

MINUTES
Ferndale City Council Meeting
Held Monday, January 17, 2011
City Hall Annex – Council Chambers
6:00 p.m.

STAFF:

City Clerk Sam Taylor
Cnty. Dev. Dir. Jori Burnett
Finance Director Mark Peterson

Public Works Director Janice Marlega
Police Chief Michael Knapp

Mayor Gary Jensen presiding.

PRESENT BY ROLL CALL:

Councilmember Cathy Watson
Councilmember Keith Olson
Councilmember Jon Mutchler
Councilmember Brent Goodrich

Councilmember Mel Hansen
Councilmember Paul Ingram
Councilmember Lloyd Zimmerman

B. CONSENT AGENDA:

- *Approval of Minutes of Council meeting of January 3, 2012*
- *Authorization of Payroll of January 5, 2012*
- *Approval of Claims Run of January 17, 2012*
- *2011 Monthly Budget Amendment*
- *Prosecuting Attorney/Indigent Defense Contract Renewals*

The monthly budget amendment was pulled at the request of Finance Director Peterson and placed on the regular agenda.

Councilmember Ingram moved, and Councilmember Hansen seconded to approve the consent agenda. Motion carried unanimously.

C. PROCLAMATIONS: Ferndale Kiwanis 40th Anniversary/ Ferndale Day of Giving

Mayor Jensen read proclamations in honor of the 40th anniversary of the Ferndale Kiwanis Club and declaring Sunday, January 29, the Ferndale Day of Giving.

C2. Monthly Budget Amendment

Finance Director Mark Peterson noted the budget amendment differed in one minor way by recognizing a \$7,285 expenditure for the Planned Action stormwater study in 2011, with the majority of the work to take place within the 2012 budget timeframe.

Councilmember Hansen moved, and Councilmember Mutchler seconded to approve the ordinance. Motion carried unanimously.

D. RESOLUTION: Supporting Ferndale School District Levy Vote

Mutchler said he thought it was well-meaning and understood why it was being done, but he would prefer not to vote on the resolution and it wasn't the council's responsibility.

He was not aware of the council ever considering such a resolution in the past regarding a school district levy.

Councilmember Mutchler said he was a big supporter of public education, and praised the district, but he felt uncomfortable about this type of resolution.

Councilmember Mutchler moved, and Councilmember Goodrich seconded, to table the resolution.

Councilmember Ingram noted he and several city staff met with school district staff regarding information on their levy. The district appeared supportive of the city considering such a resolution, he noted. He disagreed with Councilmember Mutchler's position.

Councilmember Olson agreed with Councilmember Mutchler. He said he would support the motion to table and, if it failed, he would abstain from considering the resolution.

He said it seemed hypocritical that five council members would not support a property tax increase in 2011 but are supportive of a tax increase for the school district.

Councilmember Goodrich said he had a lot of reservations in regard to the topic, coming out and voicing an opinion on an election or ballot issue. He personally believes if council members wanted to support the topic they could individually write letters to the editor. Councilmember Goodrich stated he was concerned about setting a precedent on supporting ballot measures.

Councilmember Zimmerman explained he would support the resolution because of concerns about the city sharing the February 14 ballot with the school district. The council member felt the city blurred the lines of the election, and that education supports the city's economy and public safety.

Councilmember Hansen noted a year ago the council considered, and approved, the SSA Marine support resolution, and that if he had to make a decision between the school district's topic and the Gateway Pacific Terminal project he would choose the children of the community.

He argued it was incumbent on the council as part of the community to weigh in on the topic. He said he would support the resolution and not the motion to table.

Councilmember Watson said she understood the district was different from the city, but that both entities had similar missions in supporting the community and she would support the resolution.

Councilmember Mutchler argued that the strength of the resolution would be in a unanimous vote and it did not appear that would be the case. He said he felt it was good the city is participating in the February election to provide voters an opportunity to really pay attention to the special election time. He said he would personally support the district's levy.

Councilmember Goodrich offered that the SSA Marine resolution was very different from the school district levy resolution issue, most especially that the district's levy would much more directly affect the community than Gateway Pacific would because it's outside city limits and the Ferndale City Council has no control over the matter.

