

MINUTES
Ferndale City Council Meeting
Held Monday, July 18th, 2005
City Hall Annex – Council Chambers
7 p.m.

PRESENT BY ROLL CALL:

Councilmember Steve Oliver	Councilmember Mel Hansen
Councilmember Mike Reilly	Councilmember Susan Cole
Councilmember Carol Brumet	Councilmember Ron Wilson

ABSENT: Councilmember Marianne Elgart (Excused)

STAFF:

City Administrator Greg Young	City Clerk Linda Knutson
Planning Director Tom Black	City Treasurer Mark Peterson
Public Works Director Bob Cecile	Police Lt. Travis Glass
City Attorney Richard Langabeer	

City Engineers Greg Ebe and Luis Ponce

Mayor Jerry Landcastle Presiding

EXECUTIVE SESSION

The Council met in executive session from 6 p.m. to 6:55 p.m. to discuss real estate, personnel, and potential litigation issues.

CALL TO ORDER

Mayor Landcastle called the Meeting of the Ferndale City Council to order at 7:03 p.m.

CONSENT AGENDA

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

1. Approval of Minutes of 07/05/05 Council Meeting
2. Approval of Claims Run of 07/18/05; Checks #43749 - #43818;
Total Claims: \$160,163.52

Motion passed unanimously.

OVERVIEW OF PIONEER PLAZA PROJECT

Planning Director Tom Black briefly reviewed the progress of the proposed Pioneer Plaza project east of the freeway. He also covered the order of expected items, once a formal application is received from the proponent.

PUBLIC COMMENT

Kira Derhgwen, Ferndale, stated that she had concerns about large scale development and associated impacts on traffic and infrastructure. She said that she anticipates a rise in juvenile crime rates because Ferndale has not provided any recreation facilities for youth, and that they would migrate to the proposed mall. She asked to the Council to pass a moratorium on such projects.

Terese VanAssche, Ferndale, said that her main concerns lie with downtown business survival once the project is completed. She asked that the City make certain that proper infrastructure is in place to

handle increased traffic. She further stated that care must be taken with the area wetlands, and that stormwater issues be carefully investigated.

Lucy Morse, Whatcom County, stated that she has been attending meetings and watching this project for a number of years. She said that this project is a “regional issue” that has the possibility of “draining other areas of the County”, and that other jurisdictions should be consulted. She requested that Council consider an open forum for more dialog on this project.

Jennifer Kubic, Ferndale, said that she had attended the recent public meeting hosted by the proponents of the proposed project. Her three main issues concerned traffic, the size of the project, and impacts to the downtown core. She said that the project will be like “a new city on the other side of the freeway”, and feared eventual urban blight or a possible ghost town. She urged the Council to consider an emergency moratorium.

AUTHORIZATION FOR PURCHASE OPTION

It was moved by Councilmember Reilly and seconded by Councilmember Oliver to authorize a purchase option in the amount of \$35,000 on property located at 5715 Fourth Avenue. Motion passed unanimously.

DISCUSSION ON PROPOSED VISTA ROUNDABOUT

Greg Ebe and Luis Ponce from the City’s contracted engineering firm presented a Power Point overview of the proposed roundabout near the High School on Vista and Malloy. Mr. Ebe explained that when the engineers were plotting the conflict points at the area in question, there appeared to be more than seventy when they stopped counting. A conventional intersection will generally have no more than 32 conflict points. The proposed roundabout configuration has 8 conflict points, which makes it an appealing alternative to a signalized intersection.

Originally, improvements for this area had been planned with street widening and traffic signalization, with the possibility of closing Shukson Street. The Ferndale School District was opposed to this plan, as well as several suggested modifications. Ultimately the City decided to look into the possibility of installing a less-conventional roundabout for this area, which appeared to have approval of the School District and State Transportation officials.

After hearing from emergency professionals such as the Fire District and police personnel, several on the Council expressed their preference of going back to the signalization plan that was originally proposed.

City Administrator Young said that to some people a roundabout is such a new and different concept that they have a difficult time accepting them until they have actually driven them for a period of time. He felt that roundabouts have great potential for areas such as this.

Councilmember Hansen reminded the assembled of the stalemate that had occurred between the City and the School District while pursuing the original plan of a signalized intersection. He added that he would like to see further engineering explored, by way of a sub-contracted engineering firm specializing in roundabouts, which would address the concerns of emergency responders.

Councilmember Oliver felt that roundabout was a great alternative for the School District, but at a cost to the City as a whole. He was very concerned about safety on the proposed roundabout, as there are a high number of pedestrians who routinely walk this area. He added that by the time the roundabout would be completed, it would be near capacity.

