SPECIAL/REGULAR CITY COUNCIL MEETING
SEPTEMBER 11, 2013

ITEMS DISCUSSED

1. CALL TO ORDER / EXECUTIVE SESSION: POTENTIAL LITIGATION (RCW 42.30.110(1)(i))
2. ROLL CALL / PLEDGE OF ALLEGIANCE
3. ACCEPTANCE OR MODIFICATION OF AGENDA / CONFLICT OF INTEREST DISCLOSURE
4. PUBLIC COMMENT
5. NEW BUSINESS: HARBOR COMMISSION APPOINTMENTS, AB 13-111 – MAYOR BONKOWSKI
6. UNFINISHED BUSINESS
   A. REPAYMENT OF THE SSWM-STREETS INTERFUND LOAN, AB 13-120 – FINANCE
   B. WATERFRONT PARK/CITY DOCK DESIGN CONTRACT SCOPE INFORMATION, AB 13-082 – PLANNING
   C. CORE 40 – NORTH MADISON NON-MOTORIZED IMPROVEMENTS CONSTRUCTION AWARD, AB 13-116 – PUBLIC WORKS
   D. 2013 ANNUAL STORMWATER DETENTION POND MAINTENANCE CONTRACT AWARD, AB 13-115 – PUBLIC WORKS
7. CONSENT AGENDA
   A. ACCOUNTS PAYABLE VOUCHER AND PAYROLL APPROVAL
   B. REGULAR BUSINESS MEETING MINUTES, AUGUST 14, 2013
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   D. SPECIAL/REGULAR BUSINESS MEETING MINUTES, AUGUST 28, 2013
   E. SPECIAL/REGULAR STUDY SESSION MEETING MINUTES, SEPTEMBER 4, 2013
   F. ROTARY PARK SEWER EASEMENT, AB 13-117 – PUBLIC WORKS
8. CITY MANAGER'S REPORT
9. COMMITTEE REPORTS
10. REVIEW OF UPCOMING COUNCIL MEETING AGENDAS
11. FOR THE GOOD OF THE ORDER
12. ADJOURNMENT

1. CALL TO ORDER / EXECUTIVE SESSION: POTENTIAL LITIGATION (RCW 42.30.110(1)(i)) 6:28:51 PM
Mayor Bonkowski called the meeting to order at 6:28 PM. A quorum was present consisting of Councilmembers Blair, Hytopoulos, Lester, Ward, and Mayor Bonkowski. The meeting adjourned to executive session with legal counsel to discuss potential litigation. The door to Council Chambers was posted and the recording system was turned off. Councilmember Blossom arrived during executive session. At 7:12 PM, Mayor Bonkowski extended the executive session by 10 minutes.

2. CALL / PLEDGE OF ALLEGIANCE 7:17:12 PM
At 7:17 PM, Mayor Bonkowski called the business portion of the meeting to order. He indicated no action was taken during executive session. A quorum was present consisting of Councilmembers Blair, Blossom, Hytopoulos, Lester, Ward, and Mayor Bonkowski. Councilmember Scales was absent and excused. City Clerk Lassoff monitored the recording of the meeting and prepared the minutes. Everyone stood for the Pledge of Allegiance.

3. ADDITIONS AND DELETIONS TO THE AGENDA / CONFLICT OF INTEREST DISCLOSURE 7:18:14 PM
Councilmember Lester asked that item 7F, Rotary Park Sewer Easement, be pulled from the consent agenda and voted on separately. She explained her husband, Ryan Vancil, is legal counsel for the park district and she would need to recuse herself from the vote.

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

There were no conflicts of interest disclosed.

4. PUBLIC COMMENT 7:19:09 PM
No one signed up for public comment.

5. NEW BUSINESS: HARBOR COMMISSION APPOINTMENTS, AB 13-111 – MAYOR BONKOWSKI 7:19:32 PM
Mayor Bonkowski introduced the item.