Mayor Jensen pointed out that the Bellingham City Council at one point passed a resolution recommending that Ferndale not allow large-scale retail development in the city.

Councilmember Ingram said he believed the district would publicly support the city's measure and there was an indication the city might support the district, too. He pointed out that if the levy fails one-fourth of the district's budget would be cut, which means a quarter of the teachers laid off, no Ferndale football team and more. His opinion is that anything the city can do would be beneficial.

Councilmember Mutchler said it was just a general principle of his that he doesn't support these types of resolutions and he didn't feel it was the role of council to do that. He stated that voters likely "look through" this type of resolution.

Councilmember Hansen noted concerns that headlines in the newspaper would seem to indicate that the council didn't support the levy.

Councilmember Mutchler recognized that concern, but noted his motion was to table it so that it would not be put up for a vote before the council.

ON THE MOTION TO TABLE: Motion failed 3-4, Watson, Hansen, Zimmerman, Ingram opposed.

Councilmember Hansen moved, and Councilmember Zimmerman seconded, to approve the resolution.

Councilmember Mutchler called on Councilmember Olson and Goodrich to support the resolution now that it was on the table. He noted that, while he preferred such resolutions to not be considered by the council, now that it was appropriate for the council to provide unanimous support to both the city's issues as well as the school district levy. For that reason, he said he would now support it.

Councilmember Olson noted, as he said before, he would abstain from voting and the discussion has already been had.

ON THE MOTION TO APPROVE THE RESOLUTION: Motion carried 6-0, with Councilmember Olson abstaining.

E. Prioritization of 2012 Must/Should/Could-Do Lists

Councilmember Ingram suggested that Finance Director Peterson prioritized the list based on the budget of the city.

Councilmember Watson said she might feel more comfortable prioritizing the list if she knew the costs of each item.

Councilmember Hansen noted the list was not based necessarily on funding, and that even in prioritized form it was likely some items might be undertaken before others that were ranked higher.

Councilmember Goodrich suggested there were some items that could be prioritized, but that other items on the list would need more discussion in terms of monetary figures, like the police vehicle replacement fund. He recommended removing the numbering from the "Should" and "Could" lists.

Mayor Jensen suggested that all three lists have the numbers removed and note that they're not prioritized.

Councilmember Hansen said he thought the list should be prioritized, regardless of the funding available. The list is designed as a priority wish list for the city, and not all items will necessarily be accomplished immediately or in the order they are on the list.

The council member also suggested the list could be prioritized to a top five and the rest could be bulleted.

Councilmember Hansen also suggested that the intersection of Washington and Vista should be on the "Must" list for future transportation improvements.

Councilmember Mutchler said many of the items were important, but likely the most crucial is additional staffing for the Police Department. Safety first and protection of victims was of vital importance, he said.

Councilmember Watson said she supported staffing needs for police being at the top of the list.

Council members provided their priority lists to the Treasurer Peterson to tabulate priorities.

Councilmember Hansen moved, and Councilmember Goodrich seconded, to add Vista & Washington intersection improvements to the “Must” list. Motion carried unanimously.

Council members worked to submit their top priorities to the Finance Director to rank.

While waiting, Mayor Jensen praised the Public Works Department for their snow plow efforts. He noted in recent years the city has had to reduce its budget for snow removal and have prioritized transportation routes to plow.

The newly-prioritized list as tabulated was:

- 1) Strategic Staffing Additions
- 2) Repair to Thornton Road
- 3) Church Road
- 4) Washington & Vista Transportation Improvements
- 5) Thornton Overcrossing Engineering
- 6) Expanded Recreational Opportunities
- 7) Police Fleet Replacement Fund
- 8) Main St. Signalization
- 9) Pathways at Pioneer Park
- 10) Tablet Computers for Agenda Packets
- 11) Trail – Vanderyacht Park to Old Pump Station
- 12) Storm Pond Mosquito Abatement

Councilmember Ingram moved, and Councilmember Hansen seconded, to approve the reprioritized “Must” list. Motion carried unanimously.