Councilmembers Reilly and Wilson both felt that the City should revert back to first configuration before spending any more funds for the roundabout project.

Motion

It was moved by Councilmember Reilly and seconded by Councilmember Oliver to return to the conventional traffic and signalization project to the point where it left off several months ago, including the closing of Shukson Street.

Discussion

Councilmember Hansen said he would not support the motion due to concerns about damaging the relationship between the City and the School District.

Councilmember Wilson supported the motion and stated that the School District needed to consider the needs of the entire City, not just their own.

Councilmember Reilly said that no one wants to get into a further dispute with District officials, but that this project will address "huge safety issues", especially for pedestrians.

Councilmember Cole agreed, saying that she did not want to begin a project that will be obsolete before it is complete.

Vote

Motion passed five-to-one, with Councilmember Hansen voting no.

ORDINANCE #1369 – REFINANCING PSE STREETLIGHT LOANS

City Treasurer Mark Peterson presented the Council with Ordinance #1369, which officially authorizes the sale of LTGO bond in the amount of \$317,500 in order for the City to refinance its streetlight purchase from Puget Sound Energy.

When the Council originally approved this refinance, the interest quoted was 5.5%, a substantial change from the 11% currently being paid. Treasurer Peterson successfully negotiated with Key Bank an even lower interest rate of 4.25%.

It was moved by Councilmember Oliver and seconded by Councilmember Wilson to approve Ordinance #1369 as presented. Motion passed unanimously.

ORDINANCE #1371 – RESCINDING SHJORELINE APPLICATION MORATORIUM

Planning Director Black stated that the Council may now remove the moratorium placed on shoreline applications. The City will use current shoreline text and the new map in evaluating shoreline applications, per the legal opinion of the City Attorney.

It was moved by Councilmember Oliver and seconded by Councilmember Reilly to approve the Ordinance rescinding the moratorium on Shoreline Applications. Motion passed unanimously.

ORDINANCE #1370 – SETTING ELECTED OFFICIALS SALARIES

At a **Special Council meeting held November 5, 2004** the Council had the following discussion:

BEGIN EXCERPT: 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. END EXCERPT

City Clerk Knutson reviewed that by law, the ordinance must be considered before the upcoming primary election. The pay raise will affect the Mayor and Council positions five, six, and seven beginning January 1, 2006. Beginning January 1, 2008 Council positions one, two, three and four will begin collecting the increased compensation as well.

It was moved by Councilmember Hansen and seconded by Councilmember Wilson to approve Ordinance #1370 as presented. Motion passed five-to-one, with Councilmember Reilly voting no.

RESOLUTION #05-07-18A – WRIA PLAN

Mayor Landcastle noted that the Council has reviewed the WRIA plan that has been in development for several years. Mayor Landcastle stated that some concerns had been raised in other jurisdictions regarding liability language in the document, but that he is confident that legal review has addressed any potential issues. Councilmember Reilly wondered if the City could withdraw its support "somewhere in the distant future" if the Plan was no longer in the best interests of its citizens. Administrator Young responded that it could.

It was moved by Councilmember Wilson and seconded by Councilmember Brumet to approve Joint Resolution #05-07-018A, approving the County-wide, multi-jurisdictional WRIA Plan. Motion passed unanimously.

RESOLUTION #05-07-18B – OFFICIAL NEWSPAPER

Mayor Landcastle reviewed that staff had prepared a Resolution that would name the Bellingham Herald as the official newspaper for the City of Ferndale. The main reason for the proposed change is the timing of publication dates for all legals required by law. Oftentimes there is a lag of nearly two weeks in the publication of Ordinances, due to the timing of the once a week publish dates of the local Record Journal. Public Hearing notices can also be problematic in a weekly publication versus a daily publication. Another reason for the proposed change is the actual readership of the two papers by Ferndale residents. It appears that nearly three times as many area residents subscribe to the Herald. On the other hand, the Record Journal's prices for publishing legals are significantly less than the Herald's.

It was moved by Councilmember Wilson and seconded by Councilmember Cole to approve Resolution #05-07-18B.

Discussion

Councilmember Cole noted that she had researched this issue, and that the Revised Code of Washington states that the City must yearly advertise for bids for newspaper services. It was suggested that this item be tabled in order for staff to prepare for this bidding process.

It was moved by Councilmember Wilson and seconded by Councilmember Brumet to table this item. Motion passed unanimously.

