

***Town of La Conner***  
Town Council Meeting  
February 23, 2010 – 6:00 p.m.

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

Present: Mayor Hayes, Councilmembers Brunisholz, Hubbard, Tracey, Welch, and Wright.

Also present: Administrator Doyle, Finance Director Taylor, PW Director Lease, and Attorney Brad Furlong

**Councilmember Wright moved to excuse the absence of Councilmember Hubbard. Seconded by Councilmember Tracey. Carried 4-0. (Councilmember Hubbard arrived at 6:05 p.m.)**

**Approval of Agenda:**

**Councilmember Wright moved to approve the agenda as presented. Seconded by Councilmember Tracey. Carried 4-0.**

**Approval of Minutes:**

**Councilmember Welch moved to approve the minutes of the February 9, 2010 regular town council meeting. Seconded by Councilmember Tracey. Carried 4-0.**

**Approval of Accounts Payable:**

**Councilmember Wright moved to approve checks 8591 through 8636 and 201002 in the amount of \$50,908.99. Seconded by Councilmember Welch. Carried 4-0.**

**Approval of Payroll:**

**Councilmember Brunisholz moved to approve payroll warrants 2023 through 2028 and direct deposits for the payroll period February 1 through February 15, 2010 in the amount of \$21,748.15 as presented. Seconded by Councilmember Wright. Carried 4-0.**

**Community Comments:**

Kevin Renz, Skagit County Solid Waste Manager, reported that Skagit County received an allocation from the American Recovery and Reinvestment Act to issue \$5,276,000 in Recovery Zone Economic Development Bonds. He stated the construction of the new Skagit County Transfer Station would meet the funding requirements of the bonds. The County would receive 45% of the bond interest in the form of a rebate, and reduce the annual payments to \$609,000 per year with a total savings of \$1.34 million over the life of the project. He stated that Burlington, Mount Vernon, and Anacortes favor the bonding opportunity, and requested council support to use the ARRA bonds for reconstruction of the Transfer Station. Council supported using the funds for the Skagit County Transfer Station.

**Administrator Report:**

- **Shoreline Master Program:** Administrator Doyle stated that he will conduct a single EIS for the SMP and the Boardwalk project, and he is coordinating with other jurisdictions to determine common areas and potential savings. He is applying for a \$40,000 DOE grant for the update to the SMP.
- **Solar Electric Project:** Mr. Doyle stated the town has all of the solar photovoltaic equipment and an electrical contractor is finalizing the work schedule and activities. An electrical engineer was hired to design the three-phase electrical inter-tye, and an application has been submitted to PSE. Mr. Doyle stated that the cost per kilowatt hour is 7-8 cents per hour, but PSE will buy back the excess energy at 45 cents per kilowatt with an annual cap during the incentive program. After the annual cap has been met, the buy back rate drops to 15 cents per kilowatt hour.
- **I-5 Signage for La Conner:** Mr. Doyle stated that Mr. Tom Bechwith has worked as a volunteer to obtain approval for Town signage on I-5. There is a one-time installation fee of \$15,500, and the Port of Skagit has agreed to pay half. He distributed examples and locations of the signs. It was discussed to fund the project when a budget amendment is adopted.

**Councilmember Wright moved to approve and authorize the Mayor to sign an agreement with the Department of Transportation for the new signs with the condition of a contribution from the Port. Seconded by Councilmember Hubbard. Carried 5-0.**

**Mayor's Report:** Mayor Hayes stated that the Town had an exit conference with the State Auditor's office for the year 2008. He stated there were no findings or management letters. The State Auditor's have recommended a two year cycle for auditing, resulting in a savings for the Town.

Mayor Hayes stated that the Maple Avenue project has been selected for additional ARRA funds but not approved for funding yet.

**EXECUTIVE SESSION:** At 6:35 p.m., Attorney Brad Furlong stated that the council would be going into executive session regarding potential litigation in reference to the Town's compliance with legal procedures for 10-15 minutes.

At 6:47 p.m. the regular council meeting reconvened, and Mr. Furlong stated that no action had been taken in the executive session.

**Council Committee Reports:**

**Finance:** Councilmember Hubbard reported the committee met on February 19 and discussed the following:

- **NOW Accounts & Certificates of Deposit –** Ms. Taylor stated there is a new program available to public entities. It is a checking account that is 100% insured and collateralized paying .5% interest. Ms. Taylor will call banks to determine if public CD's are also available.

