352. Motion passed six-to-one, with Councilmember Cole voting no.

FINANCIAL MANAGEMENT POLICIES – ELEMENT #7

Mayor Landcastle stated that this element of the City's Financial Management Policies establishes criteria for the management of utility funds. Councilmember Reilly suggested language that would allow Council to dedicate unanticipated excess funds to a possible rate reduction or relief. It was noted that Council will review the funds each year at budget time and can then decide on the disposition of any excess funds.

It was moved by Councilmember Wilson and seconded by Councilmember Brumet to approve element #7 of the Financial Management Policies. Motion passed unanimously.

BILL OF SALE – LAMPLIGHTER MOBILE HOMES WATER LINE

Mayor Landcastle said that Lamplighter Mobile Home Park is requesting a Latecomers Agreement with the City for a waterline they installed a couple of years ago. Before such can be considered, the bill of sale for the waterline must be formally accepted by the Council.

It was moved by Councilmember Oliver and seconded by Councilmember Reilly to accept the bill of sale for the water line installed by Lamplighter Mobile Home Park. Motion passed unanimously.

RESOLUTION #05-05-02C

It was moved by Councilmember Hansen and seconded by Councilmember Reilly to approve Resolution #05-05-02C authorizing staff to apply to the Public Works Trust Fund for the purpose of funding the Third Avenue Sewer Project for approximately \$1.3 million. Motion passed unanimously.

RESOLUTION #05-05-02D

It was moved by Councilmember Hansen and seconded by Councilmember Wilson to approve Resolution #05-05-02D authorizing staff to apply to the Public Works Trust Fund for the purpose of funding the Southwest Interceptor Project for approximately \$1.2 million. Motion passed unanimously.

SET COMMITTEE MEETING

The following Committee meetings were set:

Streets and Utilities, May 4, 7:30 a.m.
Planning and Judicial, May 4, 11 a.m.

DEPARTMENT REPORTS

Lt. Glass stated that the police department continues to emphasize patrols for car prowls.

ADJOURNMENT

There being no further scheduled City business, the meeting was adjourned at 8:45 p.m.

ATTEST:

Jerry Landcastle, Mayor

Linda Knutson, City Clerk

Attachment A:

MINUTES
Planning and Judicial Committee - Held Wednesday April 27, 2005
City Hall Conference Room
9:30 a.m.

COMMITTEE: Councilmembers Susan Cole and Ron Wilson (for Carol Brumet)
CITY ADMIN: Greg Young, Tom Black, Linda Knutson, Mark Peterson

MOBILE HOMES ON SINGLE LOTS – ZONING TEXT AMENDMENT

Planning Director Tom Black informed the Committee that by passage of the *Manufactured Home Law 2005*, the state has precluded local jurisdictions from regulating manufactured homes differently than they regulate stick-built housing. After July 1, 2005 the city of Ferndale will no longer be able to restrict the location of manufactured homes to mobile home parks or mobile home subdivisions. After July 1st, single manufactured homes may be placed on any lot where a stick-built single-family home would be allowed.

Director Black said it is important to note that the proposed change in state law has no effect on private covenants that restrict placement of manufactured homes in particular areas. It is the local jurisdiction, not a private party that is precluded from restricting the placement of manufactured homes. For example, a homeowner's association may record covenants, conditions, and restrictions (CC&R's) that are more restrictive than city standards, and preclude manufactured homes

The state law does permit a local jurisdiction to enact certain standards for manufactured home development, but these options are quite limited. Specifically, the city may require manufactured homes to be:

1. A new home or a specified age newer than 1976;
2. Installed on a permanent foundation, as specified by the manufacturer, and that the space between the bottom of the home and the ground be enclosed by concrete or an approved concrete product which can either be load bearing or decorative;
3. Compliant with all design standards that apply to other homes in the same area;
4. Compliant with the state energy code;
5. Consistent with the state definition of "designated manufactured home", as follows:
 - a. It has at least two fully enclosed parallel sections each not less than 12 feet wide by 36 feet long; and
 - b. It was originally constructed with and now has a composition or wood shake or shingle coated metal, or similar roof of at least a 3:12 pitch; and
 - c. It has exterior siding similar in appearance to siding material commonly used on conventional site-built uniform building code single-family residences.

