ITEMS DISCUSSED

1. CALL TO ORDER / ROLL CALL / PLEDGE OF ALLEGIANCE
2. ACCEPTANCE OR MODIFICATION OF AGENDA / CONFLICT OF INTEREST DISCLOSURE
3. PUBLIC COMMENT
4. STAFF INTENSIVE
   A. RESOLUTION NO. 2013-01, APPROVING A MINOR MODIFICATION TO THE SOUTH ISLAND SEWER SERVICE AREA FOR A SINGLE RESIDENTIAL CONNECTION, AB 13-006 – PLANNING
   B. WATERFRONT PARK COMMUNITY CENTER (FORMERLY BAINBRIDGE ISLAND SENIOR COMMUNITY CENTER) RENOVATION – PROJECT ACCEPTANCE AND CONSTRUCTION CONTRACT CLOSURE – PUBLIC WORKS
   C. THE WAYPOINT WELL SAMPLING – PUBLIC WORKS
   D. CITY MANAGER REPORT ON WATER UTILITY MANAGEMENT
5. COUNCIL DISCUSSION
   A. CITY COMMITTEES AND COMMISSIONS
6. CONSENT AGENDA
   A. ACCOUNTS PAYABLE VOUCHERS AND PAYROLL
   B. REGULAR CITY COUNCIL MEETING MINUTES, JANUARY 6, 2013
   C. BAINBRIDGE YOUTH SERVICES, 2013 COMMUNITY SERVICES AGREEMENT – EXECUTIVE
   D. HELPLINE HOUSE, 2013 COMMUNITY SERVICES AGREEMENT – EXECUTIVE
   E. HOUSING RESOURCES BOARD, 2013 COMMUNITY SERVICES AGREEMENT – EXECUTIVE
   F. ~~KITSAP CONSERVATION DISTRICT, INTERLOCAL AGREEMENT – PLANNING~~ – PULLED
   G. SUMMIT LAW GROUP, LETTER OF ENGAGEMENT – EXECUTIVE
   H. [ADDED] KITSAP CONSERVATION DISTRICT, INTERLOCAL AGREEMENT – PLANNING
7. REGIONAL COMMITTEE REPORTS
8. REVIEW OF UPCOMING COUNCIL MEETING AGENDAS
9. FOR THE GOOD OF THE ORDER
10. ADJOURNMENT

1. CALL TO ORDER / ROLL CALL / PLEDGE OF ALLEGIANCE 6:59:55 PM
Mayor Bonkowski called the meeting to order at 6:59 p.m. A quorum was present consisting of Councilmembers Blair, Blossom, Hytopoulos, Ward, and Mayor Bonkowski. Councilmember Scales arrived at 7:11 p.m. City Clerk Lassoff monitored the recording of the meeting and prepared the minutes. Everyone stood for the Pledge of Allegiance.

2. ACCEPTANCE OR MODIFICATION OF AGENDA / CONFLICT OF INTEREST 7:00:32 PM
There were no conflicts of interest disclosed. Councilmember Ward pulled consent agenda item 6F for further discussion and asked that it be listed as 6H.

> ***MOTION:*** *I move to accept the agenda as modified.*
> ***WARD/BLAIR*** *– the motion carried unanimously, 6-0.*

3. PUBLIC COMMENT 7:01:42 PM
7:02:00 PM Gerald Elfendahl, read from a prepared statement regarding the Sing Out event, renaming Strawberry Plant Park, using $250,000 of the WSF settlement funds to build a water overview pier with a platform and the need to explore other opportunities at the Strawberry Plant Park site. He hoped to get the issue back on the council agenda soon.

7:06:43 PM Senji Kankeda spoke on behalf of the Kitsap Interfaith Council.

7:07:14 PM Patti Dusbabek, commented on classifying properties surrounding her property as residential and believed properties should be designated 0.4 zone which allows for preferential uses of agriculture over residential. She commented on a complaint filed against one of her neighbors.

