

Town of La Conner
Town Council Meeting
February 24, 2009 – 6:00 p.m.

Present: Mayor Hayes, Councilmembers Brunisholz, Hubbard, and O'Donnell
Also Present: Town Administrator Doyle, Finance Director Taylor, PW Director Lease, Town Engineer Henke, and Sergeant Wise.

Councilmember Hubbard moved to excuse the absence of Councilmembers Johnson & Wright. Seconded by Councilmember Brunisholz. Carried 3-0.

Approval of Agenda:

Councilmember Brunisholz moved to amend the agenda removing the Ordinance Amending the Arts Commission and adding the Hotel Motel Agreement. Seconded by Councilmember Hubbard. Carried 3-0.

Approval of Minutes:

Councilmember Hubbard moved to approve the minutes of the February 10, 2009 regular town council meeting. Seconded by Councilmember Brunisholz. Carried 3-0.

Approval of Accounts Payable:

Councilmember Brunisholz moved to approve vouchers 7090 through 7137 dated February 24, 2009 in the amount of \$182,843.58 as presented. Seconded by Councilmember Hubbard. Carried 3-0.

Approval of Payroll:

Councilmember Hubbard moved to approve payroll warrants 1544 through 1549 and direct deposits for the payroll period February 1 through February 15, 2009 in the amount of \$22,328.40 as presented. Seconded by Councilmember O'Donnell. Carried 3-0.

Community Comments:

Dick Nord, 107 South Third Street, expressed his concerns regarding police services and encouraged the council to keep negotiating with the Skagit County Sheriff's Office.

Administrator's Report: Administrator Doyle reported on the following:

Arts Commission & Arts Alive – the Chamber is taking the lead and the committee is in the process of drafting language clarifying the Town's and Art's Commission role with Arts Alive and should have it ready for the next Council meeting

Fire District 13 – Mr. Doyle received a letter from Fire District 13 stating when the new Fire Hall is complete on SneeOosh Road, the Fire District will be relocating their tender for better access and because that location is more centrally located.

Tribe Sewer Rate - Mr. Doyle requested that the Utilities Committee, WAB Board and the Finance Committee revisit how Cumulative Reserve funds are used and how the tribe sewer rate is developed. He requested that the council table the rate that was approved at the last council meeting. It was agreed to bill the tribe at the 2008 rate until the next council meeting.

Flood Committee – he attended an Advisory & Environmental Committee and realized that the town's plan was overstated by the Army Corps of Engineers in regards to the environmental impacts and feels the issue should be revisited since our plan does not have any proximity to a river or estuary.

Stimulus Funds – he stated that funds are becoming available through the State Drinking Water Revolving Fund for local projects such as fire flow and water systems on 2nd Street and 4th Street, and he will continue to pursue those funds.

Mayor's Report:

Mayor Hayes reported that he has appointed Rebecca Chamberlain to the Arts Commission and requested council approval.

Councilmember O'Donnell moved to approve the appointment of Rebecca Chamberlain to the Arts Commission. Seconded by Councilmember Hubbard. Carried 3-0.

Mayor Hayes stated he attended an RTCO meeting regarding the designation of stimulus funds. Skagit County will be receiving \$2,768,132 funds and \$266,000 will be for rural streets. The County designated State Street for an overly, but the street is not federally designated and therefore it is not eligible for funding. He will continue to pursue the available money.

Mayor Hayes is working the Chamber and the Port to fund a commercial featuring a wedding couple in Maple Hall.

Mayor Hayes stated he met with Sheriff Grimstead and they verbally agreed to continue negotiations between the Town and the Skagit County Sheriff's Office. It may be possible to reduce the number of officers in La Conner this year. In January 2010, we will be able to reduce staffing by one deputy and supplement coverage with a citizen patrol. The office space currently used by the La Conner detachment will be divided with a separate entrance, and the Town will lease out the remaining office space. Council agreed to hold off on the termination letter until the Mayor can get an agreement in writing with the County for police services within 30 days.

Council Committee Reports:

Councilmember Brunisholz stated he received a letter from Waste Management stating that recycling would be picked up for free. The letter was sent in error to La Conner, it is the City of Darrington that gets their recycling picked up free. Administrator Doyle stated he would look into the matter.

