

**CITY OF BLAINE
CITY COUNCIL MEETING MINUTES**

**Monday, August 14th, 2006
7:00 P.M.**

A. WORK SESSION – 6:00 p.m. – East Blaine Sub Area Plan

B. EXECUTIVE SESSION – 5:30 P.M. – Potential Litigation

C. CALL TO ORDER – 7:00 p.m.

- **MOMENT OF SILENCE**
- **PLEDGE OF ALLEGIANCE**
- **ROLL CALL:** Charlie Hawkins, John Liebert, Bonnie Onyon, Bruce Wolf, Mike Myers.
- **EXCUSED:** Ken Ely, Jason Overstreet
- **STAFF PRESENT:** Steve Banham Public Works Director; Sheri Sanchez, City Clerk; Meredith Riley Finance Director; Mike Haslip, Chief of Police.

D. AUDIENCE PARTICIPATION

1. Introduction of Ron Spanjer, Blaine School District Superintendent – John Liebert introduced him. He addressed the Council about his background and the opportunity to work with Blaine.
2. Scott Dodd, 608 D Street – spoke regarding the interfund loan to the airport. He was wondering if this would be paid back and how much have we given to the airport this year?

E. COUNCIL MEMBERS AND ADVISORY COMMITTEE REPORTS

F. PUBLIC HEARING (MEETING)

1. Totally Chocolate CTED Application – Meredith Riley, Finance Director, provided background how the loan is processed, including resolution and grievance procedure.

Mike Myers: At this time we are going to conduct the Public Hearing in the matter of CTED going to Totally Chocolate. The concern is that the hearing be both fair in substance and procedure and to meet the fairness requirement, I need to ask if any council member has any interest in the property or subject matter of the hearing tonight. (Council response - no) Hearing none, does any council member have direct or indirect financial benefit from the outcome of the hearing. (Council response - no) Hearing

none. Has any council member engaged in communication outside of the hearing with proponents or opponents on the issue to be heard. (Council response - no) Hearing none. Can each of you be fair and impartial in hearing the testimony tonight in rendering a decision. Hearing yes. I now declare the public hearing open. I will ask the City Clerk to read into the record a list of communications which have been received on the subject.

Sheri Sanchez: I have received none.

Mike Myers: So at this time we will ask for public comment. If anyone has anything to say, they will say on the subject.

Gary Tomsic: I'm not the public. If you close the public part, I do have something I want to say.

Mike Myers: At this time, there has been no public comment or interjection, so we will close the public hearing. The public hearing is closed, so City Manager.

Gary Tomsic: The only thing I would say and certainly in favor of council approving this, is that the mechanism that Totally Chocolate is availing themselves of that's through CTED is one that has been used in our community a couple of times in the past. The Port of Bellingham just did a similar project. I went and got the newspaper article for the Food Store expansion that's going on down there. It's a good program that allows significant projects in communities to avail themselves of tax exempt financing for a portion of the cost of doing the project. I'm not sure that it's literally correct that the State is going to give Jeff any money, I think it's through your own financing and it's tax exempt. Is that how it works?

Jeff Robinson: No, I think there are funds available.

Gary Tomsic: They come directly to you?

Jeff Robinson: Yes. None of it involves the city as far as

Gary Tomsic: There's no obligation on the part of the City to be responsible for the loan or anything like that. I just wanted to say that this is a tool, that the state has available to businesses that I think really helps out a lot. I hope, I'm certain you're going to support this. I just think it's a good program and I hope we have a whole bunch of other businesses that want to use it in the future because it would be good for the community.

John Liebert: Meredith, so CTED sends us the money who we in turn send that to Totally Chocolate, if I understand what you said earlier.

Meredith Riley: Correct

John Liebert: And when Totally Chocolate repays it goes directly to the CTED or whoever. When an auditor comes and they look at our budget, or our books where we're paying out to a private business with none coming back to us, does that ever pose a problem auditor wise.

Meredith Riley: Well, they do match, John, because the money will come in from CTED to the City as a grant.

John Liebert: Okay.

Meredith Riley: So that will be the revenue side. Then we'll pass through the money to Totally Chocolate so the revenues and expenditures will match.

John Liebert: So that's the process, okay. Good, thanks.

Bonnie Onyon: It's a grant to us and a loan to them.

Meredith Riley: Basically a pass through.

Mike Myers: Any other questions or comments. I'll entertain a motion to authorize Resolution 1438-06, Submission of an Application for a rural Washington loan fund grant from Community Trade and Economic Development in the approximate amount of \$550,000 for Totally Chocolate.