STREET IMPROVEMENTS – \$41,000 FOR LEGOE AND WASHINGTON STREETS

Public Works Director Bob Cecile stated that after considering other street project needs, he wished to withdraw this item from consideration.

PROPOSAL TO UPDATE PARK COMPREHENSIVE PLAN

Mayor Landcastle stated that he has received a proposal from Cascade Design Group for the update of the Parks Comprehensive Plan and Park Protocol, as directed by Council in June. The Group will develop a Master Landscape Plan for Pioneer Park, and well as review and update the Parks Comprehensive Master Plan, including surveying and inventorying existing conditions. User areas, plantings, walkways, lighting, and parking will be addressed, among other components. The proposed cost of the comprehensive update is \$8,700.

It was moved by Councilmember Reilly and seconded by Councilmember Hansen to approve the update of the Park Comprehensive Plan by Cascade Design Group in the amount of \$8,700. Motion passed unanimously.

BIDS FOR CITY HALL PAINTING PROJECT

Mayor Landcastle reviewed that three bids have been received for painting the exterior of the City Hall building. He is recommending that the City accept the bid submitted by THL Enterprises, Inc. in the amount of \$4,371. Councilmember Reilly asked why the different bidders had included or excluded items. Mayor Landcastle responded that the bidders themselves had added or excluded items on their own, whichever they deemed necessary to the project.

It was moved by Councilmember Oliver and seconded by Councilmember Wilson to accept the bid by THL Enterprises in the amount of \$4,371. Motion passed unanimously.

AUTHORIZATION TO DECLARE CERTAIN VEHICLES AND EQUIPMENT AS SURPLUS

City Clerk Knutson distributed a list of City vehicles, shop equipment and miscellaneous items that are beyond their useful life to the City. She asked that the Council declare these items as surplus or of no value in order to allow for public viewing and bidding.

It was moved by Councilmember Wilson and seconded by Councilmember Brumet to declare as surplus the items reviewed. Motion passed unanimously.

ADDITION TO FINANCIAL MANAGEMENT POLCIES – CREDIT CARD POLICY

Mayor Landcastle reviewed a policy addressing the conditions of credit card use by City staff. Currently, the City uses credit cards only in relation to approved City travel. In recent years, however, purchasing goods and supplies over the internet has become a viable cost-saving alternative. Since the travel credit cards can be used only for travel, city employees have often used their personal credit cards for purchasing city authorized goods, and have been reimbursed through the claims process.

This policy allows for the issuance of Institutional Credit Cards under specific and controlled circumstances. Most cities have put such a policy in place as a means of securing the lowest possible cost on purchases.

It was moved by Councilmember Brumet and seconded by Councilmember Wilson to approve the addition of the Credit Card Policy to the City's Financial Management Policies. Motion passed unanimously.

DISCUSSION – 2006 BUDGET PROCESS

City Treasurer Peterson reviewed that the City is preparing to begin the 2006 budget process. While the 2006 budget year will be the main focus of discussions and workshops, he will also be providing forecasts through 2010, in order to better foresee how decisions made for 2006 will affect coming budgets. As was done last year, Treasurer Peterson will be using the zero-based budgeting method. He recommended that Council hold a budget retreat in order to set priorities for 2006 and beyond.

After discussion, Council set a date of Saturday, September 24th for a full Council Budget Retreat. Staff will make the necessary arrangements.

COUNCIL REPORTS

Councilmember Cole reported that she would like Council concurrence to direct staff and the Planning Commission to explore re-zoning of the Downtown Business core. Because of current restrictions, development is extremely limited as to height and mixed use. After a brief discussion, ***the Council agreed this would be a positive project for staff and the Planning Commission to proceed with.***

ADJOURNMENT

There being no further scheduled City business, the meeting was adjourned at 9:05 p.m.

ATTEST:

Jerry Landcastle, Mayor

Linda Knutson, City Clerk

ATTACHMENT A:

**MINUTES
Planning and Judicial Committee
Held Wednesday July 13, 2005
City Hall Conference Room
11:00**

COMMITTEE: Councilmembers Susan Cole and Ron Wilson
CITY ADMIN: Jerry Landcastle, Linda Knutson, and Tom Black

WRIA PLAN – RESOLUTION

The Committee has reviewed the WRIA plan that has been in development for several years. Mayor Landcastle stated that some concerns had been raised in other jurisdictions regarding liability language in the document, but that he is confident that legal review has addressed any potential issues.

This item will go forward to the July 18th Council meeting for discussion and action.