F. MAYOR REPORTS/COMMENTS

No comments.

G. COUNCIL REPORTS/COMMENTS Review Council Committee and Liaison Assignments

Councilmember Ingram noted the Kiwanis Club would be having its baby food drive Saturday from 10:30 a.m. to 3:30 p.m. at Haggen.

The council member also said if anyone was planning to go to the Chamber of Commerce banquet they should keep their eye on email updates due to weather and potential cancellations.

Councilmember Goodrich noted that the Growth Management Hearings Board ruled against Whatcom County’s designated Local Areas of More Intensive Rural Development (LAMIRD). Community Development Director Jori Burnett provided more background, noting that the GMHB provided a ruling of invalidity, one of the most severe rulings the board can levy. It means the county can no longer process development applications in those areas while they are out of compliance with state law.

H. DEPARTMENT REPORTS

Director Burnett shared that city staff is in the process of monitoring an enforcement action against a parcel of land where some type of manure or composting has been deposited and is sending off unpleasant odors, which residents have complained about. Both the city and the Northwest Clean Air Agency are involved in the issue.

I. COMMITTEE MINUTES – INFORMATIONAL

J. EXECUTIVE SESSION – Potential Property Acquisition (RCW 42.30.110 (b))
Information only.

ADJOURNMENT

Council was adjourned at 7:20 p.m.

ATTEST:

Gary S. Jensen, MAYOR

Sam Taylor, CITY CLERK

Councilmember Watson said she understood the need for a previous ordinance approving a condemnation process, but that she hoped it would not become an oft-used tool.

Radder said that were her desire as well, but that the property owners, particularly of the Church Road and Main Street property appear to be unclear as to the future use of the undeveloped property and that is part of the reason why they have not been able to come to terms with them. She stressed the city's only intent is to ensure the entire Main Street improvement project remains on schedule and condemnation proceedings would not move further if the city is able to come to some type of settlement with the property owner.

Councilmember Watson inquired if the city needed to enter the condemnation process now if there were still property owners to negotiate with. She stated she understood the need of condemnation at certain times but did not want to be placed in a situation of having to approve another proceeding each meeting.

Director Marlega said the city could wait, though it would impact the ability to control the project's schedule.

Councilmember Hansen said that was an important point, because the city took a lot of flak for delays during a previous phase of the Main Street project during the winter time and weather delays.

City Administrator Young said often times eminent domain is viewed as an issue taking into account only the individual property owner, but that the city's position is that it must review these situations based on the whole community and the common good.

Councilmember Goodrich stated he didn't have a problem with moving forward on the ordinance because it's difficult to negotiate with multiple property owners in one condo association and the other owners appear unclear on how they'd like to manage their property in the future.

Director Marlega shared that the city didn't include the properties in the previous condemnation ordinance in hopes that a resolution could be obtained, and these proceedings were not the initial desire of staff.

Councilmember Hansen moved, and Councilmember Watson seconded, to forward the ordinance to the full council with a recommendation of approval. Motion carried 3-0.

2011-2016 Sewer & Water Capital Improvement Programs

Director Marlega provided a brief review of the city's Capital Improvement Program.

Councilmember Watson wondered how much funding was needed for design work on the Thornton Road – Maureen to Vista section – improvement project.

Consultant Luis Ponce of Reichardt & Ebe Engineering estimated approximately \$15,000 to \$20,000 was necessary for surveying and basic design.

Councilmember Goodrich wondered if the city would need to obtain right-of-way for the project.

Ponce said it appears the city has the necessary right-of-way for the street improvement portion of the project, and Director Marlega said there may be a need for some additional right-of-way for the stormwater conveyance system aspects of the project.

Administrator Young explained to the committee that the city would be applying for Port of Bellingham grant funding and hoped to secure \$20,000 to begin preliminary engineering of the roundabouts on either side of the Interstate 5 bridge on Main Street/Axton Way. The city will likely learn about the grant awards in a month or so, he shared.

Director Marlega noted that the city will submit the Thornton Road project for federal grant funding, too.

