

March 26, 2009

**CALL TO ORDER:**

Mayor Pro Tem Loving called the meeting to order at 7:00 p.m., with the Pledge of Allegiance. Council members present: Aslett, Bensen, Doyle, Edmundson, Loving, Montgomery and Valentine. Staff present: Aarstad, Buckholz, Cavanaugh, Martin, Sheahan, Stafford, Thomas, Thrumer, Tingley, VanWieringen and Windsor.

**APPROVAL OF MINUTES:**

A motion was made by **Councilors Aslett/Valentine** to approve the minutes of the March 12, 2009 Council meeting. All agreed. Motion carried.

**AUDIT OF BILLS:**

**Councilor Aslett** presented the bills. A motion was made by **Councilors Aslett/Edmundson** to approve vouchers 54997 -55109 in the amount of \$313,254.63. All were in favor. Motion carried.

Current Expense	\$ 89,073.14
Current Expense Cumulative Reserve	50,075.99
City Street	19,799.35
Library Fund	168.67
Parks & Recreation	6,934.09
Cemetery Fund	328.62
Local Capital Improvement Fund	7,145.49
Sewer Fund	48,773.13
Sewer Cumulative Reserve	18,363.13
Storm Drainage Utility	72,593.02
<b>Total</b>	<b>\$ 313,254.63</b>

**Mayor Brunz** arrived at the Council meeting.

**PUBLIC COMMENTS:**

Ms. Cindy Verge, Executive Director Skagit Valley Tulip Festival, presented the 2009 Tulip poster to **Mayor Brunz** and the City of Burlington. She thanked the City of Burlington for their continued financial support of the Tulip Festival.

Mr. Mark Kramer, 506 S. Cherry Street, noted that the City of Burlington is about to embark on a change with a new City Administrator. He is hopeful that the new City Administrator will be available to the citizens, to hear their complaints and listen to their concerns. He told a story regarding how his street was repaired because City Administrator Aarstad was willing to listen to his complaint and helped correct the problem.

**OFFICER REPORTS:**

**Library Director Buckholz** announced a fund raising event to be held in the Library on May 16, 2009. The Library Foundation will hold a gala event on that Saturday evening. She invited all to attend the event.

**EASEMENT AGREEMENT BETWEEN CAMMOCK LLC AND CITY OF BURLINGTON.**

**Parks & Recreation Director Cavanaugh** presented a request for easement on City of Burlington property located on Burlington Hill. A motion was made by **Councilors Bensen/Valentine** to approve easement agreement. All agreed. Motion carried.

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**INTERLOCAL WITH SKAGIT COUNTY FOR LATE NIGHT GYM.**

**Parks & Recreation Director Cavanaugh** presented an interlocal agreement with Skagit County Human Services in support of the Burlington Parks & Recreation Department Late Night Open Gym. The County will provide \$500.00 in support of this program for youth. A motion was made by **Councilors Aslett/Bensen** to approve the interlocal agreement with Skagit County. All agreed. Motion carried.

**REQUEST TO TRANSFER FUNDS FROM PROFESSIONAL SERVICES TO PART-TIME WAGES IN THE 2009 PARKS & RECREATION DEPARTMENT BUDGET.**

**Parks & Recreation Director Cavanaugh** requested permission to transfer funds from his professional services agreement to his part-time wages budget. Hiring a part-time employee will cost the City less than hiring someone under a personal services agreement. He requested \$2,200 be transferred from professional services to part-time wages. A motion was made by **Councilors Valentine/Montgomery** to approve. All agreed. Motion carried.

**Finance Director Thramer** shared an article that appeared in the newspaper regarding banking issues affecting local government and local banks. He noted that following the failure of the Clark County Bank the State changed requirements for banks that hold public funds. The City of Burlington has been asked by two banks to withdraw City funds from their banks. He noted that the City investment policy requires a limit to the amount of public funds that are placed in the state pool. He noted that the state pool pays a very low rate of interest. **Councilor Aslett** asked about City investments compared to the interest rate paid by the state pool.

**Finance Director Thramer** discussed the possibility of a one million dollar shortfall in the current expense fund. **Councilor Aslett** asked how this might affect our policy to place 15% - 25% of sales tax revenue in the street fund. **Finance Director Thramer** noted that the proposal would be to fund the minimum level of 15% to the Street fund and to fund the entire budget amount to the G.O. Bond fund. The City would have to decide how to distribute reduced tax revenue in the other City Funds

**Councilor Loving** stated that a letter has been received by the City of Burlington that Fire District #6 will sever their relationship with the City effective March 31, 2009.