7:11:40 PM Doug Hatfield, Lytle Road, commented on building a pier and viewing platform at Strawberry Plant Park and noted the hydraulic permit application could be extended until June 23, 2014.

4. STAFF INTENSIVE 7:15:14 PM

A. RESOLUTION NO. 2013-01, APPROVING A MINOR MODIFICATION TO THE SOUTH ISLAND SEWER SERVICE AREAS FOR A SINGLE RESIDENTIAL CONNECTION, AB 13-006 – PLANNING

Community Development Administrator Wierzbicki explained the resolution would permit a minor modification to the South Island Sewer area for a single residential sewer connection at 4355 Point White Drive. He described procedures and criteria. He asked that Council consider the request as one of the nineteen service connections the City purchased from LID No. 20 to serve single residential connections.

Councilmember Ward asked if the adjacent lots were affected in a similar manner in terms of soil conditions to which Community Development Administrator Wierzbicki replied, while they were not specifically examined, it is likely there may be.

MOTION: *I move that the City Council approve Resolution No. 2013-01, permitting a minor modification to the South Island Sewer Service Area for a single residential connection at 4355 Point White Drive.*
BLAIR/LESTER

Councilmember Hytopoulos hoped that the council would carefully review future requests.

The motion carried unanimously, 7-0.

B. WATERFRONT PARK COMMUNITY CENTER (FORMERLY BAINBRIDGE ISLAND SENIOR COMMUNITY CENTER) RENOVATION – PROJECT ACCEPTANCE AND CONSTRUCTION CONTRACT CLOSURE – PUBLIC WORKS 7:20:55 PM

Public Works Director Newkirk reported on the project. He acknowledged the Bainbridge Island Senior Community Centers' $30,000 contribution to fund amenities not included in the base bid. He reported the project was completed on time and on budget. He thanked BISCC members, park district members, former and current councilmembers as well as the project team.

MOTION: *I move that the City Council accept the Waterfront Park Community Center Renovation project in the amount of $529,514.00.*
LESTER/BLAIR – *Motion carried unanimously, 7-0.*

C. THE WAYPOINT WELL SAMPLING – PUBLIC WORKS 7:23:11 PM

Deputy City Manager Smith gave a brief update. She explained why both the City and Kitsap Transit, as owners of the property, thought there was value in conducting another round of sampling in 2013. She indicated the City's share would be approximately $10,000 and staff would be suggesting a specific funding source as part of the 2013 Q1 budget adjustments.

D. CITY MANAGER REPORT ON WATER UTILITY MANAGEMENT 7:27:30 PM

City Manager Schulze gave a follow up report on his analysis of the KPUD water utility management proposal. He identified four objectives, which included fair utility rates, cost allocation, accountability, and organizational efficiency. He explained the need to identify the following: true costs associated with the KPUD interlocal agreement, minimum City cost for providing water utility services under the ILA, impacts of outsourcing operation and management on remaining City services, associated risks such as legal, labor, performance, and service delivery as well as schedule. He reviewed his cost analysis, which included the KPUD base figure, mandatory City costs, the 2013 Water Utility budget and explained the differences between them. He noted that costs not included in the calculations were overhead allocation, capital planning/engineering, contract administration, legal services and ERR. Councilmember Scales asked where current FTE allocations were captured or was it assumed that they were gone. City Manager Schulze replied currently it is assumed that their gone but that would be part of the difference in the budget and what we know as mandatory costs and the KPUD proposal. He described various policy issues, impacts to remaining services, concerns and risks. He explained the schedule going forward would include meeting with KPUD staff, updating cost estimates(if necessary), reviewing the comprehensive plan, completing an analysis of organizational impacts and identifying service delivery and performance issues. He expected to report back at the March 20 study session.

