

Town of La Conner
Town Council Meeting
February 10, 2009 – 6:00 p.m.
Upper Maple Center

The regular meeting of the La Conner Town Council was called to order at 6:00 p.m.

Present: Mayor Hayes, Councilmembers Brunisholz, Hubbard, O'Donnell, Johnson, and Wright.
Also Present: Administrator/Planner Doyle, Public Works Director Lease, Finance Director Taylor, Kelly Wynn, Fire Chief Taylor, and Sergeant Wise.

Approval of Agenda:

Councilmember O'Donnell moved to amend the agenda to include two draft letters to the General Investigative Study for \$1.3 million from the federal government; and to Mary Margaret Haugen regarding flood control. Mayor Hayes stated that Item #4 on the agenda (Ordinance amending the Arts Commission) will be presented at the 2/24/09 council meeting. Seconded by Councilmember Hubbard. Carried 5-0.

Approval of Minutes:

Councilmember Brunisholz moved to approve the minutes of the January 27, 2009 Town Council meeting. Seconded by Councilmember Hubbard. Carried 5-0.

Approval of Accounts Payable:

Councilmember Johnson moved to approve checks 7034 through 7089 dated February 10, 2009 in the amount of \$221,516.04 as presented. (Check #7054 to Ramon Hayes for \$125.80 is VOID). Seconded by Councilmember Hubbard. Carried 5-0.

Approval of Payroll:

Councilmember Hubbard moved to approve payroll checks 1530 through 1534 and direct deposits for the payroll period of January 16 through January 31, 2009 in the amount of \$37,726.58 as presented. Seconded by Councilmember Brunisholz. Carried 5-0.

Community Comments: Time was given for members of the audience to address the council regarding issues that are not on the agenda.

Chamber Report: Marci Plank stated that the Chamber is putting together a great committee for Arts Alive. The Chamber is working on a television commercial, radio advertising, and Seattle Magazine to market La Conner. Ms. Plank stated that she is meeting with Langley, Coupeville, Oak Harbor, and Camano Island to create a Puget Sound Waters Edge Boat Tour.

Department Head Reports:

- **Revenue/Expenditure Report January 2009:** Ms. Taylor stated that the compost material expenses had been reallocated by a journal entry between the sewer and sewer compost fund for 2008. She stated that we have not heard back from the Auditor's Office regarding retainage interest. Ms. Taylor stated that the Town has a CD maturing at Cascade Bank and they will not renew the CD. She will continue to research interest rates and provide the information to the Investment Committee.

- Administrator: Administrator Doyle stated that the new Planning Intern, James White, has been attending Planning Commission meetings, and his specialty is emergency planning. Mr. Doyle has given him the task of reviewing the emergency plans of the County and La Conner and to make recommendations.

Community Economic Revitalization Board – Mr. Doyle stated that there currently is not enough funding available in this grant cycle for redevelopment of Tract 23, the old cannery area. He stated the next grant cycle will have funds available for La Conner in the CERB program and the Governor’s Office for utilities in Conner Way and the reallocation of the right-of-way. The Town is looking for \$800,000 in grant funds and council approval to start the permit process requirements for the CERB Grant.

Councilmember Hubbard moved to approve beginning the permit process requirements for the grant. Seconded by Councilmember O’Donnell. Carried 5-0.

- Public Works: There were no comments or questions on the report included in the council packet.
- Water Wastewater: There were no comments or questions on the report included in the council packet.
- Fire Department: There were no comments or questions on the report included in the council packet.
- Sheriff’s Department: There were no comments or questions on the report included in the council packet.

Council Committee Reports:

Councilmember Hubbard:

- Skagit County Sheriff’s Contract – Ms. Hubbard stated that the committee is pleased with the officers serving the Town, but with hard times the County was unwilling to negotiate the terms of the contract. The Committee recommends that the Council give the Skagit County Sheriff’s Department a 12 month written notice of termination per the agreement, and reallocate office space for the police department at Town Hall.

Councilmember Hubbard moved to give the Skagit County Sheriff’s Department a 12 month written notice of termination per the agreement, and reallocate office space for the police department at Town Hall. Seconded by Councilmember Johnson. Carried 3-2. Councilmembers O’Donnell and Wright opposed.

- Hotel Motel Taxes - The committee discussed a policy setting forth the allocation of Hotel Motel Funds in the event that the Town does receive the anticipated funds in the budget. The committee recommends the Council approve the Resolution setting forth the allocation of Hotel Motel Funds in the event that the Town does receive the anticipated funds in the budget.
- Arts Commission – The committee reviewed the history of Arts Alive and the role of the Arts Commission. The committee recommends Council support of the transfer of Arts Alive to the Chamber. Mayor Hayes stated that the Arts Alive needs stability and feels the Chamber will be able to provide that.

Councilmember Hubbard moved that the Council support the transfer of Arts Alive to the Chamber and identify funds in the Town Budget for the Arts Commission. Seconded by Councilmember Johnson. Carried 5-0.