CREDIT CARD POLICY

City Clerk Knutson reviewed a draft of a policy addressing the conditions of credit card use by City staff. Currently, the City uses credit cards only in relation to approved City travel. In recent years, however,

purchasing goods and supplies over the internet has become a viable cost-saving alternative. Since the travel credit cards can be used only for travel, city employees have often used their personal credit cards for purchasing city authorized goods, and have been reimbursed through the claims process.

This policy allows for the issuance of Institutional Credit Cards under specific and controlled circumstances. Most cities have put such a policy in place as a means of securing the lowest possible cost on purchases.

It was moved by Councilmember Cole and seconded by Councilmember Wilson to move the proposed credit card policy forward to the full Council for consideration and approval at the next regular meeting. Motion passed unanimously.

RESOLUTION 05-07-13 – OFFICIAL CITY NEWSPAPER

Staff prepared a Resolution that would name the Bellingham Herald as the official newspaper for the City of Ferndale. The main reason for the proposed change is the timing of publication dates for all legals required by law. Oftentimes there is a lag of nearly two weeks in the publication of Ordinances, due to the timing of the once a week publish dates of the local Record Journal. Public Hearing notices can also be problematic in a weekly publication versus a daily publication. Another reason for the proposed change is the actual readership of the two papers by Ferndale residents. It appears that nearly three times as many area residents subscribe to the Herald.

The Committee had mixed feelings about the Resolution. Councilmember Cole felt that the City needed to support its local paper/business, while Councilmember Wilson felt that the City's obligation was to reach and inform as many residents as possible.

This item will go forward to the full Council for consideration at its next meeting.

ORDINANCE #1370 – COUNCIL AND MAYOR SALARIES

As discussed at the Special Council Meeting of November 5, 2004, an ordinance setting the salaries of Council and the Mayor will be brought forth at the next regular Council meeting. Council positions five, six, and seven will receive compensation at a base salary of \$200 per month plus \$50 per meeting attended, up to a maximum of \$500 per month. The Mayor salary will be raised to \$1500. These changes would become effective January 1, 2006. Beginning January 1, 2008 Council positions one, two, three, and four will begin receiving a base salary of \$200 per month plus \$50 per meeting attended, up to a maximum of \$500 per month.

It was moved by Councilmember Cole and seconded by Councilmember Wilson to recommend approval of Ordinance #1370. Motion passed unanimously.

ORDINANCE #1371 – RESCINDING THE MORATORIUM ON SHORELINE APPLICATIONS

Planning Director Black stated that the Council can now remove the moratorium placed on shoreline applications. The City will use current shoreline text and the new map in evaluating shoreline applications, per the legal opinion of the City Attorney.

It was moved by Councilmember Wilson and seconded by Councilmember Cole to recommend approval of the Ordinance rescinding the moratorium on Shoreline Applications. Motion passed unanimously.

COUNCIL PRE-MEETING WORKSHOP – BUILDABLE LANDS INVENTORY

Planning Director Black stated that he will review the City's Buildable Lands Inventory for the Council as a whole from 6:30 to 7 p.m. just prior to the next Council meeting on July 18th.

DISCUSSION ON REZONE OPTIONS FOR THE DOWNTOWN CORE

Councilmember Cole related that a possible rezone for the downtown area, in which height regulations could be lifted to allow for more mixed-use buildings, go to the Planning Commission for study and recommendations. Director Black felt that this was a worthwhile item for the City to pursue.

Councilmember Cole will brief the Council regarding this item at the next regular meeting.

ATTACHMENT B:

**MINUTES
Recreation and Finance Committee
Held Wednesday July 13, 2005
City Hall Conference Room
9:00**

COMMITTEE: Councilmembers Ron Wilson and Mel Hansen
CITY ADMIN: Jerry Landcastle, Linda Knutson, and Mark Peterson

ORDINANCE #1369 – REFINANCING PSE LOAN FOR STREET LIGHTS

City Treasurer Mark Peterson presented the Committee with Ordinance #1369, which officially authorizes the sale of LTGO bond in the amount of \$317,500 in order for the City to refinance its streetlight purchase from Puget Sound Energy.

When the Council originally approved this refinance, the interest quoted was 5.5%, a substantial change from the 11% currently being paid. Treasurer Peterson successfully negotiated with Key Bank an even lower interest rate of 4.25%.

It was moved by Councilmember Wilson and seconded by Councilmember Hansen to recommend approval of Ordinance #1369 as presented. Motion passed unanimously.