5. COUNCIL DISCUSSION

A. CITY COMMITTEES AND COMMISSIONS 7:48:31 PM

City Manager Schulze explained each committee and commission would have a page created with its purpose and scope of work listed, number of positions, length of each term and tracking members by position number. He explained terms would run from July 1 through June 30. He said this new process would reduce advertising to probably twice a year. Councilmember Lester asked that the design review board webpage be updated with more current information. Councilmember Blair felt this was a good time for Council liaisons to work with the current committee chair to make any changes necessary and get everything standardized prior to advertisements going out in May. Mayor Bonkowski said it sounded like each liaison needs to work with their committee to validate that the ordinance that defines the committee makeup and its participation is up-to-date and, if not, it needs to be brought back to Council in a timely fashion. Councilmember Hytopoulos commented a number of benefits with the proposed new procedure. Councilmember Blair felt it might be appropriate to make this part of their annual committee liaison assignments and that two or three Councilmembers sit on the interviewing panel that year. Councilmember Ward thought eliminating a large pool of Councilmembers from the process might not be a good idea. Councilmember Hytopoulos said Council could also consider returning to the statutory provisions of the mayor's role in the process. Mayor Bonkowski felt it was important to know when to advertise to get the best turnout. He also commented on mayoral duties and the governance manual.

6. CONSENT AGENDA 8:00:18 PM

A. ACCOUNTS PAYABLE VOUCHERS AND PAYROLL

ACH/EFT Check Numbers 120 through 121, Void Manual Check Number 332015, Manual Check Numbers 332173 through 332180, 2012 FY Regular Check Run Numbers 332181 through 332230, 2013 FY Regular Check Run Numbers 332231 through 332355 for a total of $501,639.61. Retainage Release Check Number 98 for $21,947.94. Miscellaneous Payroll Check Numbers 106081 through 106085, Direct Deposit Check Numbers 027062 through 027168, Regular Payroll Check Numbers 106086 through 106088, Vendor Check Numbers 106089 through 106102 and Federal Tax Electronic Transfer for a total of $548,577.33.

B. REGULAR CITY COUNCIL MEETING MINUTES, JANUARY 6, 2013

C. BAINBRIDGE YOUTH SERVICES, 2013 COMMUNITY SERVICES AGREEMENT – EXECUTIVE

D. HELPLINE HOUSE, 2013 COMMUNITY SERVICES AGREEMENT – EXECUTIVE

E. HOUSING RESOURCES BOARD, 2013 COMMUNITY SERVICES AGREEMENT – EXECUTIVE

F. ~~KITSAP CONSERVATION DISTRICT, INTERLOCAL AGREEMENT – PLANNING~~ [REMOVED FOR DISCUSSION]

G. SUMMIT LAW GROUP, LETTER OF ENGAGEMENT – EXECUTIVE

MOTION: *I move we approve Item A. Accounts Payable Voucher and Payroll Approval, Item B. Regular City Council Meeting Minutes, January 9, 2013, Bainbridge Youth Services, 2013 Community Services Agreement, Helpline House 2013 Community Services Agreement, Housing Resources Board, 2013 Community Services Agreement, and the Item G. Summit Law Group, Letter of Engagement.*

WARD/LESTER *– Motion carried unanimously, 7-0.*

H. KITSAP CONSERVATION DISTRICT, INTERLOCAL AGREEMENT – PLANNING 8:01:13 PM

Councilmember Ward commented on concerns raised regarding the appropriateness of some of the charges being billed to the SSWM utility. He has asked City Manager Schulze to bring back more information on February 27.

8:02:12 PM ***MOTION:*** *I would move that we table approval of item 6F until the 27th of February.*

WARD/LESTER *– Motion failed, 2-5. Councilmembers Blair and Lester voted in favor. Councilmembers Blossom, Bonkowski, Hytopoulos, Scales voted against.*

8:03:38 PM Councilmember Blossom asked whether the City would then be without an agreement to which City Manager Schulze replied this item deals with how we are going to fund the interlocal agreement. He suggested Council go ahead and approve the ILA and staff can come back and report on where funds are allocated.