She also shared that Ferndale Mobile Village, which the city is working to obtain a stormwater easement for, has indicated they cannot afford to convert to the city sewer system and will remain on septic.

Councilmember Hansen inquired about a previous project to replace the high head pumps at a city treatment facility. Director Marlega explained that one pump had been replaced previously but the rest of the project remained undone since about 2007.

Regarding sewer system capital improvements, Marlega reminded the committee of a previous council decision to issue about \$900,000 in sewer bonds. That funding will be used for initial work on the telemetry system to monitor the system's sewer pump stations, to replace the Griffintown area sewer infrastructure and to begin a basic Fats, Oils & Grease education program.

Finance Director Mark Peterson said the council in 2012 would follow up with the rest of that plan to issue an additional \$4 million in bonds for sewer system capital improvements as well as about \$2 million for a regional stormwater pond.

Councilmember Hansen asked if the city had the funding for those bonds.

Director Peterson confirmed that was the case and the bond pay back is based on projections of sewer connections increasing annually by about 2 percent.

The committee adjourned at 8:58 a.m.

MINUTES
Planning & Land Use Committee Meeting
Held Wednesday, January 11, 2012
City Hall Conference Room
9:00 a.m.

COMMITTEE: **Councilmember Keith Olson (Chair)**
 Councilmember Brent Goodrich (for Councilmember Mutchler)

Absent: Councilmember Mutchler (excused); Councilmember Zimmerman (unexcused)

ADMINISTRATION: **Mayor Gary Jensen** **City Administrator Greg Young**
 Cmty Dev. Dir. Jori Burnett **City Clerk Sam Taylor**

Committee Chairperson Selection, Meeting Time Discussion

Councilmember Olson volunteered to be chair of the committee. Approved by general consent.

The committee decided to keep it's time for meeting.

Annexation Blueprint - Discussion

Community Development Director Jori Burnett briefed the committee members on the Annexation Blueprint planning process his staff was undertaking.

Burnett explained that the basic concept is that when annexations are initiated by property owners, the city reviews that application and they're pretty much always approved.

What that process does not do, however, is ask the question "Are we ready for it," Burnett said.

The current process basically puts the city in reactive mode to annexations, and it could end up being that an annexed portion of the city's Urban Growth Area could come into city limits without Ferndale being ready for it or a full analysis might not be well-rounded on the new area of the city.

The blueprint analyzes subareas of the UGA and establishes timeframes that make sense as to when that area outside city limits should be annexed.

Burnett shared the process being developed by staff is modeled on the Clark County and Vancouver, Wash., model, which was put into place in 1993 as the area experiences suburban growth from Portland, Ore.

The main part of the process is that the blueprint would identify within each subarea the available utilities, road conditions, potential flood conditions, assess the potential need to repay the county for road improvements and more.

The process will provide both the city and property owners with consistent expectations, Burnett said.

The discussion is more of a heads up for the committee, Burnett indicated, but that questions that were pertinent included what the committee thinks of the process and what type of public process they'd like to use to engage property owners in the UGA regarding the topic.

Councilmember Goodrich wondered if the city had initiated any annexations in the past 20 years or if they were initiated by UGA property owners.

Director Burnett said it doesn't appear the city has initiated any major annexations, only to incorporate small portions of property the city owned in the UGA.

Councilmember Goodrich asked if the blueprint would provide the council with some type of weighting system to assess annexations.

Director Burnett said that was the goal.

Councilmember Goodrich was curious as to how staff determined which areas of the UGA should be annexed during specific timeframes as outlined by map exhibits in the blueprint draft.

Director Burnett explained the map basically takes into account conditions on the ground, for instance where a school is intended to be built in the UGA will more likely be annexed earlier as residential development occurs around the school. He also noted that portions of the UGA around Grandview Road would be annexed later, based on the map, due to a lack of available utilities.

City Administrator Greg Young said there were basically three reasons for creating the annexation blueprint:

- 1) Certainty for the property owners and city.
- 2) It provides the City Council a process for assessment.
- 3) It serves to demonstrate to other governmental entities that Ferndale is not interested in sprawl but that the intention is to plan for consistent and logical growth.