7:20:30 PM ***MOTION:*** *I move that the City Council confirm the appointment of George Briggs for Position #4 for a 2-year term ending June 30, 2015.*
LESTER/BLAIR *– The motion carried unanimously, 6-0.*

7:21:06 PM ***MOTION:*** *I move that the City Council confirm the appointment of Elise Wright for Position #5 for a 3-year term ending June 30, 2016.*
LESTER/BLAIR *– The motion carried unanimously, 6-0.*

7:21:25 PM ***MOTION:*** *I move that the City Council confirm the reappointment of Sandra Davis for Position #6 for a 3-year term ending June 30, 2016.*
LESTER/BLAIR– *The motion carried unanimously, 6-0.*

7:21:44 PM ***MOTION:*** *I move that the City Council confirm the appointment of Tom Hudson for Position #7 for a 3-year term ending June 30, 2016.*
LESTER/BLAIR– *The motion carried unanimously, 6-0.*

6. UNFINISHED BUSINESS

A. REPAYMENT OF THE SSWM-STREETS INTERFUND LOAN, AB 13-120 – FINANCE 7:22:07 PM

Finance Director Schroer gave a brief PowerPoint presentation. She asked the Council how they would like to proceed in repaying the $1.37M interfund loan between the Streets Fund and the SSWM Fund. She explained the financial results of such a transaction this year. There was Council consensus that an equivalent transfer be made from the General Fund to the SSWM Fund. Finance Director Schroer noted the currently approved 2014 Budget assumed a $252,000 payment from the Streets Fund to the SSWM Fund and explained how the transaction would work. She asked whether the payment should be eliminated given that it is no longer authorized under ordinance or whether staff was to provide a General Fund transfer to the SSWM Fund in the amount that was formally provided through the Street's Fund SSWM fees. Mayor Bonkowski recalled when the determination was made to exempt streets from SSWM, there was a discussion that the General Fund, at the will of the Council, could be used in any manner to increase funding in the SSWM Fund and to continue keeping it whole as it had been in the prior years. Councilmember Hytopoulos recalled Council's commitment to funding the SSWM Fund to the extent it needed to be funded but in a thoughtful manner. Councilmember Blair added there was also a commitment to maintaining the reserves at the minimum level. Mayor Bonkowski recalled the Council asking staff to put together a SSWM plan so they would know what the proper amount of funding was and recommended, at a minimum, it be funded the same amount until such time as we have a SSWM plan. Councilmember Blair wanted to know if this was wise. Finance Director Schroer recalled absent the transaction the SSWM Fund would have less revenue. Staff will provide more information as part of the 2014 Budget discussions in the fall.

B. WATERFRONT PARK/CITY DOCK DESIGN CONTRACT SCOPE INFORMATION, AB 13-082 – PLANNING 7:31:19 PM

City Manager Schulze gave a PowerPoint presentation. He reviewed the steps used in the process which led to the recommendation of Studio Cascade. He asked Council what their level of interest was in pursing grant opportunities, their expectations regarding the project scope and the alternative process being proposed. Councilmember Hytopoulos posed a question regarding the process. Mayor Bonkowski explained why he made the suggested alternative. City Manager Schulze described various processes he has used in the past and noted how this process was prescribed in the City's municipal code as well as the RCW. 7:48:41 PM Councilmember Lester gave an overhead presentation citing prior City projects which contained an inclusive community participation interview process for the selection of a design team and shared her concern that the Waterfront Park/City Dock project did not follow a similar method. She offered a solution to allow the community to vote on their favorite design. Councilmember Ward would much rather see an approach of having a design we can build for $1.8M and if there were options that could be added if grants became available that would be great. He suggested looking at ways to improve the process. 7:59:22 PM Councilmember Hytopoulos commented on the procedural issues being raised. Councilmember Blair was open to exploring suggestions raised the next time around but was impressed with the current recommendation based on what was done through a competitive process. Councilmember Blossom was comfortable with the process used. Councilmember Lester thought the project would be a success whatever way is chosen. Mayor Bonkowski believed Council had a responsibility to the community to build the best Waterfront Park and if other approaches are suggested it was in the Council's purview to do something differently. 8:11:34 PM Councilmember Hytopoulos was concerned with how the process got sidetracked. Councilmember Blossom was not bothered that a design was not presented as part of the process. Councilmember Blair asked how the scope of work would be refined. City Manager Schulze briefly explained Studio Cascade's multi-disciplines, expertise and storefront studio concept. Councilmember Lester briefly commented on her recent conversations with the City Manager. Councilmember Ward asked that a consensus be reached on Council's wishes are regarding grants.

City Manager Schulze described a limited scope would be to use the existing $1.8M and a moderate scope would include the $1.8M plus add on options if we receive grant funds if they become available.