If the city takes no action at all to adjust its code, any manufactured home manufactured after June 15, 1976 would be able to be placed on any residential lot.

Staff recommends that the following language be added to the appropriate sections of the Municipal Code:

Section 18.08.330 – Definitions – Manufactured Home, Designated

A single-family dwelling unit constructed after June 15, 1976, in accordance with state and federal requirements for manufactured homes, which:

- A. Is comprised of at least two fully enclosed parallel sections each of not less than twelve feet wide by thirty-six feet long;
- B. Was originally constructed with and now has a composition or wood shake or shingle, coated metal, or similar roof with not less than a 3:12 pitch; and

- C. Has exterior siding similar in appearance, as determined by the Building Official, to siding materials commonly used on conventional site-built single-family dwellings built under the Uniform or International Building Code.

NOTE: Replaces the existing Section 18.08.330 – Definitions – Mobile Home

Section 18.72.120 – General and Special Regulations – All Zones

A “designated manufactured home” may be used as a single-family dwelling unit provided it meets all of the following:

- A. It is a “new manufactured home”, which means any manufactured home required to be titled under Title 46 RCW, which has not been previously titled to a retail purchaser, and is not a “used mobile home” as defined in RCW 82.45.032(2); and
- B. It is set upon a permanent foundation, and the space from the bottom of the home to the ground be enclosed by concrete or an approved concrete product which can be either load bearing or decorative; and
- C. It complies with the state energy code; and
- D. It complies with all zoning, land use, and building regulations applicable to single-family dwelling units at the subject location, including, but not necessarily limited to, snow load, wind load, and seismic requirements.

The new state law fundamentally changes the treatment of manufactured housing throughout the state. This is especially true in Ferndale, where manufactured homes have been excluded from single lots, and are only allowed in mobile home parks or mobile home subdivisions.

Given that the state law will now permit, with some minor restrictions, manufactured homes on any residential lot throughout the city, it would seem reasonable to consider whether there is a need to provide for new mobile home parks or mobile home subdivisions in the city’s zoning code.

Staff is exploring language that would require “title elimination” once a home is placed on a foundation on a single family lot, thus making it a permanent structure.

AMENDMENT TO CHAMBER OF COMMERCE TOURISM PROMOTION AND VISITOR CENTER AGREEMENT

City Clerk Knutson said that she has prepared an amendment to the Chamber of Commerce agreement for the extension of current provisions through December of 2006. She will forward the amendment, along with the current contract, to the President and Director of the Chamber for review.

TRAFFIC MITIGATION DISCUSSION

Councilmember Cole stated that she has been concerned about the recent motion to delay payment of traffic mitigation fees. She has done some research and notes that “only an ordinance can change an ordinance.” She asked administration to check into this matter for resolution at the next Council meeting.

Attachment B:

**MINUTES
Recreation and Finance Committee-Held Wednesday April 27, 2005
City Hall Conference Room
9 a.m.**

COMMITTEE: Councilmembers Ron Wilson and Susan Cole (for Marianne Elgart)
CITY ADMIN: Greg Young, Bob Cecile, Linda Knutson, Mark Peterson

CONSIDERATION OF GRANT RECOMMENDATION FROM LODGING TAX ADVISORY COMMITTEE

City Clerk Knutson reviewed that the Lodging Tax Advisory Committee was recommending approval of a request from the Ferndale Chamber of Commerce for the funding of the Main Street Festival in the amount of \$10,000. The Chamber submitted a written grant application, along with a proposed budget and information from the previous year's event. The Chamber had received \$7,500 for the event in 2004 and had come up approximately \$2,000 short after all expenses had been calculated.

It was moved by Councilmember Wilson and seconded by Councilmember Cole to recommend approval of the \$10,000 grant request for the 2005 Street Festival. Motion passed unanimously.

FLOWER BASKET FUNDING

City Clerk Knutson reviewed that the Chamber is in the final stages of planning the flower basket project for Main Street. They have ordered baskets that are approximately 50% larger than those purchased in 2004. A total of 36 baskets will adorn the new street lights on both sides of Main Street through the downtown corridor. The requested funds will help to defray the cost of the daily watering and maintenance of the baskets.