Director Burnett explained that the Planning Commission will first vet the proposal and council will also have the opportunity to assess the blueprint for the issues studied and can suggest reducing, removing or adding other items for assessment.

Councilmember Goodrich noted that due to some annexations the city has inherited roads that are substandard. He was curious if the city can create some type of rules requiring roads to be improved to city standards when annexed without expense to the city.

Director Burnett indicated that the city simply inherits the roads as is.

Councilmember Olson and City Clerk Sam Taylor noted Local Improvement Districts might be a way for annexed property to be improved, which would place an assessment on properties that must be paid back for the improvements made.

Mayor Jensen noted previous experiences of the city in that process have not gone as well as hoped.

Councilmember Olson suggested that the city might consider including in the annexation blueprint the LID process as a tool to address substandard areas. The tool could be used when an area of property owners would like to be annexed but would be denied if their road system was substandard and that they could agree to an LID upon annexation.

Councilmember Olson said he liked the plan and said he supported outreach to the property owners in the UGA and meetings with them to discuss their thoughts on the topic.

2012 CDD Docket

Committee members asked Director Burnett to come to the next committee meeting with a list of "have to do" items and allow the committee, and then perhaps the full council, to prioritize other potential planning docket work that the department "could do" in 2012.

The committee adjourned at 9:43 a.m.

MINUTES
Finance & Administration Committee Meeting
Held Wednesday, January 11, 2011
City Hall Conference Room
10:00 a.m.

COMMITTEE: **Councilmember Paul Ingram - Chair**
 Councilmember Keith Olson (for Councilmember Zimmerman)
 Councilmember Cathy Watson (for Councilmember Mutchler)

Absent: Councilmember Jon Mutchler (excused)
 Councilmember Lloyd Zimmerman (unexcused)

ADMINISTRATION: **Mayor Gary Jensen** **City Administrator Greg Young**
 City Clerk Sam Taylor **Finance Dir. Mark Peterson**

Committee Chairperson Selection, Meeting Time Discussion

Councilmember Olson nominated Councilmember Ingram as chair of the committee. Approved by general consent.

Committee members decided to keep their same committee time.

Claims

Committee members reviewed the city's claims for bills to be paid.

Councilmember Watson moved, and Councilmember Olson seconded, to recommend approval of claims and place on the regular meeting consent agenda. Motion carried 3-0.

2011 Monthly Budget Amendment

Committee members reviewed a minor final 2011 budget amendment. Finance Director Mark Peterson explained that the 2011 budget is legally required to remain open to pay bills until January 20, 2012. There is a chance, he said, because the council meeting is on January 17 and more bills could come in other items may be added to the amendment for the council to consider at the regular meeting. Director Peterson said he did not believe that would happen, but he wanted to provide that caution.

Councilmember Watson moved, and Councilmember Olson seconded, to recommend approval and place on the regular meeting consent agenda. Motion carried 3-0.

City Prosecutor, Public Defender Contract Renewal

City Clerk Sam Taylor explained to the committee that these contract renewals simply extend contracts for the City Prosecutor and Public Defender through 2012 and do not change the previous terms of the 2011 contract, including costs.

Councilmember Olson moved, and Councilmember Watson seconded, to recommend approval and place the contract addendums on the regular meeting consent agenda. Motion carried 3-0.

LEOFF I Retiree Funding Discussion

Finance Director Mark Peterson shared with the committee a staff review of the city's future liabilities for LEOFF I retirees, which for the City of Ferndale translates to three retired members of the police

department. Under state law, these retirees receive all medical coverage from the city for life, including major costs like long-term care.

Director Peterson explained this is a big concern for local governments, and he is projecting that over the life of the three retirees the city will have to pay an estimated \$6.13 million in medical care.

He noted that the Washington State Actuary does offer a basic software program to municipalities to calculate LEOFF I medical expenses, but that the \$884,827 projection from the state makes assumptions that he believes are inaccurate. The director shared that the Actuary's program assumes that inflation drops significantly over time and also assumes that funds set aside for medical care, as they accrue interest, will accrue at a rate of approximately 4.5 percent. He noted at this time that the city's interest rates are significantly smaller than that, and so the numbers do not seem to be plausible.

