

MINUTES
Ferndale City Council Meeting
Held Monday, December 18, 2006
City Hall Annex – Council Chambers
7 p.m.

PRESENT BY ROLL CALL:

Councilmember Steve Oliver
Councilmember Mike Reilly
Councilmember Ken Downey
Councilmember Keith Olson

Councilmember Mel Hansen
Councilmember Jim Elliott
Councilmember Gary Jensen

STAFF:

City Administrator Greg Young
City Treasurer Mark Peterson
Public Works Director Bob Cecile
City Attorney Richard Langabeer
Consultant Paul Koch

City Clerk Linda Knutson
Planning Director Tom Black
Police Chief Michael Knapp
Senior Planner Robb Millspaw

Mayor Jerry Landcastle Presiding

CALL TO ORDER

Mayor Landcastle called the regular Council meeting to order at 7:00 p.m.

CONSENT AGENDA

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

- *Approval of Minutes of Council meeting of December 18, 2006*
- *Approval of Payroll of December 15, 2006 – Auto Deposit amount \$93,281.39; Federal Tax Auto Deposit Amount: \$33,737.00; Checks #50096 - #50109 amount: \$50,595.39; Total Payroll: \$177,613.78 (Regular Payroll)*
- *Approval of Claims Run of December 15, 2006 – **Manual** Checks #60837 - #60851; amount: \$163,037.10; **Regular** Checks #60852 - #60949; amount: \$226,463.35, Totaling \$404,777.29.*

Motion passed unanimously.

PRESENTATION: LEGISLATIVE UPDATE - REPRESENTATIVE DOUG ERICKSON

State Representative Doug Erickson was present to review for Council recent and upcoming legislative issues. He urged the Council and staff to work with Bellingham, Blaine, and the Association of Washington Cities to address Interstate-5 corridor transportation planning by the Department of Transportation. He also updated the status of gas tax collections and how they are running far short of projections. He will be coming forward during the next legislative session with a mileage plan to replace the gas tax plan, which he feels is destined to fail.

DISCUSSION: 20/20 PLAN AND LONG-RANGE PLANNING APPROACH

Planning Director Tom Black and Senior Planner Robb Millspaw overviewed for the Council the planned approach to the City's Comp Plan Updates and the upcoming 20/20 Plan. He stated that in the 1996 Comp Plan, six neighborhood sub-areas were identified and that those neighborhoods will provide the basis for the 20/20 Plan. It is felt that this approach will afford the City unique opportunities to plan for residents' needs on a localized level. The Planning Commission will sponsor all-community outreach activities envisioned for the 20/20 Plan.

The Council had some questions regarding the inclusion of Urban Growth Area into the neighborhood approach. Planners responded that the UGA will be drawn and expanded from the existing identified sub-areas.

ORDINANCE #1413 – FOURTH QUARTER BUDGET AMENDMENT

City Treasurer Mark Peterson reviewed fourth quarter expenditures and revenues that were not included or anticipated in the 2006 Budget. These expenditures and revenues net a \$257,675 change, and are presented in Ordinance #1413.

It was moved by Councilmember Oliver and seconded by Councilmember Jensen to approved Ordinance #1413 amending the 2006 Budget for the fourth quarter. Motion passed unanimously.

S&U COMMITTEE ITEM: REQUEST FOR CONSIDERATION OF BALLOT MEASURE AND FEE INCREASE

Councilmember Reilly brought forward two proposals to increase revenues for the 2007 Budget.

Border Gas Tax Ballot Measure

The first proposal would send a one-cent per gallon gas tax to the City's voters in 2007. It is estimated that approximately \$100,000 could be derived from this tax, for which the proceeds would be used to help fund projects on the City's Six Year Transportation Improvement Program. Councilmember Reilly acknowledged that while \$100,000 is not a great deal of money, it could help with engineering costs and grant matches that would otherwise have to come from existing funds.

It was moved by Councilmember Reilly and seconded by Councilmember Hansen to prepare a proposal for a one-cent per gallon gas tax to be placed on the 2007 ballot schedule.

Councilmember Reilly pointed out that even with larger capacity gas tanks, consumers would pay around 15 to 20 cents per fill up.