Councilmember O’Donnell: presented a draft letter for the Mayor to Senator’s Murray and Cantwell and Representative Larson for \$1.3 million in the Water Resources Fund to complete the General Investigation Study by 2012.

Councilmember O’Donnell moved to authorize the Mayor to sign the letter to our state delegation in Washington D.C. Seconded by Councilmember Brunisholz. Carried 5-0.

Mr. O'Donnell stated that the letter to Senator Haugen requests \$850,000 for the Comprehensive Flood Hazard Plan.

Councilmember O'Donnell moved to authorize the Mayor to sign the letter to Senator Haugen for funding the gap filler. Seconded by Councilmember Hubbard. Carried 5-0.

Councilmember Wright: stated that the Utilities Committee met and the items will be discussed later in the meeting.

Water & Sewer Rate Study: Town Engineer, Evan Henke, presented a summary of the study results and action items:

- Approve the rate model which establishes the means of calculating a rate
- Repeal or revise the CPI automatic increases
- Delete the monthly water volume allowance included with meters larger than ¾"
- Revise the monthly water ¾" meter base charge to \$16.34 per month for 2009 and to \$17.84 for 2010
- Establish meters larger than ¾" be charged a base rate with a multiplier
- Revise the water volume charge to \$2.32 per 100 cubic feet for 2009, and \$2.53 for 2010
- Update the water meter installation charges
- Revise the monthly sewer base charge to \$14.20 per month for 2009 and \$15.20 for 2010
- Revise the sewer volume charge to \$3.87 per 100 cubic feet for 2009 and \$4.14 for 2010.

The proposed sewer rate would increase from \$27.48 in 2008 to \$30.26 in 2009, and the sewer compost fund will pay a large service charge annually to the sewer fund to maintain rates. Mr. Henke cautioned there was a risk to relying on the compost fund to keep rates down due to market and/or regulatory changes, and the potential need to go back to the residents for a rate increase.

Mr. Henke commented that these actions do not affect the wholesale water agreement with Shelter Bay or the sewer agreement with the Swinomish Tribe. The scope of the study does not include evaluating the General Facilities (connection) charge and a recommendation has not been made. The proposed actions are based on the concept that the Town will review the model in the fall of 2010 and determine rates for the 2011/2012 cycle.

It was discussed that the current water meter installation charge of \$550 does not cover costs of operation and maintenance, and the connection charge is for future capital costs.

At 7:15 p.m. the Council took a 6 minute break and resumed the meeting at 7:21 p.m.

Mr. Henke stated that the proposed water rate would increase from \$34.13 in 2008 to \$37.42 in 2009.

Councilmember O'Donnell requested permission to present his own water/sewer rate study. Councilmember Wright stated that the Utility Committee recommends having a public hearing on the rates. It was the consensus to continue discussion of the rates on February 24, and have the public hearing and reach a decision at the March 10 meeting.

2009 Tribe Sewer Rate: Administrator Doyle stated that the Utilities Committee reviewed the 2009 rate and the fair share adjustment for the Swinomish Tribe. The proposed rate is .4688 cents per 100 gallons. The Tribe would like to draw down their cumulative reserve by \$24,000 to offset their costs.

Councilmember Wright moved to accept the proposed rate of .4688 cents in 2009 for the Swinomish Tribe. Seconded by Councilmember Hubbard. Carried 5-0.

Appointment of Arts Commission Members: Mayor Hayes requested council approval of the reappointment of Pat Doran and Claire Eberle to the Arts Commission.

Councilmember Hubbard moved to accept the Mayor's appointment of Pat Doran and Claire Eberle to the Arts Commission. Seconded by Councilmember Brunisholz. Carried 5-0.

Resolution – Hotel Motel Funding: Ms. Taylor stated that this resolution sets forth the policy in the event that the Town does not receive all the revenues estimated in the 2009 budget. The recipients will receive a percentage of their proposed allocation for the year equal to the percentage of budgeted revenues received after all bond debt has been fulfilled.

Councilmember Hubbard moved to adopt Resolution No. 432 establishing a policy to allocate hotel motel lodging tax funds. Seconded by Councilmember Brunisholz. Carried 5-0.

Miscellaneous: Mayor Hayes stated that the US Census Bureau has requested a waiver of fees for the use of the Garden Club on March 7 and March 28 for testing.

Councilmember Wright moved to waive the rental fees for the Garden Club for the US Census Bureau, but require them to pay cleaning fees if necessary. Seconded by Councilmember Brunisholz. Carried 5-0.

Administrator Doyle stated that Attorney Furlong has received two additional appraisal bids for First Street in the amount of \$5,000 each. This matter will be placed on the agenda for the next meeting.

Mayor Hayes stated he has been reviewing the policy of receiving correspondence at Town Hall and in the future correspondence will not be opened. He also requested any memos to council be given to staff and they will copy and distribute the information.

There being no further business the meeting was adjourned at 7:55 p.m.

Lorraine Taylor, Town Clerk

Ramon Hayes, Mayor