Staff has reviewed potential options to help pay for future care, including long-term care coverage when the retirees are more aged and in medical facilities that are very costly. Long-term care insurance is an option, but staff noted that, while the city is responsible for paying the premiums on the policy and the fund is used on a reimbursement basis back to the retirees, that the long-term care coverage checks would be sent directly to the retirees, which removes the ability for the city to ensure the program is run on a reimbursable basis.

Another option is key-person life insurance, which could potentially be taken out on one employee or all three. The intent is similar to the way major corporations take out such policies on top managers or CEOs, Director Peterson said, with the theory being that should a top executive pass away, the company would lose profit for some period of time due to a loss of their expertise and leadership. The life insurance policy, therefore, helps cover some of that monetary loss.

In the city's instance, Director Peterson explained, a life insurance policy – while a grim prospect – could allow the city to help fund the liability of other retirees should one former employee pass away.

Staff is also considering allotting some of the life insurance policy's funds to the spouse of the retiree when they pass away.

City Administrator Young informed the committee that the intent was to speak directly with all three retirees to explain the situation and to examine their interest in participating in such a program.

Councilmember Watson said she understood staff's struggles with the sensitive topic but also why it was necessary to help protect all taxpayers in the community.

Finance Director Peterson reiterated that staff would not be suggesting this type of proposal if the city had the ability to generate \$6.13 million in funding for the projected future medical expenses.

As depressing as it is, said Administrator Young, staff's job is to deal with these types of situations.

More information will be brought to the committee at a future date.

The committee adjourned at 10:49 a.m.

MINUTES
Public Safety & Neighborhood Services Meeting
Held Wednesday, January 11, 2012
City Hall Conference Room
11 a.m.

COMMITTEE: **Councilmember Cathy Watson - Chair**
 Councilmember Mel Hansen
 Councilmember Paul Ingram

ADMINISTRATION: **Mayor Gary Jensen** **City Administrator Greg Young**
 City Clerk Sam Taylor

Committee Chairperson Selection, Meeting Time Discussion

Councilmember Ingram nominated Councilmember Watson as chair of the committee. Motion approved by general consent.

Committee Name

Councilmember Ingram asked that the name of the committee be changed from Public Health & Neighborhood Services to Public Safety & Neighborhood Services in order to better reflect the committee's work.

Committee members agreed to that name change.

Committee Vice Chairperson

Councilmember Hansen nominated Councilmember Ingram as vice chairperson of the committee. Motion approved by general consent.

OTHER ITEMS

Bertella Hansen attended the committee to share that the Annual Citywide Cleanup will be Saturday, May 19.

She also wondered what was occurring with development of media kiosk regulations in downtown, noting that it had been 2.5 years since the topic had first been brought up.

City Clerk Sam Taylor, who had been charged with taking over that project, explained that the last direction of the committee was to craft regulations that included specific locations for the boxes downtown and to set up a system in which The Bellingham Herald would manage the boxes and partner with other publications in the area so each one would pay their fair share of space.

Taylor said he was uncomfortable with fashioning the ordinance in that way because he didn't want it to appear that the City was playing favorites with one specific publication in town.

The sticking point previously, he noted, which led to that decision, was that the committee had not been interested in purchasing the media kiosks with city funds. Without doing that, however, the ordinance is somewhat in a holding pattern as purchasing the kiosks and conducting a lottery for space is a more appropriate way of regulating media kiosks in the downtown core and is what has taken place in other cities across the nation.

Committee members asked Taylor to seek out pricing on the city's behalf for two types of kiosks – the ones he and Bertella Hansen had deemed to fit the intended feel of downtown as well as kiosks that include both coin-operate sections and free publication space at the bottom, similar to Bellingham Herald

combined boxes. Taylor said he would check into that pricing, as well as if it was possible to get them in the city's desired color scheme or if city Public Works would need to participate in painting the boxes once purchased. He will bring that information to the committee at a later date.

The committee adjourned at 11:26 a.m.