Councilmember Hansen added that voters should be made aware that this will not fund major transportation projects, but will help defray some related costs of those projects.

Councilmember Oliver stated that there will be some election costs borne by the City for placing this on the ballot, but that he was supportive of the motion.

The Council was generally in favor of an August – November ballot date.

Motion passed unanimously.

Solid Waste Tax Increase

Councilmember Reilly proposed that the City increase its Solid Waste Tax by one-percent per year over the next four years capping at ten-percent. The current tax is set at six-percent. He suggested several ideas using the proceeds of the tax.

Councilmembers Jensen and Hansen were not comfortable designating future funds at this point, as unanticipated needs occur after the budget is set.

Staff will prepare an ordinance for the first meeting in January.

ORDINANCE #1414 – ADOPTING THE 2007 BUDGET

City Treasurer Mark Peterson reviewed that the Council had endured several workshops and study sessions to arrive at the proposed 2007 Budget. He added that while this could be a tedious process, the Council had shown a high level of understanding the budget's complexities. Peterson briefly reviewed the final budget numbers for the assembled, as outlined in Ordinance #1414.

Staff will present a work plan for the \$100,000 allotted by the Council for retaining consultant Paul Koch in 2007, to perform services related to parks and economic development.

It was moved by Councilmember Oliver and seconded by Councilmember Reilly to approve Ordinance #1414 setting the budget for fiscal year 2007 as presented.

Councilmember Downey commended Mark Peterson and Greg Young for "a fantastic job" developing the budget.

Councilmember Jensen agreed, but stated he was disappointed that no money was allotted to improve trails at VanderYacht Park.

Motion passed unanimously.

ORDINANCE #1415 – INFLATIONARY ADJUSTMENT TO ELECTED OFFICIALS SALARIES

City Clerk Linda Knutson reviewed that in July of 2004 the Council voted to build in an annual inflation index of 80% of the Seattle CPI in to the Council's salaries. This language was not included in the Ordinance setting the adjusted compensation, prompting this ordinance to be presented. The City Attorney noted that this action would not be considered a vote to raise salaries, only a vote for a corrective measure (of an earlier omission).

It was moved by Councilmember Hansen and seconded by Councilmember Reilly to include language previously approved via Ordinance #1415. Motion passed unanimously.

DISCUSSION: REVISED WATER COMPREHENSIVE PLAN UPDATE AND ASSOCIATED PROJECTS

Public Works Director Bob Cecile stated that as the Water Comprehensive Plan nears completion, a number of necessary projects have been identified to replace aging infrastructure and build new facilities to accommodate growth over the next several years. He explained that all the details have not been completed for the project list, but that Council should be kept apprised of these future needs. Councilmember Oliver stated that he appreciated being informed of these projects, and that a well-thought out infrastructure was key to the City's health. Director Cecile will return with a more detailed breakout of the projects.

ORDINANCE #1416 – CROSS CONNECTION CONTROLS

Public Works Director Bob Cecile stated that the Cross Connection Control Ordinance is ready for consideration of adoption. City staff has been working with other jurisdictions and a consultant to draft the program. He said that these regulations are intended to be in full compliance with Chapter 246-290 of the Washington Administrative Code. The program will be presented to the State Department of Health by inclusion into the 2006 Comprehensive Water System Plan that is being forwarded to the agency in the next few days. Chief Water/Wastewater Treatment Plant Operator Mike Olinger is cross-connection certified and will act as the City's compliance administrator for these requirements, and the program will be supported by other Public Works staff within City Hall.

It was moved by Councilmember Jensen and seconded by Councilmember Reilly to approve Ordinance 1416 regarding cross connection regulations. Motion passed unanimously.

CONTRACT – PUBLIC DEFENDER SERVICES

City Administrator Greg Young reviewed that four firms had responded to the City's Request for Proposals for Public Defender Services. The City was pleased with the quality of the respondents. After two days of interviews, the City's selection panel recommended that the firm of Lester and Hyldahl be retained as Public Defender. This contract has a two-year term and is renewable in one year addendums after that time.

It was moved by Councilmember Hansen and seconded by Councilmember Reilly to accept the recommendation of staff and retain Lester and Hyldahl for Public Defender services. Motion passed unanimously.