**Recommendation: The committee recommends that the Finance Director be authorized to 1) obtain two (2) \$250,000 public CD's with local banks, or 2) open a NOW account in the amount of \$250,000 at .5% interest.**

- **Hotel Motel Taxes -** Councilmember Hubbard stated the Hotel Motel fund has an ending balance of \$22,546.

**Recommendation: The committee recommends leaving a \$5,000 balance in the fund, and distributing the remainder per the 2009 percentages. The Finance Director draft a letter stating that the 2010 budget amounts may not be feasible, and encourage the recipients to reevaluate their budgets.**

**Councilmember Hubbard moved to distribute the Hotel Motel tax funds per the 2009 percentages and retain a fund balance of \$5,000. Seconded by Councilmember Tracey. Carried. 5-0.**

- 2008 Audit: Councilmember Hubbard stated the committee reviewed the policies recommended by the State Auditor's Office and two of the items were on the agenda.

Facilities: Councilmember Welch reported the committee met to review a marketing plan for all the facilities. They would like to create a brochure that includes hotel and lodging rates, catering menus from local restaurants, and new photos with people in them. They consider the target markets to be human resource managers, weddings, government meetings, performing groups, and small trade shows. The committee feels there needs to be a dedicated staff person responsible for the complete process and there needs to be an incentive to be available. Mayor Hayes stated that staff and the committee will meet and develop a strategy.

**Fourth of July Parade & Picnic**: Corinne Hajek reviewed the success of the first annual 4<sup>th</sup> of July parade and picnic in La Conner. She requested a waiver of permitting fees for the parade and Pioneer Park and \$1,000 to cover costs for musicians, decorations, a larger banner and prizes for games.

**Councilmember Brunisholz moved to approve waiving the fee for the parade and Pioneer Park and donating \$1,500 toward the costs. Seconded by Councilmember Hubbard. Carried. 5-0.**

Flood Control: Mayor Hayes stated that he and Administrator Doyle will be traveling to Washington DC to address what the hydrology levels should be for La Conner. Mr. Doyle stated he is drafting a letter to FEMA about our technical objections to the errors in the maps. The goal is to have FEMA redo the maps before the clock starts on comments and review by jurisdictions, the appeal period, and adoption of the plan.

Facility Rental Policy: The council discussed 1) using credit cards to take damage deposits and return of the deposits in a timely manner, 2) developing a policy so the Mayor and Administrator could approve damage deposit returns after an event, 3) availability of facility keys, 4) providing a lock box outside town hall, and 5) who determines if an activity poses a significant liability exposure that would require additional insurance.

**Councilmember Hubbard moved to table the issue until the Facility Committee can draft some proposed language. Seconded by Councilmember Tracey. Carried 5-0.**

#### **Facility Rental Rates**:

**Councilmember Hubbard moved to approve Ordinance No. 1041 as amended establishing rental fees, damage deposits, and usage for facilities. Seconded by Councilmember Wright. Carried 5-0.**

Council Vacancy Policy: Mayor Hayes stated the State Auditor's office recommended developing a policy for filling council vacancies.

**Councilmember Tracey moved to adopt Ordinance No. 1042 establishing a process to appoint vacancies on the council. Seconded by Councilmember Wright. Carried 5-0.**

Establishing a Salary Commission: Councilmember Welch recommended the salary commission have five members. The commission will determine salary and benefit levels for elected officials.

**Councilmember Tracey moved to adopt Ordinance No. 1043 as amended to five members and establish a salary commission. Seconded by Councilmember Welch. Carried 5-0.**

**Miscellaneous:** Mayor Hayes stated the State Auditor's have given the town guidelines in taxing the gross revenues of the compost fund. He stated that the Plant Operator Kelly Wynn will be providing the council with a three to five year projection of costs and projects for the compost fund to be able to determine an adequate reserve in the fund. Mayor Hayes stated that the general fund needs to be balanced and still provide necessary services.

Mayor Hayes stated he would like the compost tax revenues to be more project oriented, such as the gap filler for the ring dike. He said that we need to proceed with engineering to determine what type of dike is needed to protect the Town and make sure the existing dikes are adequate. Administrator Doyle stated that a fill and grade permit will be necessary from Skagit County. A meeting with the dike commissioners is planned for March with a follow up meeting with the council.

It was discussed developing a policy for flexibility in using the tax revenues.

There being no further business the meeting was adjourned at 8:00 p.m.

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Lorraine Taylor, Town Clerk

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Ramon Hayes, Mayor