**SPECIAL PRESENTATION:**

Mr. William Hinkle, Executive Director, Skagit County Community Action Agency thanked the City of Burlington for their financial support of the agency. He noted that Jon is on SCAA Board of Directors and thanked him for his service to that board. SCCAA has been a part of the community since 1979. Their mission is to foster self sufficiency to low income residents. The major areas of assistance are housing, homeless prevention, veterans' assistance, crisis intervention, energy assistance, etc. He talked about the remodel to the housing to increase the facility from 4 apartments to 10 for families with children to transition back into the community. 5,702 Burlington residents were served in 2008.

**UNFINISHED BUSINESS:**

**PUBLIC HEARING TO CONSIDER LOWERING THE TRAFFIC IMPACT FEES.**

**Mayor Brunz** opened the public hearing. **Public Works Director/City Engineer Martin** stated that this public hearing is to consider adoption of a revised Transportation Impact Fee. He noted that in August 2008, the Council adopted a new Traffic Impact Fee of \$3,633 per peak hour trip. In the months since the new fees were adopted, economic conditions have deteriorated beyond the worst forecasts at that time. He believes the Council may not have had adequate time to consider the idea of lowering the Traffic Impact Fees when brought forward in February; therefore, he is bringing it back for additional discussion. The proposed revision to the Traffic Impact Fee ordinance would reduce the fees by 50% for 15 months (through June, 2010).

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Mr. Cory Ertel, Skagit Island Counties Builders Association, spoke in support of reducing the Traffic Impact Fees. He noted that Skagit County has nearly 10% unemployment, much of this in the building industry. This reduction would show leadership by Burlington to lead in these difficult times to help turn around the economy. He noted support by Burlington Chamber, Cascade Mall, and many local small businesses. He asked for council support. **Councilor Aslett** asked if he had informed business owners that if the fees are reduced, businesses will have less service to allow shoppers to get to their new businesses. Mr. Ertel stated he had not. Mr. Mark Kramer, 506 South Cherry, spoke against a reduction in the traffic impact fees. He stated that the Council will be representing the developers if they vote in favor of lower impact fees rather than the citizens of Burlington. Mr. Mike Fohn, 245 East George Hopper Road, spoke about impact fees and the affect that a change in the fees will have on his business model. He believes the fee is too high, but he does not like the City changing their mind too often. He wants some consistency from the City. Mr. Steve Sexton, 109 S. Section, asked if the fees are cut in half for 15 months where would the money come from to build the projects with less money? **Councilor Loving** noted that the projects would be pushed back. **Public Works Director/City Engineer Martin** noted that the funds would come from the impact fees for the projects. Mr. Brian Gentry, 504 E. Fairhaven, Burlington, believes that cutting the impact fee for the next 15 months will generate some new projects. Funds are tight and anything will help get things going. When new projects are built, the property tax base is increased for the City. He asked **Public Works Director/City Engineer Martin** how many fees have been collected under the new fee structure. **Public Works Director/City Engineer Martin** noted none, ten came in prior to the new fee and only 3 projects are actually underway. Mr. Gentry noted that a reduction in the fees would help his business get a project going that is currently sitting idle. He noted that it could be worthwhile for the City to reduce the fee. A motion was made by **Councilors Loving/Aslett** to close the public hearing. All agreed. Motion carried. **Mayor Brunz** stated that this is a good thing, we need to do it. **Councilor Aslett** stated this will not be a trial program and not a fair fee. **Public Works Director/City Engineer Martin** stated this issue was brought back to the council – not for what it would do to Burlington, but how can we help get folks working. **Councilor Bensen** stated that when the current fees were established we were in very different economic times. **Councilor Aslett** stated that he expects that if the fees were lowered, developers will get permits, but not build until the economy gets better. **Councilor Loving** discussed the failing employment situation and how it affects many workers. A reduction in the fees may help put people to work. A motion was made by **Councilors Aslett/Doyle** to reject the ordinance to lower the traffic impact fees. Voting in favor were **Councilors Aslett, Doyle** and **Edmundson**. Voting Against were **Councilors Bensen, Loving, Valentine, and Montgomery**. Motion failed. A motion was made by **Councilors Loving/Valentine** to approve an ordinance to reduce the TIF by 50% for one year (12 months effective April 1, 2009 – March 31, 2010). Voting in favor were **Councilors Loving, Valentine, Bensen, and Montgomery**. Voting against were **Councilors Aslett, Doyle** and **Edmundson**. Motion carried.  
(Ordinance #1672)