RECOMMENDATIONS: LODGING TAX ADVISORY COMMITTEE – 2007 GRANTS

City Clerk Linda Knutson reviewed that the LTAC Committee had met twice in recent weeks to determine funding recommendations for grants submitted for local agencies. Both the Chamber of Commerce and the Bellingham Visitors Bureau had increased their requests from previous years. The City collects approximately \$40-45,000 a year in Hotel Motel funds, and for the last two years carried a surplus cash balance. The increase in the Chamber's request was partly due to changing locations from a City-owned building to another location at which they now pay rent. They also requested funds to improve their website.

It was moved by Councilmember Elliott and seconded by Councilmember Jensen to approve the four recommended grants as recommended by the LTAC and the Recreation and Finance Committee:

Entity	Amount	Purpose
Chamber	\$ 3,320	Website
Chamber	\$26,000	Director's Salary/Visitor Center Operations
Heritage	\$ 7,500	Tour Guides/Transfer to City
B'ham Tourism	\$ 2,500	Tourism/promotion
Total	\$39,320	

Some Councilmembers questioned what the Bellingham Whatcom Visitors Bureau was using City funds to do. Councilmember Elliott stated that he thought they did a good job of promoting Pioneer Park.

Motion passed unanimously.

APPOINTMENTS TO PARKS, RECREATION AND TRAILS ADVISORY BOARD – PLANNING COMMISSION

Mayor Landcastle asked for Council confirmation of the following individuals to the Parks Recreation and Trails Advisory Board: Todd Anderson, Jim Pullman, Jason Britain, Torey Wilson, and Connie Faria.

It was moved by Councilmember Downey and seconded by Councilmember Reilly to confirm the Mayor's recommendation of Todd Anderson, Jim Pullman, Jason Britain, Torey Wilson, and Connie Faria to the PRTAB. Motion passed unanimously.

Mayor Landcastle requested confirmation on the following individuals to the Planning Commission: Susan Cole, Steve Martinson, and Brad Oxford. He noted that all three are incumbents.

It was moved by Councilmember Reilly and seconded by Councilmember Hansen to confirm the Mayor's recommendation of Susan Cole, Steve Martinson, and Brad Oxford to the Planning Commission. Motion passed unanimously.

DISCUSSION: ELECTED OFFICIAL CODE OF CONDUCT

City Administrator Greg Young handed out some sample Codes of Conduct/Ethics from other cities in light of recent events that have been reported in the media. The Codes generally states, among other things, that elected officials and staff shall "create and foster an atmosphere of respect and civility" in all interactions with each other, staff, and citizens and "shall avoid and discourage conduct which is divisive or harmful to the best interests of the City".

Councilmember Reilly stated that he liked the idea of a code of conduct which he felt would be beneficial to both elected officials and employees.

Councilmember Oliver stated that the codes "get to the heart of doing the City's business" to the best on one's ability, and that he supports this effort.

Councilmember Hansen agreed and remembers seeing a Washington State ethics or conduct provision when he was first elected, and said it covered basically what was being reviewed.

Councilmember Jensen said it was a basic responsibility of everyone to treat each other with respect, and he supported any effort to make that happen.

It was determined by consensus that this item will go to Planning and Judicial for review and structure.

COUNCIL REPORTS/COMMENTS

Councilmember Reilly reported that COG has decided of the locals cities' transportation priorities, one of which is Ferndale's signalization at Douglas.

Councilmember Elliott said that there is a high level of need in this community for social services and he is grateful that the City is working with service agencies to bring said services closer to those in need.

Councilmember Jensen expressed his appreciation to Public Works for fixing the power to the holiday street light decorations.

EXECUTIVE SESSION

At 8:45 p.m. Mayor Landcastle announced that the Council would adjourn to executive session to discuss personnel issues, and would reconvene in approximately thirty minutes with the possibility of Council action.

RECONVENE TO REGULAR SESSION

At 9:10 p.m. the Council reconvened.

COUNCIL DISCUSSION

Councilmember Elliott stated that a Code of Conduct is necessary.

Councilmember Reilly stated that it was "necessary for all elected officials to get along", and he felt that for the most part, they do. He added that Planning and Judicial should work on a conduct code and then everyone should live by those rules. He wanted Ferndale to "emerge in a more favorable light".

