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 - E. ORDINANCE NO. 2014-25, CLARIFYING THE ROLE, COMPOSITION AND DUTIES OF THE ENVIRONMENTAL TECHNICAL ADVISORY COMMITTEE AND CREATING A NEW CHAPTER 2.36 OF THE BAINBRIDGE ISLAND MUNICIPAL CODE, AB 14-077 – EXECUTIVE
8. COUNCIL DISCUSSION
9. COMMITTEE REPORTS
10. REVIEW OF UPCOMING COUNCIL MEETING AGENDAS
11. FOR THE GOOD OF THE ORDER
12. ADJOURNMENT

1. CALL TO ORDER / ROLL CALL 6:59 PM

Deputy Mayor Tollefson called the meeting to order at 6:59 PM. Councilmembers Bonkowski, Blossom, Roth, Tollefson, Townsend, Ward and Mayor Blair were present. City Clerk Lassoff monitored the recording of the meeting and prepared the minutes.

2. ACCEPTANCE OR MODIFICATION OF THE AGENDA 7:00 PM

MOTION: Mr. Chair, I move we approve the agenda as presented.
WARD/BONKOWSKI – Motion carried unanimously, 7-0.

Councilmember Blossom abstained from the statewide stormwater grant amendment item as part of that project takes place on property owned by her family. She also recused herself from any vote on marijuana due to a potential conflict with regard to retail.

3. CITY MANAGER'S REPORT 7:01 PM

City Manager Schulze reported on the following items from his weekly report:

- Bainbridge Island ranked the third safest city in Washington state
- Recent road ends celebration
- Hyla Middle School students visited Head of the Bay well site as part of a social justice class

4. PRESENTATION

A. BI RIDE 7:02 PM

John Clauson, Kitsap Transit, explained how BI Ride would enhance existing service on Bainbridge Island for citizens and visitors. He noted service would start on June 9 and answered questions.

5. STAFF INTENSIVE

A. ZONING REGULATIONS FOR RECREATIONAL MARIJUANA PROCESSING, RETAILING AND PRODUCTION (GROWING) BUSINESSES, AB 13-136 – PLANNING 7:15 PM

Special Projects Planner Sutton introduced the item.

Mayor Blair suggested how council might amend the ordinance approved on May 16. She believed the ordinance was fundamentally sound however suggested limiting marijuana sales to a Washington state license site in a qualifying business industrial zone. She thought by making that change, the city would remove the possibility of establishing a state licensed marijuana retail outlet in any of the neighborhood service center special planning areas.

Councilmember Bonkowski supported Mayor Blair's proposal to restrict retail to the business industrial zone and commented on potential transportation issues if council decided to have a retail outlet that would service the entire north end of Kitsap County.

Mayor Blair felt the city needed to stipulate somewhere in the ordinance that on Bainbridge Island marijuana is defined as a "highly-regulated agricultural crop." She thought by defining it that way, it mirrored WAC language which outlines more rigorous licensing standards for recreational marijuana businesses.

Councilmember Ward commented on unintended consequences when calling it an agricultural crop versus an industrial product. Mayor Blair said she was not wedded to her proposed definition however wanted to make sure that marijuana's definition is different from traditional agricultural products. Deputy Mayor Tollefson thought going down that road would open up all kinds of unintended consequences about how people choose to grow crops. He suggested the following whereas clause be added to the ordinance: "Whereas marijuana is a highly regulated agricultural crop, it should therefore be dealt with by the city differently than traditional agriculture crop." Councilmember Bonkowski commented on the upcoming Comprehensive Plan Update as it relates to agriculture.

Interim City Attorney Haney noted as long as the council was careful about making sure marijuana is treated separately, it would not make a difference what you called it. Mayor Blair thought it was important that we have a distinct phrase that works for Bainbridge Island. There was consensus to use Deputy Mayor Tollefson's suggested whereas clause.

Mayor Blair suggested removing the November 12, 2014 expiration date in the current ordinance and to establish the ordinance permanently.

Following a brief discussion regarding energy consumption language, there was consensus to remove 6.c.i and ii and move section 6.c.iii up as 6.c.

Deputy Mayor Tollefson suggested eliminating section 3 as it adds nothing to our zoning regulations and it places us in the position of making an independent judgment on something the Liquor Control Board weighs in on. Interim City Attorney Haney said did not believe eliminating the language should not be an issue. There was consensus to eliminate section 3.

Deputy Mayor Tollefson explained following public comment, council will make a motion asking the planning department to come back at the next business meeting with an revised ordinance which reflects that retail will be allowed only in the business industrial zone.

Paul Sanders, 11738 Kallgren Road, asked why approve a retail outlet and asked council to just say no.

Jeff Dean, 12810 Sunrise Drive, expressed his gratitude for council's support in moving retail to a commercial area and urged council to be cautious about making the ordinance permanent.

Randy Paris, Island Music Guild, spoke against locating a retail outlet in Rolling Bay.

Charles Oliver, Island Neighbors, read from a prepared statement against locating a dispensary in Rolling Bay and presented a petition with 555 signatures.