#### NEW BUSINESS:

#### REFINANCE SEWER REVENUE BONDS FOR STORM DRAINAGE IMPROVEMENTS – SKAGIT STATE BANK TO A LOWER INTEREST RATE.

**Finance Director Thramer** stated that in 2007 the City issued \$3.5 million in sewer revenue bonds to fund storm drainage improvements. He introduced Bond Councilor Ms. Cynthia Weed. She explained that the bonds were financed through Skagit State Bank at an interest rate of 4.52% for the first five (5) years, and 80 basis points less than the Seattle FHLB index for the remaining five (5) years. Since that time, interest rates have decreased enough to make refinancing a viable option. In order to maintain their loan with the City, Skagit State Bank has offered to lower the rate from 4.52% to 3.97% for the next five (5) years, and 80 basis points less than the FHLB index for the remainder. This will save the City about \$65,000 interest over the next five (5) years. A motion was made by **Councilors**

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**Bensen/Valentine** to approve the ordinance to refinance Sewer Revenue Bonds with Skagit State Bank to a lower interest rate and authorize **Mayor Brunz** or designee to execute all necessary documents. All agreed. Motion carried.

**(Ordinance # 1671)**

**AGREEMENT WITH RAVNIK AND ASSOCIATES FOR PLANNING AND ENGINEERING OF ROTARY PARK PARKING PROJECT.**

**Parks & Recreation Director Cavanaugh** explained the departmental funds and how they are categorized. He noted that funds used for this project cannot be used for expenditures outside of the Parks Department. He stated that the Rotary Park parking project has been discussed with the Parks Board as well as the Mayor. A contract with Ravnik and Associates for Engineering and Design will allow bid documents to be created. A motion was made by **Councilors Aslett/Doyle** to approve the agreement with Ravnik and Associates, Inc. for engineering, design, construction management for the Rotary Park parking project. All agreed. Motion carried.

**INTERLOCAL AGREEMENT WITH SKAGIT GEOGRAPHIC INFORMATION SERVICES FOR PICTOMETRY IMAGERY AND SOFTWARE.**

**Public Works Director/City Engineer Martin** stated that the proposed interlocal agreement with Skagit County is part of a partnership agreed to last year and budgeted for 2009 and 2010. The imagery and software that will be provided under this partnership is very cost effective and provides a significant upgrade to the City's Geographic Information System capabilities. Cost to the City is \$4,000 per year. The term of this agreement is two years, for a total cost of \$8,000. A motion was made by **Councilors Bensen/Montgomery** to approve the interlocal agreement with Skagit County Geographic Information Services for Pictometry Imagery and Software. All agreed. Motion carried.

**ORDINANCE TO AMEND BURLINGTON MUNICIPAL CODE 1.030 REGARDING PUBLIC RECORDS.**

**City Administrator Aarstad** stated that Burlington Municipal Code 1.030 regarding the management of public records in the City mandates the City Administrator shall be the City's Public Records Administrator when a Public Records Request is submitted to the City. In addition, this Code also allows the Records Coordinators of the Police Department, Fire Department, Planning/Building and Public Works to act as a designee of the City Administrator. It has been brought to our attention that the Municipal Court Administrator has a responsibility to assist the public in securing certain types of public records. The ordinance to amend the Burlington Municipal Code will authorize the Court Administrator to serve as a designee of the City Administrator in dealing with Public Records requests that are pertinent to the City of Burlington Municipal Court. A motion was made by **Councilors Aslett/Doyle** to approve the ordinance to amend Burlington Municipal Code 1.30.060. All agreed. Motion carried.

**(Ordinance #1673)**

**RESOLUTION TO ALLOW PART-TIME EMPLOYEES TO UTILIZE THE AMERICAN FIDELITY SECTION 125 FLEX BENEFIT PLAN.**

**Finance Director Thrasher** stated that the Council approved Resolution 2-2001 providing a Section 125 Flex Benefit program for its full-time employees. This program provides a means to allow for the withholding of tax free income for reimbursement of dependant daycare and certain medical expenses. The City also saves 7.65% of FICA (Medicare and Social Security) Tax on all employee elections. For instance, every \$100 of elections by the employees excluding income from taxability saves the City \$7.65. A motion was made by **Councilors Aslett/Valentine** to approve the Resolution providing all permanent employees working an average of 20 hours per week or more the option to enroll in the American Fidelity Section 125 Medical and Dependent Daycare Reimbursement program. All agreed. Motion carried.

**(Resolution # 07-2009)**

**EXECUTIVE SESSION:**

**COUNCIL CHAMBERS**

**CITY HALL**

**BURLINGTON, WA**

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The Mayor and Council members adjourned to Executive Session at 8:40 p.m. for the purpose of discussing personnel and litigation. The Mayor and Council returned from Executive Session at 9:05 p.m.

**ADJOURNMENT:**

The Mayor adjourned the meeting at 9:07 p.m.

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Greg Thramer  
Finance Director / City Clerk

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Edward J. Brunz  
Mayor