It was moved by Councilmember Wilson and seconded by Councilmember Cole to recommend approval of the \$1,500 grant request for the 2005 Flower Basket Project. Motion passed unanimously.

REVIEW OF FINANCIAL MANAGEMENT POLICIES – ELEMENT #7

City Administrator Greg Young reviewed the seventh element of the Financial Management Policies entitled "General Utility Policies", with the revisions suggested at the Special Council meeting of April 25th. 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.

Attachment C:

**MINUTES
Streets and Utilities Committee-Held Wednesday April 27, 2005
City Hall Conference Room
7:30**

COMMITTEE: Councilmembers Mike Reilly, Mel Hansen, and Steve Oliver
CITY ADMIN: Greg Young, Bob Cecile, Linda Knutson, Mark Peterson

BILL OF SALE – LAMPLIGHTER LATERCOMER’S AGREEMENT

Public Works Director Bob Cecile said that recognition and approval of the Bill of Sale for the waterline installed by Lamplighter Mobile Home Park is needed prior to Council consideration of the proposed latecomer agreement. A public hearing on the latecomer agreement is scheduled for the Council meeting of May 16th.

It was moved by Councilmember Reilly and seconded by Councilmember Oliver to recommend approval of the bill of sale for the waterline installed by Lamplighter. Motion passed unanimously.

FRIBERG SUGGESTIONS REGARDING SEWER LINES

Councilmember Reilly stated that John Friberg was present to suggest some ideas on sewer line improvements throughout the City. Mr. Friberg then said that his idea would be for a line that runs under I-5 by the Kaas Road, to the west by Portal Way, which he believes would take care of all sewer flow needs north of Thornton and west of Malloy.

SIX YEAR TRANSPORTATION IMPROVEMENT PLAN

Director Cecile presented a list of project priorities slated for the annual Six Year Transportation Improvement Plan. It was his suggestion that the list be shortened, due to a regulation that does not allow for certain fees to be collected if the street that is being developed appears on the plan. Councilmember Hansen recalled that the City of Battleground had recently challenged that regulation on appeal and had prevailed. Administrator Young will check on this.

Following discussion, the Committee as a whole agreed that Church Road improvements should be moved from sixth to third in ranking. Director Cecile will check with the Council of Governments regarding their approval of projects, incorporate the suggested changes to the TIP list, and return this item to the next committee meeting.

STORMWATER PROJECTS

The Committee had directed Public Works to research and identify stormwater problem areas throughout the City in order to better decide fees to be assessed. Director Cecile presented an overview and map that incorporates the study to date. Preliminary estimates for repair of the identified problem areas amounts to \$764,351.

Director Cecile also presented information on the contracting out of services for catch basin cleaning. The contractor quoted a price of \$1,720 per day for this service.

The Committee reviewed and discussed the presented information and asked that staff prioritize the projects for further review.

REFUNDING OPTIONS - WATER AND SEWER RATES

Councilmember Hansen asked about the option of refunding the 1996 bonds without adding the \$2.5 million needed for the Interceptor Project and the Third Avenue Project. The \$2.5 could then be paid for by securing a loan from the Public Works Trust Fund. He added that a portion of the excess connection fee revenue for 2005 could be used for "up front" money for the two projects, and the remaining excess could be put away for future capital needs. Administrator Young said that nearly \$500,000 will be saved by refunding.

Administrator Young responded that this scenario works well except for the bond covenant that requires a 1.0 threshold in rate to debt ratio, but that the City is very close to meeting that requirement.

It was moved by Councilmember Hansen to recommend refunding the 1996 bonds only, without borrowing any additional funds, and approval of Ordinance #1350 increasing water and sewer rates three percent each year for three years. Motion passed unanimously.

BENEFIT AREAS FOR SOUTHWEST INTERCEPTOR

Director Cecile presented a preliminary map indicating the areas inside and outside of the City that will benefit directly from the installation of the Interceptor. Included were various suggestions of new construction sewer connection surcharge fees to help defray the cost of the project. These will be further developed for future review.