Laura Van Dyke, 9665 NE Timberlane Place, spoke against locating a retail outlet in Rolling Bay. She said it has been suggested it be co-located with the police department.

Carolyn W(?), 9000 Springwood Avenue, member of Rolling Bay Presbyterian Church, was happy to hear the conversion on not allowing retail in neighborhood service centers. She commented on the church's plan to lease space to Island Children's Montessori School as well as other youth groups.

Christina Pujolar, spoke on behalf of the children living in Rolling Bay and requested the council deny any application for a retail outlet in that area.

Elisa Oliver gave an overhead presentation showing the dangers of marijuana edibles to children.

Tim Wilkins, 10953 Madison Avenue, commented on the proposed grow location on Day Road.

Bruce Weiland, Agate Pass Road, thanked council for not allowing a retail outlet in Rolling Bay. He asked that council to find a location away from neighborhoods and child activities.

Steve Curtis, Lifespan Psychological Services, distributed a letter against locating a retail store in Rolling Bay.

Tom Golan, 15633 Point Monroe Drive NE, spoke about transportation issues related to locating a retail establishment on the island. He felt if we have to have one that it be located next to the highway.

Amy Pratt commented on core values and keeping the marijuana business out of Rolling Bay.

Matt Topham, 10870 Sunrise Drive, commented about all the children on the island. He asked that council take a step back and ask why they would want to put a marijuana dispensary and production facility on the island.

Brandon Peters, 10243 NE Valley Road, echoed earlier comments about what the council has done tonight. He believed locating retail in the business industrial zone makes a lot of sense.

Mike Trail, 11498 Sunrise Drive, thanked council for not locating a facility in Rolling Bay however asked they not force this decision on other neighborhoods. He also felt regardless of whether council might consider having a retail establishment, it is going to have a severe negative impact on property values.

Steve Paul, 10205 Manitou Beach Drive, was adamantly opposed to locating any dispensary on the island and did not believe his neighborhood needed one.

Susan Wilmot, 6112 Old Mill Road, commented on energy and buffer zone requirements. She thanked council for listening to the community noting that the most important crop on the island is our children.

Mike Armstrong, 13261 Fairfield Place, ER physician, commented that Bainbridge Island already has a drug problem and asked council to just say no to drugs period.

Debbie H (?), 643 Janelle Place, wondered whether council could sit back for a while and observe what was happening in other communities and carefully consider what would be a permanent impact on our community.

Deb D (?), 11723 Kallgren Road, Food and Drug Administration, commented on marijuana infused products. She asked council to heed advice from others to slow down. She asked council not to promote any additional traffic on the island.

James G(?) asked whether council has asked Police Chief Hamner what he thinks will happen to his manning levels and what he will need to do with the size of the police force if this ordinance should go forward. He suggested final approval of the ordinance should be subject to a vote in November.

8:22 PM

***MOTION:** I would move that we, the council, request staff to draft an amended ordinance that is consistent with the discussion that we had this evening and that includes three revisions: 1) to stipulate that marijuana on Bainbridge Island is defined as a highly regulated agricultural crop; 2) that we limit the retail sales to a Washington State license site in a qualifying business industrial zone and 3) that we delete the November 12, 2014 expiration date in the current ordinance. And the elimination of section 3 having to do with the setbacks and the eliminate of 4C except for the third item that needs to be moved and placed in the correct place within the ordinance.*

***BLAIR/BONKOWSKI** – Motion carried unanimously, 6-0 with Councilmember Blossom abstaining.*

There was a 5-minute recess. The meeting resumed immediately following at 8:29 PM with aforementioned Councilmembers and Mayor present.

B. DISCUSSION WITH FINANCIAL ADVISOR, AB 14-092 8:29 PM

City Manager Schulze explained this was a good time to bring this information forward given council's pending decisions, possible funding of long-range needs and limited resources. Deputy Manager Smith gave an overhead presentation which highlighted strategic planning efforts, revenue review, fund balance (\$2M above policy reserves), a balanced operating budget, measuring capacity and capital initiatives (transportation, other infrastructure and capacity/sustainability).

David Trageser, D.A. Davidson & Company, gave a brief update which included options for funding improvements, who benefits from improvements, types of bonds, when bonds make sense, case scenarios, transportation benefit districts, election planning, public disclosure commission laws, historic interest rates, bond ratings, key factors/comparisons for ratings, recent rating criteria changes and recent regulatory action.

Councilmember Ward said there appears to be a competitive situation emerging between the city, fire, school and parks districts all showing interest in taking bond issues to the voters. He asked how one would go about positioning the city to have the highest chance of success. Mr. Trageser suggested coordination amongst the districts.

Mayor Blair was interested in the wisdom in trying to put all of those special purpose districts and municipal organizations together in a single whopper. Mr. Trageser commented if it is all there and people cannot pick and choose, it is easy for them to say no.

