

Town of La Conner
Town Council Meeting
April 27, 2010 – 6:00 p.m.

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, PW Director Lease, and Finance Director Taylor

Approval of Agenda:

Councilmember Hubbard moved to approve the agenda as presented. Seconded by Councilmember Welch. Carried 5-0.

Approval of Minutes:

Councilmember Brunisholz moved to approve the minutes of the April 13, 2010 regular town council meeting. Seconded by Councilmember Wright. Carried 4-0. Councilmember Hubbard abstained.

Approval of Accounts Payable:

Councilmember Wright moved to approve checks 8825 through 8874, 201008 and 201009 dated April 27, 2010 in the amount of \$68,025.64 as presented. Seconded by Councilmember Hubbard. Carried 5-0.

The Finance Director answered questions regarding office supplies costs and bank service charges.

Approval of Payroll:

Councilmember Brunisholz moved to approve payroll warrants 2063 through 2068 and direct deposits for the payroll period April 1 through April 15, 2010 in the amount of \$22,864.90 as presented. Seconded by Councilmember Hubbard. 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. There were no comments.

Administrator Report: Mr. Doyle stated that the Town received a tremendous response to the Parks Survey. The results of the survey were included in the council packets with the Waterfront Boardwalk being the first priority with the Skateboard Park second. The council concurred that the skateboard park is the first priority and is something the Town can afford with fundraising events.

Mr. Doyle reviewed the various grants in his report:

- Arts Commission – (\$2,000) This is an annual grant to help support Art's Alive and has no match requirement. The funding for the arts grant may not be available this year. The Chamber of Commerce will take over the application process next year.

- ARRA Stimulus Funding – (\$267,000) This grant has been approved for Maple Avenue but Congress has not authorized funding yet. This grant does not require a local match, but is required to be shovel ready and the Town has incurred \$29,000 in costs to date. The planning for this grant can also be used for the Safe Route to Schools grant.
- Safe Route to Schools - \$(340,000) This grant is an alternative to the ARRA funding for the Maple Avenue Bike Path. It requires coordinating with the School District, Swinomish Tribe, Skagit County, Skagit Valley Hospital and the Sheriff's Department. No matching funds are required, but projects with matching funds are given priority.
- Shoreline Master Program Update Grant - (\$75,000) This is a Department of Ecology grant designed to defray costs for local jurisdictions to meet the 2012 deadline. The Town will receive \$30,000 in 2010.
- ALEA Grant – Waterfront Boardwalk Phase 1 - (\$600,000) This grant is for final design, easement acquisition, permitting of the entire project and construction of phase 1. The total project has five phases. The grant requires a 50% match and the Town may not meet all of the pre-application requirements.
- WWRP Grant – Skateboard Park- (\$135,810) The Town is applying for a parks grant to install a skate park with a fence, security cameras, picnic shelter area, and viewing bleachers. The grant requires a 50% match that may include in-kind.
- USDA Rural Facilities Loan/Grant – Fire Truck – This is primarily a 15-year loan at 4.125% with the possibility of a 15% grant for the project amount. If Fire District #13 terminates their contract with the Town of La Conner and give six months notice, the Town will need to purchase an additional fire truck for our fire insurance rating. Mr. Doyle stated he would like to see a Fire Authority formed to combine legislative bodies and resources with representation proportionate with its contribution to the authority.
- Utility Loan/Grant – Utility and Public Works Projects – In the event that the Public Works Trust Fund will not be re-established, this program may be a viable replacement to fund water and stormwater projects that are rate based, although the grant is only 25% of the project cost. Mr. Doyle stated that during the 2011 budget cycle the water/sewer rate study will be reviewed to determine if existing rates are matching projections.
- FEMA Pre-Disaster Mitigation Grant – Ring Dike – FEMA may offer this grant this year. It is due before the end of the year and is funded in the following year. Mr. Doyle stated that this grant is has very specific requirements and is not sure if the Town project would qualify. Councilmember Welch stated he saw on the State Department of Commerce website an “Imminent Threat Grant”. Mr. Doyle agreed to check into the grant.

Mayor's Report: Mayor Hayes reported that La Conner was voted “Best Tiny Town in the US”. He stated he has written an editorial that will be in the La Conner Weekly News in an effort to communicate what is happening in Town with the citizens.

Mayor Hayes stated he has had conversations with the Sheriff's Office and the Swinomish Tribe regarding police services. He stated our current contract amount of \$460,000 calculates out to \$100,000 per deputy and \$60,000 for a half time deputy. An alternative is to pursue a contract similar to the Town of Concrete and the Sheriff's Office. With our contract expiring in December 2010, the Town will continue to negotiate with the Skagit County Sheriff's Office.

Mayor Hayes called a 5 minute break at 7:15 p.m.

Council Committee Reports:

Councilmember Tracey: stated that the Finance Committee met on April 26 to discuss the 2010 budget amendment eliminating projects and making cuts where possible.

Recommendation: The committee recommends that the Council approve the 2010 proposed budget amendments.