Councilmember O'Donnell: requested a Utility Committee on March 3rd at 8 a.m. He also requested that two issues be resolved – ending cash in Fund 409 and if Shelter Bay was under billed in 2008.

Flood Control: Mayor Hayes stated that he feels that La Conner will need to do what is necessary for flood control.

Water & Sewer Rate Study: Councilmember O'Donnell stated he modeled his study on a class at an AWC conference. His study will maintain over \$100,000 in Cumulative Reserve and the operating fund for all years. He recommended putting \$15,000 per year in the water cumulative reserve and \$10,000 per year in for sewer.

Engineer Evan Henke stated that both proposals attempt to forecast future costs, consumption patterns and then compute a revenue stream that will meet the projected costs. Ms. Isaksen projected a 28% level of cost growth and Mr. O'Donnell projected 21% six years. Mr. Henke did a ten year comparison and stated that the Town has had a 4.8% average yearly increase.

Ms. Isaksen's model maintains the existing balance of \$338,000 in operating and cumulative reserves through all the years. Mr. O'Donnell's shows the end balance dropping to \$214,000, to lessen rate increases. He said the use of reserves and fund balances contribute to the difference in the two models. By setting money aside for reserves on a regular basis, it levels out the rates over the years.

Ms. Isaksen's model proposes to increase the base rate at a higher proportion than the variable charge, and Mr. O'Donnell has included costs that typically are fixed in the variable charge.

Mr. Henke stated that the manual used by AWC states that there are several different means of developing charges. He reviewed the methods other cities, towns, and special purpose districts are using in addition to La Conner's. He provided a comparison of fees based on meter equivalency and monthly base charge ratios and stated that La Conner's meter size charges were moderately below other agencies. He recommended using the average meter size rate for La Conner.

Mr. Doyle stated that the Isaksen Utility Rate Study is for a two year period. At that time, the Council can reevaluate the model. Mr. Henke reiterated that the council is approving a rate model.

Councilmember Brunisholz moved to table making a decision on the Water & Sewer Rate Study. Seconded by Councilmember Hubbard. Carried 3-0.

2009 Tribe Sewer Rate & Fair Share Adjustment: Administrator Doyle recommended reviewing the tribe sewer rate through the Utilities Committee and the Wastewater Advisory Board again.

Councilmember Hubbard moved to table the tribe sewer rate adopted at the last council meeting. Seconded by Councilmember O'Donnell. Carried 3-0.

Resolution Adopting Authorized Signatures for Bank Accounts:

Councilmember Hubbard moved to adopt Resolution No. 433 as amended. Seconded by Councilmember Brunisholz. Carried 3-0.

Appraiser Contract:

Councilmember Hubbard moved to approve the contract with Macaulay & Associates for an appraisal of the First Street vacation. Seconded by Councilmember Brunisholz. Carried 3-0.

Miscellaneous: Finance Director Taylor explained that the minor change in the **Hotel Motel Tax Agreement** clarified the date invoice requests were due from recipients.

Councilmember Hubbard moved to approve the Hotel Motel Tax Agreement as amended. Seconded by Councilmember O'Donnell. Carried 3-0.

Conveyance of Utility Facilities: Administrator Doyle explained that this document conveys the utility and street facilities from the Port of Skagit County to the Town of La Conner relating to the Infrastructure Improvement Project, known as the La Conner Marina Peninsula Building.

Councilmember O'Donnell moved to accept the Conveyance of Utility Facilities from the Port of Skagit County to the Town of La Conner. Seconded by Councilmember Brunisholz. Carried 3-0.

Facility Use: Maggie Wilder, Poet's House Trust, requested the free use of the Garden Club on May 27th to continue the historic interviews about the life and work of Robert Sund.

Councilmember Hubbard moved to approve the free use of the Garden Club (with the exception of cleaning fees) for the Poet's House Trust interviews on May 27, 2009. Seconded by Councilmember Brunisholz. Carried 3-0.

There being no further business the meeting was adjourned at 7:15p.m.

Lorraine Taylor, Town Clerk

Ramon Hayes, Mayor