G. COUNCIL ACTION ITEMS

1. Resolution 1438-06, Approval of Totally Chocolate CTED Application.

MOTION MADE BY BRUCE WOLF TO AUTHORIZE RESOLUTION 1438-06, SUBMISSION OF AN APPLICATION FOR A RURAL WAHSINGTON LOAN FUND GRANT FROM COMMUNITY TRADE AND ECONOMIC DEVELOPMENT IN THE APPROXIMATE AMOUNT OF \$550,000 FOR TOTALLY CHOCOLATE AND WAIVE THE 2ND READING. THE MOTION WAS SECONDED BY JOHN LIEBERT AND APPROVED (5-0 Jason Overstreet and Ken Ely excused).

2. Ordinance 06-2648, CTED Grievance Procedure – Presented by Meredith Riley.

MOTION MADE BY CHARLIE HAWKINS CREATING A BMC CHAPTER 2.96 ESTABLISHING COMMUNITY TRADE AND ECONOMIC DEVELOPMENT GRIEVANCE PROCEDURE AND WAIVE THE 2ND READING. THE MOTION WAS SECONDED BY JOHN LIEBERT AND PASSED WITH MINOR CHANGES ON 020 AND THE GOVERNING BODY SHOULD BY CITY COUNCIL. APPROVED 5-0 (Jason Overstreet and Ken Ely excused).

3. Construction Contract Award for 2006 Street Overlay Project, Mallard Hill to Club House – presented by Steve Banham.

MOTION MADE BY BONNIE ONYON TO APPROVE THE CONSTRUCTION CONTRACT AWARD FOR 2006 STREET OVERLAY PROJECT AND WAIVE THE 2ND READING. THE CONTRACT WAS AWARDED TO WHATCOM BUILDERS IN THE AMOUNT OF \$347,405. THE MOTION WAS SECONDED BY CHARLIE HAWKINS AND PASSED UNANIMOUSLY (5-0 Jason Overstreet and Ken Ely excused).

4. County Jail Proposal – presented by Gary Tomsic. He provided some history regarding electorate for use of Real Estate Excise Tax (REET). This agreement calls for us to contribute \$90,400.

MOTION MADE BY JOHN LIEBERT TO AUTHORIZE THE MAYOR AND CITY MANAGER TO EXECUTE THE INTERLOCAL AGREEMENT WITH WHATCOM COUNTY AND THE CITY OF BLAINE AND AUTHORIZE THE CITY TO SPEND \$90,400 FROM THE REAL ESTATE EXCISE TAX FUND FOR THE AGREEMENT AND WAIVE THE 2ND READING. THE MOTION WAS SECONDED BY CHARLIE HAWKINS AND PASSED UNANIMOUSLY (5-0 Jason Overstreet and Ken Ely Excused).

5. Approval of Interfund Loan to Airport – presented by Meredith Riley – The City will transfer \$50,000 from the general fund reserve to the airport fund. This is required because the City lost the Carruther's court appeal. There is a repayment schedule in place. The total amount to date before this loan is \$334,160.

MOTION MADE BY BRUCE WOLF TO APPROVE RESOLUTION 1439-06 AUTHORIZING AN INTERFUND LOAN TO THE AIRPORT FUND FROM THE GENERAL FUND RESERVE OF UP TO \$50,000 AND WAIVE THE 2ND READING. THE MOTION WAS SECONDED BY CHARLIE HAWKINS AND APPROVED 4-1 (Jason Overstreet and Ken Ely excused; John Liebert voting against).

6. Ordinance 06-2646, Letter of Credit to Bonneville Power Administration – presented by Gary Tomsic and Meredith Riley.

MOTION MADE BY CHARLIE HAWKINS TO APPROVE ORDINANCE 06-2646 AUTHORIZING A LETTER OF CREDIT FROM U.S. BANK TO BPA AND WAIVE THE 2ND READING. THE MOTION WAS SECONDED BY JOHN LIEBERT AND PASSED UNANIMOUSLY (5-0, Jason Overstreet and Ken Ely excused).

7. Letter on BNSF Railway Line Relocation – presented by Gary Tomsic..Mr. Paul LeMay visited at the previous meeting and recommended that a letter be drafted from the City.

MOTION MADE BY CHARLIE HAWKINS TO SIGN THE LETTER REGARDING THE BURLINGTON NORTHERN SANTA FE LETTER TO PAUL LEMAY. THE MOTION WAS SECONDED BY BONNIE ONYON AND PASSED UNANIMOUSLY (5-0, Jason Overstreet and Ken Ely excused).