Councilmember Olson stated that a conduct code does not address "past transgressions" and that the Council "does not need a piece of paper to act civilly."

Councilmember Oliver contended that he does "not know what interpersonal issues exist" between elected officials, but does become concerned when such issues start disrupting City business.

Councilmember Jensen felt that there would always be disagreements between elected officials, but that in such cases all concerned should agree to disagree, and not allow such disagreements to turn to anger. He further felt that it was a pretty simple effort to act civilly to each other and resolve personal issues in private.

Councilmember Downey stated that everyone needed to conduct themselves in a respectful manner, and that disagreements "should not rise to the level of personal attacks and bad language". He added that an adopted Code of Conduct would cover any "past transgressions".

Councilmember Hansen stated that when he first became an elected official he read about what was expected of officials' conduct, which was a simple matter of respecting each other with the ability to "agree to disagree". He stated that this Council and Mayor do not need any further divisiveness, and that every negative statement in the press hurts the citizens. He asked that the elected officials be more "team-oriented".

ADJOURNMENT

There being no further scheduled City business, the meeting was adjourned at 9:25 p.m.

ATTEST:

Jerry Landcastle, Mayor

Linda Knutson, City Clerk

ATTACHMENT A:

**MINUTES
Streets and Utilities Committee Meeting
Held Wednesday, December 13, 2006
City Hall Conference Room
7:30 a.m.**

PRESENT: Councilmembers Oliver, Reilly, and Jensen
ADMINISTRATION: Jerry Landcastle, Greg Young, Mark Peterson, Bob Cecile, Linda Knutson

CROSS CONNECTION ORDINANCE

Public Works Director Cecile reviewed that the Cross Connection Ordinance is ready to go forward for consideration of adoption. He said that these regulations has been driven by State Department of Health mandates, and that the ordinance going forward is a clean up from the City's old ordinance that includes new language to satisfy the DOH, Chief Water/Wastewater Treatment Plant Operator Mike Olinger is cross-connection certified and will act as the City's compliance administrator for these requirements.

It was moved by Councilmember Reilly and seconded by Councilmember Oliver to move the Cross Connection Ordinance forward to the full Council for consideration of approval. Motion passed.

CITY WELL ANALYSIS

Staff had been directed to explore the possibilities of bringing the Douglas Road well and City Shop well online for use for the domestic water supply. This would be desirable for a number of reasons, including augmenting high seasonal usage, and unanticipated emergency reasons. Several tests and technical analysis tasks need to be performed in order to see if the two wells could be viable alternate water sources. RH2 has submitted a preliminary scope of work to begin that process.

The Committee discussed the \$61,000 estimate that is spread out in three phases. Staff felt that they may be able to narrow the scope and obtain a more detailed breakout of each phase. They will come back to the Committee with that information in the near future.

OTHER

Rate Structure

Councilmember Reilly said that he would like a cost break-out of how much revenue could be raised by dropping the City's "summer sewer rate" structure. It was also thought that the City could and should do a rate study

comparing us to other cities, as well as exploring what types of billing structures are available. Staff will have some preliminary data at the next committee meeting.

Water Comp Plan Project

The Committee briefly review the water comp plan 10 year project list, noting that some large and expensive projects are going to be needed in the next three-to-five years.

Border Gas Tax

Councilmember Reilly stated that he would like to bring forward to the full Council a proposal on the one-cent border gas tax at the next meeting.

Solid Waste Tax Fund Increase and Proposed Land Purchase

Councilmember Reilly said that he would also bring forward a proposition that would raise the Solid Waste Tax one-percent per year over the next four years, capping at ten percent. He felt that this would help facilitate the purchase of land for future park, recreation, and trail usage as proposed by Mayor Landcastle at the previous budget workshop.