The committee reviewed the 1st quarter Compost Fund gross revenues and the amount a 10% tax would produce for the General Fund. It was also discussed that per the adopted budget, the Compost Fund will be contributing \$170,000 to the Sewer Fund for capital projects.

Recommendation: The committee recommends that the Council tax the Compost gross revenues at 10%, retroactive to January 1, 2010 for the General Fund.

Fire District 13: Finance Director Taylor stated that she had made an error in calculating the annual shared cost of insurance on the Fire Hall to Fire District 13 for the years 2007-2009. After receiving a letter from FD 13 regarding the matter and more research, it was determined that FD 13 had been over billed \$5,467.

Recommendation: The committee recommends refunding Fire District 13 the \$5,467 in over billings.

Councilmember Wright moved to approve the refund to Fire District 13. Seconded by Councilmember Hubbard. Carried 5-0.

Fund 208 Fire Station Bond: Councilmember Tracey stated that the property bond taxes received annually for the Fire Station are less than the bond payment. She stated that the Finance Director received information from Susan Musselman that the council can vote to increase the levy rate for the fire bonds because it was approved by the residents of La Conner. Ms. Taylor will check with Skagit County about the process. The person in charge is currently on vacation for two weeks.

Councilmember Wright moved to raise the levy rate sufficient to meet the bond obligation, unless there is something that legally precludes it. Seconded by Councilmember Brunisholz. Carried 5-0.

Councilmember Welch: stated he is continuing to work on the Prescription Drug Program and has contacted Clallam County and received the protocols necessary for the Sheriff's Department to dispose of the drugs. He will work with the Skagit County Sheriff's Department to implement the protocols necessary. The drugs are sent to Wenatchee and destroyed in an evidence incinerator at no charge.

2010 Budget Amendment: Finance Director Taylor briefly reviewed the proposed budget changes: recognizing reimbursement from WCIA for the fire boat repair; funding for the Shoreline Master Plan Update Grant; the Historic Society donation to the Parks Department; projects that will be deferred; adding Mayor & Council medical and dental benefits; allocating the new software across funds; cutting costs where possible; and including funding approved previously by the council.

Council reviewed revenues and expenditures projected to the end of the year and discussed the operating budget versus the capital reserves budget. Mayor Hayes stated that the Sheriff's contract is currently 50% of the general budget. Administrator Doyle stated that renegotiating the police contract and additional revenues from the compost fund will help the shortfall in the General Fund.

Councilmember Hubbard moved to adopt Ordinance No. 1044 approving the proposed amendments to the 2010 budget. Seconded by Councilmember Wright. Carried 5-0.

Utility tax on Fund 412 Sewer Compost: Finance Director Taylor stated taxing the Sewer Compost Fund gross revenues at 10% would generate approximately \$54,200 annually of additional revenue for the General Fund and projects.

Councilmember Wright moved to adopt Ordinance No. 1045 approving a 10% tax on the gross revenues of the Sewer Compost Fund for the General Fund retroactive to January 1, 2010. Seconded by Councilmember Hubbard. Carried 5-0.

Discussion followed on the ability to change the percentage of the tax and the necessity to allow for future capital needs in the Sewer Compost Fund.

Adjusting the Mayor's Salary: Finance Director Taylor stated that in January 2008, the council temporarily increased the Mayor's salary from \$150 per month to \$475 because the Mayor elected to keep his personal benefit package. This saved the Town of La Conner money. The Mayor's insurance is no longer available and he has chosen to be on the Town's medical plan. Therefore, his salary needs to be reduced to its original amount of \$150 per month.

Finance Director Taylor stated that the Independent Salary Commission met on April 21 and did not reach any decisions on the Mayor or Council salaries. They will meet again on May 14th.

Councilmember Wright moved to adopt Ordinance No. 1046 adjusting the Mayor's salary to \$150 per month. Seconded by Councilmember Brunisholz. Carried 5-0.

Resolution – RCO Grant Applications: Administrator Doyle stated that to move forward on the grant applications the Council needs to approve the application and certify the matching funds.

Councilmember Welch moved to approve Resolution No. 448 authorizing the application for a WA Wildlife and Recreation Program to fund the skateboard park. Seconded by Councilmember Wright. Carried 5-0.

Project Acceptance for Seminis Seed Company: Public Works Director Lease reported that one year ago Seminis Seed started an expansion project that required fire suppression and an additional 1,000 feet of water main. Approximately 60 feet of this main is in the right-of-way of La Conner. The Town Engineer and Mr. Lease have inspected the project and it has been completed to Town's specifications. Seminis Seed Company is requesting conveyance of the portion in the Town's right-of-way. The Town will be responsible for maintenance of the 60 feet.

Councilmember Wright moved to approve the Project Acceptance for Seminis Seed. Seconded by Councilmember Welch. Carried 5-0.

Miscellaneous: There was a Senior Center Update Memo in the council packets.

There being no further business the meeting was adjourned at 8:05 p.m.

Lorraine Taylor, Town Clerk

Ramon Hayes, Mayor