8:05:06 PM *Councilmember Blair so moved to approve the contract with the Kitsap Conservation District Interlocal Agreement and requested that the City Manager come back at the February 27 meeting and discuss how the costs are being funded within the budgets. Councilmember Lester seconded the motion, which was unanimously approved, 7-0.*

7. REGIONAL COMMITTEE REPORTS 8:06:00 PM
Councilmember Blair reported that Kitsap Transit will be holding a community meeting in early March regarding wake testing on passenger-only ferries and indicated it might be most helpful for those living along Rich Passage to attend. 8:07:10 PM Councilmember Lester reported she and Councilmember Hytopoulos met with City Manager Schulze to discuss community broadcasting. She indicated there was a sizable balance in the fund to purchase equipment and asked the City Manager to have a conversation with other districts to see if there may be collaborative opportunities. She suggested holding a community meeting to discuss broadcasting. She also reported that she serves on the Housing Advisory Team and they are reviewing policies and composition of citizen review committees for funding of the various grants and the City might be able to recommend an appointment. She noted if there are any changes to the interlocal agreements with the agencies that changes would need to be completed by the end of March/beginning of April. 8:08:41 PM Mayor Bonkowski reported the Kitsap Economic Development Association has a spinoff association called the Kitsap Aerospace and Defense Alliance. He explained Kitsap County and the City of Bremerton have contributed money to that non-profit organization and that the City has been asked to contribute. He explained the City would not be contributing until we have had the opportunity to discuss economic development. He asked staff to find out whether the City gave $3,000 to this organization in 2011. He also asked Council whether they were comfortable with him making a statement as the Mayor in a video facilitated by Representative Killmer's office. Council was supportive of the idea. 8:12:53 PM City Manager Schulze reported on recent meetings held by the Washington City Managers Association and the Association of Washington Cities.

8. REVIEW OF UPCOMING COUNCIL MEETING AGENDAS 8:21:13 PM
Mayor Bonkowski reviewed the February 20, 2013 retreat agenda. Council decided to hold the retreat in the council conference room. Councilmembers discussed having a study session on February 27 instead of a business meeting and swapping the remaining meetings. Councilmember Hytopoulos asked that the SMP be rescheduled to March 13 since Councilmember Blair is out of town March 6. Councilmember Blair asked for an executive session on February 27 to discuss real estate. Mayor Bonkowski hoped for an opportunity to schedule a discussion on economic development on a future study session agenda. Councilmember Ward asked for a briefing by Public Works on the options for solving the Rockaway Water System issue. He also asked that 10-15 minutes be scheduled to discuss renaming Strawberry Plant Park. He indicated Council asked the City Manager to meet with the KPUD to discuss stream monitoring and wanted to know when would be a reasonable time to get a report back. Councilmember Lester wanted to create a communications piece. Councilmember Blossom asked for a general conversation on cost allocation outside of the water utility management discussion. City Manager Schulze believed the topic was a second quarter report back. There was a brief discussion on how cost allocation percentages are determined. Councilmember Ward requested a briefing well ahead of the March 20 meeting. Council asked City Manager Schulze to let them know when a briefing could occur at their retreat next week. Staff will follow up on scheduling Council interviews with SGR prior to next Wednesday's retreat.

9. FOR THE GOOD OF THE ORDER 8:38:19 PM
Councilmember Hytopoulos commented on the study session format. Councilmember Blair shared that The Waypoint opening and dedication would be held on March 1 at 11:20 am. Councilmember Lester commented on an event going on through this Friday, February 15 called *For the Love of Bainbridge...Buy a Heart...Save a Life.*

10. ADJOURNMENT 8:42:08 PM
Mayor Bonkowski adjourned the meeting at 8:42 pm.

Steven Bonkowski, Mayor

Rosalind D. Lassoff

Rosalind D. Lassoff, City Clerk