H. CITY MANAGER AND STAFF REPORTS

1. Boardwalk Update – Gary Tomsic reported. He commented that we are in the process of selecting benches for each of the plazas. Gary Tomsic complimented Carroll Solomon, Chamber of Commerce and Christie from the Northern Meadows. It was thought that next year it could be done once a month during the summer months.
2. Lighthouse Point Update – Steve Banham reported. He noted that we will be getting our 30% design review this week. DOE will be with us for a work session on August 25th, and then bring to Council with CWAC on August 28th. WASRT will tentatively meet on August 22nd.
3. Major Projects Update – None
4. Airport Alternative Land Use Committee – Gary Tomsic reported that they will meet on September 5th and then present findings to the Council. It was suggested that it could be presented at the Council meeting on September 11th. Jon Sitkin will have his report by Friday.
5. State and Federal Projects Update – Steve Banham reported. He reported on the truck route project and is working with the businesses on 12th Street that are concerned about the delays. It was suggested to temporarily open 11th & B Street. There will be a meeting at the end of 11th Street to discuss with the neighbours next Monday evening. DOT has asked if they could start work after midnight in this area and run through the daylight hours in order to speed up the process.
6. Rural Economic Development Loan Report – Meredith Riley reported. We will receive \$25,000 towards electric state excise tax. We have made

- 25 loans since the start of this program. Currently there is \$172,500 available to loans for small businesses. The loans are no interest loans.
7. Review Utility Fees for Single Metered Multi-family Residences – Meredith Riley reported. This was in response to a request by Joel Douglas. Meredith Riley explained how other cities do it. Meredith thought an equitable way, in a condo unit, would be to require each unit to have a meter or to review how it would be billed for a commercial unit. Meredith will check into the cost if they are individually metered or metered as though it were a commercial unit.
 8. Community Meeting Schedules – Gary Tomsic reported. September 13 and 20th are tentatively set for community meetings at 7 p.m. One will be held at the community center and at the Semiahmoo Golf Club.
 9. Transportation Levy Meetings Report – Steve Banham reported. He reviewed the streets of concern and specific intersections. He discussed about preserving the older trees in neighborhoods. The next step would be to put together a general brochure to cover street issues.
 10. City and County UGA Coordination Report – None
 11. Project Priority Discussion – Gary Tomsic reported. Staff worked on this project and information will be passed out for the council to review.
 12. Airport Master Plan Review – Gary Tomsic reported. This is a worksession scheduled for August 21st on the airport master plan. September 18th the final report from the Alternative Land Use Committee will be presented and a report from Jon Sitkin.
 13. John Liebert had a question regarding Mr. Yirek's request on the train noise. Gary Tomsic felt that since Mr. Yirek had done a great deal of research he should be at the council meeting and do a presentation. Options and costs will be reviewed.

I. MAYOR'S REPORT

J. WRITTEN COMMUNICATIONS

1. E-mail from Bob Brooks sent July 26th, 2006
2. Letter from WGOA dated July 27th, 2006
3. Faxed letter from Joel Douglas received August 4, 2006
4. Faxed letter from Joel Douglas received August 7, 2006

K. CONSENT AGENDA

- Items listed below have been distributed to Council members in advance for study and will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the regular Agenda at the request of a Council Member.
 - Approval of Bills – Amount \$ \$291,331.51
 - Approval of Payroll – Amount \$400,206/06

- Approval of July 24th, 2006 City Council Minutes

**MOTION MADE BY BONNIE ONYON TO APPROVE THE
CONSENT AGENDA. THE MOTION WAS SECONDED BY
CHARLIE HAWKINS AND APPROVED UNANIMOUSLY (5-0 Jason
Overstreet and Ken Ely excused).**

L. UNFINISHED BUSINESS

1. Bruce Wolf wanted to comment on how well the Triathlon went on the weekend.
2. John Liebert wanted to comment on the neighborhood letter from the Vista Terrace area. Terry Galvin commented that enforcement issues are long and slow. This includes three letters being sent out. The change in Title 17 allows us to do citations.

M. COUNCIL NEW BUSINESS

1. John Liebert commented on the issue of Pugwash. He will bring a resolution to the next meeting for the Council to consider.
2. John Liebert suggested setting aside money for the 'big' jail.

N. ADJOURN – 9:15 p.m.

Americans with Disability Act (ADA) Requirement: The meeting location is accessible. If you require a special accommodation during your attendance at any public meeting, please contact the City Clerk (360) 332-8311, 7-10 days prior to the meeting date you will be attending. Thank you.

MAYOR

CITY CLERK