DISCUSSION – 2006 BUDGET PROCESS

City Treasurer Peterson reviewed that the City is preparing to begin the 2006 budget process. While the 2006 budget year will be the main focus of discussions and workshops, he will also be providing forecasts through 2010, in order to better foresee how decisions made for 2006 will affect coming budgets. As was done last year, Treasurer Peterson will be using the zero-based budgeting method.

At the Council meeting of July 18th, Council will be asked to select a date for a budget retreat.

ORDINANCE #1370 – COUNCIL AND MAYOR SALARIES

As discussed at the Special Council Meeting of November 5, 2004, an ordinance setting the salaries of Council and the Mayor will be brought forth at the next regular Council meeting.

BIDS FOR CITY HALL PAINTING PROJECT

Mayor Landcastle reviewed that three bids have been received for painting the exterior of the City Hall building. He is recommending that the City accept the bid submitted by THL Enterprises, Inc. in the amount of \$4,371.

It was moved by Councilmember Wilson and seconded by councilmember Hansen to recommend acceptance of the bid by THL Enterprises in the amount of \$4,371. Motion passed unanimously.

PROPOSAL FOR PARKS COMPREHENSIVE PLAN UPDATE

Mayor Landcastle stated that he has received a proposal from Cascade Design Group for the update of the Parks Comprehensive Plan and Park Protocol, as directed by Council in June. The Group will develop a Master Landscape Plan for Pioneer Park, and well as review and update the Parks Comprehensive Master Plan, including surveying and inventorying existing conditions. User

areas, plantings, walkways, lighting, and parking will be addressed, among other components. The proposed cost of the comprehensive update is \$8,700.

It was moved by Councilmember Wilson and seconded by Councilmember Hansen to move this proposal forward to the full Council for consideration. Motion passed unanimously.

PROPOSED ADDITION TO FINANCIAL POLICIES – CREDIT CARD ELEMENT

City Clerk Knutson reviewed a draft of a policy addressing the conditions of credit card use by City staff. Currently, the City uses credit cards only in relation to approved City travel. In recent years, however, purchasing goods and supplies over the internet has become a viable cost-saving alternative. Since the travel credit cards can be used only for travel, city employees have often used their personal credit cards for purchasing city authorized goods, and have been reimbursed through the claims process.

This policy allows for the issuance of Institutional Credit Cards under specific and controlled circumstances. Most cities have put such a policy in place as a means of securing the lowest possible cost on purchases.

It was moved by Councilmember Wilson and seconded by Councilmember Hansen to move the proposed credit card policy forward to the full Council for consideration at the next regular meeting. Motion passed unanimously.

ATTACHMENT C:

**MINUTES
Equipment and Facilities Committee
Held Wednesday July 13, 2005
City Hall Conference Room
10:00 a.m.**

COMMITTEE: Councilmember Ron Wilson
CITY ADMIN: Jerry Landcastle, Bob Cecile, and Linda Knutson

SURPLUS VEHICLES AND EQUIPMENT - REQUEST FOR AUTHORITY TO GO TO BID

Staff reviewed that the City has several vehicles, miscellaneous shop equipment, old computers, and office equipment that can be either surplussed or declared of no value. Staff will have a comprehensive list of said equipment for Monday night's Council.

It was the consensus of the Committee to move this item forward to Council for approval.

ATTACHMENT D:

**MINUTES
Streets and Utilities Committee
Held Wednesday July 13, 2005
City Hall Conference Room
7:30**

COMMITTEE: Councilmembers Mel Hansen and Mike Reilly
CITY ADMIN: Jerry Landcastle, Bob Cecile and Linda Knutson

STREET IMPROVEMENTS – LEGOE AND WASHINGTON

Public Works Director Bob Cecile updated the Committee that the development occurring in the Legoe and Washington Street area will leave certain areas of the street without improvements. Those unimproved areas can be fixed at a cost of approximately \$41,000, an estimate provided by Wilder Construction.

It was the consensus of the Committee to move this item forward to the full Council for action.

ROUNDAABOUT DISCUSSION

Councilmember Reilly indicated that the Council had referred this item back to Committee to study in more depth whether the proposed roundabout is the best solution for the traffic improvements at Malloy and Vista, near the high school. Councilmember Hansen felt that while it is not the ideal solution, the roundabout has raised the least objections from the School District. It was also discussed that if the roundabout had two lanes, it would probably be easier to support.

This item will be a discussion item at the next regular Council meeting. Greg Ebe will be present to address concerns.

WATER TREATMENT PLAT IMPROVEMENTS

Director Cecile stated that the Department of Health has granted an extension for the mandated improvements to the treatment plat. Once the "irrigation season" has passed, the upgrades will be completed.