Councilmember Townsend asked if there was an efficient number of debt service that a city would want to have. Mr. Trageser noted that from a credit prospective, a city should not get close to their cap in order to be flexible in case of an emergency. He added with voted bonds, a city should not go over 60% of their capacity and for non-voted bonds it would typically be closer to 75%. Councilmember Townsend wondered if it made sense for the city to pay down debt if they had money sitting around. Mr. Trageser agreed to some extent in paying down a project to reduce the amount of debt issued might be based on who is benefitting from it. Councilmember Townsend asked what the city would be saving if they paid down bonds. Mr. Trageser briefly described call provisions and the higher cost of paying them off sooner.

Councilmember Bonkowski asked what the city's assessed valuation was to which Mr. Trageser responded it was about \$5.2M. There was a brief discussion regarding what kind of projects could be paid for with revenue bonds.

Robert Dashiell, NE Tolo Road, asked whether 20, 30 and 40 year bonds might be logical. Mr. Trageser said it was really a matter of the useful life of the project being financed however, 20 years was a benchmark. Mr. Dashiell asked what the cost would be on an average taxpayer per million dollars if we did a 20-year bond. It would cost approximately \$66.00 per thousand.

6. EXECUTIVE SESSION: POTENTIAL LITIGATION 9:19 PM

At 9:19 PM, Deputy Mayor Tollefson recessed the meeting to an executive session with council and legal counsel to discuss potential litigation pursuant to RCW 42.30.110(1)(i). The recording system was turned off and the doors to the Council Chamber were posted. The executive session concluded at 9:39 PM with no action being taken.

7. STAFF INTENSIVE (CONTINUED)

C. EAGLE HARBOR SEWER BEACH MAINS REHABILITATION PROJECT, AB 10-102 – PUBLIC WORKS 9:39 PM

Public Works Director Loveless asked council to consider forwarding the construction award to July 7 unfinished business agenda. Following a brief update on the project, a motion was made.

***MOTION:** That the City Council forward the Eagle Harbor Sewer Beach Main Rehabilitation Project construction award to the July 7, 2014 City Council unfinished business agenda.*

BONKOWSKI/WARD

***FRIENDLY AMENDMENT:** Change the motion to move the construction award to the July 7, 2014 City Council consent agenda provided that the bids fit within the approved amount.*

BONKOWSKI/WARD – Motion carried unanimously, 7-0.

D. STATEWIDE STORMWATER GRANT AMENDMENT NO. 1 – LYNWOOD CENTER OUTFALL IMPROVEMENTS, AB 10-86 – PUBLIC WORKS 9:43 PM

Public Works Director Loveless indicated this item is an extension of a grant agreement with the Department of Ecology to perform stormwater outfall repairs in Lynwood Center. He explained easements have now been granted and the city is ready to move forward.

***MOTION:** I move that the City Council approve Amendment No. 1 to the Stormwater Grant Agreement for the Lynwood Center Outfall Improvement project changing the expiration date from March 31, 2014 to June 30, 2015.*

BONKOWSKI/BLAIR – Motion carried unanimously, 6-0 with Councilmember Blossom abstaining.

E. ORDINANCE NO. 2014-25, CLARIFYING THE ROLE, COMPOSITION AND DUTIES OF THE ENVIRONMENTAL TECHNICAL ADVISORY COMMITTEE AND CREATING A NEW CHAPTER 2.36 OF THE BAINBRIDGE ISLAND MUNICIPAL CODE, AB 14-077 – EXECUTIVE 9:44 PM

City Manager Schulze introduced the ordinance which clarifies the role, composition and duties of the Environmental Technical Advisory Committee.

9:45 PM *MOTION: I move the City Council forward Ordinance No. 2014-25 to the June 9, 2014 Consent Agenda.*
WARD/BONKOWSKI – Motion carried unanimously, 7-0.

8. COUNCIL DISCUSSION 9:46 PM

There was none.

9. COMMITTEE REPORTS 9:46 PM

There were no reports submitted in writing.

10. REVIEW OF UPCOMING COUNCIL MEETING AGENDAS 9:46 PM

City Manager Schulze reviewed the June 9 business meeting agenda. There was a brief discussion regarding the June 10 council retreat and potential topics. Council and staff reviewed the upcoming calendar. Deputy Mayor Tollefson noted a discussion of the Suzuki property was scheduled on June 16 and wondered if someone should give staff guidance as to whether to prepare something. Councilmember Blossom explained the reason she asked that the topic be discussed was because she was concerned that the Housing Resources Board was going down a path in creating this large process when the council has not even discussed what they want to do with the property. It was decided that the discussion would be free form. Councilmember Ward wanted to make sure the staff provides some historical perspective on how the property was acquired and for what purpose. Mayor Blair noted a joint meeting with Poulsbo and Suquamish Tribe would be held on July 1 (transportation – SR 305 and public safety – collaboration and cooperation).

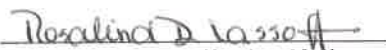
9. FOR THE GOOD OF THE ORDER 9:54 PM

Mayor Blair shared comments she received on the road ends celebration held this past weekend.

10. ADJOURNMENT 9:56 PM

The meeting adjourned at 9:56 PM.


Anne S. Blair, Mayor


Rosalind D. Lassoff, City Clerk