ATTACHMENT B:

**MINUTES
Recreation and Finance Committee Meeting
Held Wednesday, December 13, 2006
City Hall Conference Room
8:30 a.m.**

PRESENT: Councilmembers Oliver, Jensen, and Downey
ADMINISTRATION: Jerry Landcastle, Greg Young, Mark Peterson, Linda Knutson

LODGING TAX ADVISORY COMMITTEE – GRANT RECOMMENDATIONS

City Clerk Linda Knutson reviewed that the LTAC Committee had met twice in recent weeks to determine funding recommendations for grants submitted for local agencies. Both the Chamber of Commerce and the Bellingham Visitors Bureau had increased their requests from previous years. The City collects approximately \$40-45,000 a year in Hotel Motel funds, and for the last two years carried a surplus cash balance.

The increase in the Chamber's request was partly due to changing locations from a City-owned building to another location at which they now pay rent. They also requested funds to improve their website.

The Recreation and Finance Committee and staff had some concerns regarding the ongoing funding of operations costs of the Chamber. Staff and Committee members stated that more large scale special events would be a preference for funding, and that operational costs should be "weaned" or reduced from the fund to induce more self-sufficiency. It was thought that events and celebrations similar to Hoop fest, Bite of Seattle, and the upcoming year-long Ferndale Centennial would be exciting and energizing to this growing community.

It was the recommendation of the Committee and LTAC to make the following final recommendations to the City Council:

Entity	Amount	Purpose
Chamber	\$ 3,320	Website
Chamber	\$26,000	Director's Salary/Visitor Center Operations
Heritage	\$ 7,500	Tour Guides/Transfer to City
B'ham Tourism	\$ 2,500	Tourism/promotion
Total	\$39,320	

The Committee asked that "placeholders" be put in the budget for the following expected grant requests:

Entity	Amount	Purpose
Downtown Revitalization Committee	\$ 5,000	Downtown Revitalization
City	\$17,500	Centennial Celebration
City	\$ 3,000	Speaker for City Birthday
Chamber	\$12,000	Annual Street Fair

City Treasurer Mark Peterson noted that approximately \$45,000 will be available to fund further requests in 2007.

FINAL (FOURTH QUARTER) BUDGET AMENDMENT FOR 2006 BUDGET

City Treasurer Mark Peterson reviewed the fourth quarter budget amendment ordinance. The larger expenditures that were authorized by Council in the fourth quarter included earnest money for the Front Street land acquisition, and \$40,000 for a library needs assessment (interfund). This ordinance will be presented and reviewed in detail at the Council meeting of December 18th.

It was moved by Councilmember Downey and seconded by Councilmember Oliver to move the fourth quarter Budget Amendment Ordinance forward to the full Council. Motion passed.

2007 PRIORITY FOR RECREATION AND FINANCE COMMITTEE

Councilmember Oliver stated that beginning in early 2007 he would like the Committee and staff to conduct a thorough review of the City's Financial and Budget Policies. City Administrator Young and Treasurer Peterson agreed that an annual review of City policies was appropriate.

ATTACHMENT C:

**MINUTES
Planning and Judicial Committee Meeting
Held Wednesday, December 13, 2006
City Hall Conference Room
9:30 a.m.**

PRESENT: Councilmembers Jensen, Downey, and Elliott
ADMINISTRATION: Jerry Landcastle, Greg Young, Mark Peterson, Linda Knutson

RFP'S FOR PUBLIC DEFENDER SERVICES

Administrator Young reviewed that the City received four responses to the Request for Proposals for Public Defender Services. The City held interviews on December 6th and 7th, and after considering the qualifications of each firm/individual, concurred to retain Lester and Hyldahl to perform said services for an additional two-years with one-year extension options. The Committee noted that the liability coverage was at \$300,000 and wondered if it should be higher. Staff will check into this.

It was moved by Councilmember Jensen and seconded by Councilmember Downey to move this recommendation forward to the full Council. Motion passed.

ORDINANCE AMENDING ELECTED OFFICIALS SALARY – ANNUAL INFLATION INDEX

City Clerk Knutson noted that in July of 2004 the Council voted to adjust the monthly salaries of council positions and mayor position. The pay increases would affect positions as provided by statute. At that same meeting, the Council voted to build-in an annual inflation index of 80% of the Seattle CPI. This language was inadvertently omitted from the Salary Ordinance, prompting this ordinance to be brought forward.

It was moved by Councilmember Elliott and seconded by Councilmember Jensen to forward this ordinance to the full Council. Motion passed.