8:22:17 PM *MOTION: I made a motion that we instruct the City Manager to have the selected firm operate under what he describes here as the moderate scope with something we can build for $1.8M that has options if and when we receive grants.*
***WARD/BLAIR** – Motion carried unanimously.*

8:22:53 PM *MOTION: I would move that we go forward following the City Manager's recommendation and process that had been followed up to this point and that being following the standard currently in our code and in the State guidelines for selecting through a request for qualifications.*
BLAIR/HYTOPOULOS

8:24:45 PM *RESTATED MOTION: I think that what I want to is bring forward an agenda bill next week with a specific recommendation but the direction I would like to go for that agenda bill is that we follow the standard procedure and the process you've gone through currently for the request for qualifications and bring forward your recommendation following that process.*
BLAIR/HYTOPOULOS

Councilmember Ward assumed when the recommendation came forward that there would be a specific task that would be contracted for and a specific amount to which City Manager Schulze concurred.

Motion carried 4-2 with Councilmembers Blair, Blossom, Hytopoulos, and Ward voting in favor. Councilmembers Bonkowski and Lester voted against.

A discussion of the selection process will be added to a future meeting agenda.

C. CORE 40 – NORTH MADISON NON-MOTORIZED IMPROVEMENTS CONSTRUCTION AWARD, AB 13-116 – PUBLIC WORKS 8:26:53 PM

Interim Public Works Director Cunningham introduced the item.

MOTION: I move the City Council approve the contract with Lakeside Industries, Inc. for the North Madison Avenue Non-Motorized Improvements project in the amount of $113,650.00 and authorize the City Manager to execute the contract.
WARD/BLAIR

Councilmember Lester asked whether these were grant funds and, if so, could the contract be extended to add more bike lanes. Interim Public Works Director Cunningham replied he would look into it.

Motion carried unanimously, 6-0.

Mayor Bonkowski thought it might be appropriate whenever there are grants funds remaining, that those be identified upfront so we could to look at how they might be used to extend projects. Interim Public Works Director Cunningham agreed noting the bid package would probably be the best method to address that via additive alternatives.

D. 2013 ANNUAL STORMWATER DETENTION POND MAINTENANCE CONTRACT AWARD, AB 13-115 – PUBLIC WORKS 8:31:43 PM

Interim Public Works Director Cunningham introduced the item.

8:33:24 PM *MOTION: I would move that the City Council approve the contract with Nordland Construction Northwest for the 2013 Annual Storm Water Pond Maintenance project in the amount of $32,975.00 and authorize the City Manager to execute that contract.*
***BLAIR/LESTER** – Motion carried unanimously, 6-0.*

E. SEWER GENERAL SYSTEM PLAN REVIEW STUDY AREA, AB 12-108 – PUBLIC WORKS 8:34:14 PM
Interim Public Works Director Cunningham gave an overhead presentation. He explained staff was working the City's general sewer plan update which is a requirement of the City's wastewater treatment facility discharge permit. He noted the last update was completed in 1994, the discharge permit requires the plan be updated by June 2014, and that staff has been working with Carollo Engineers. He added a general sewer plan advisory committee consisting of members of the Planning Commission, Utility Advisory Committee, and the Environmental Technical Advisory Committee was formed to provide input on the future sewer service areas to be studied as part of the update. He described each of the sewer service study areas as recommended by the advisory committee. 8:43:30 PM Councilmember Hytopoulos asked what the criteria upon which these areas were selected. Interim Public Works Director Cunningham explained the committee landed on, for the most part, zoning for Winslow area, environmental concerns for the South Island area and providing sewer treatment capability that is greater than on-site systems for the Mid-Island area (NSC). Councilmember Hytopoulos commented on running a sewer system with so few ratepayers. Mayor Bonkowski thought knowing the financial impacts might be by area would be extraordinary helpful when developing the plan. Following brief comments, Interim Public Works Director Cunningham noted next steps would include the advisory committee talking about sewer extension policies, financing policies, environmental stewardship, design criteria, system reliability, etc.

7. CONSENT AGENDA 8:56:43 PM

A. ACCOUNTS PAYABLE VOUCHER AND PAYROLL APPROVAL
Accounts Payable ACH/EFT Check Numbers 134 through 135, Void Manual Check Numbers 333692, 333707 through 333771, Manual Check Numbers 333790 through 333794, Regular Run Check Numbers 333795 through 333885 for a total of $290,818.51. Payroll Direct Deposit Check Numbers 028551 through 028657, Regular Run Check Numbers 106352 through 106359, Vendor Check Numbers 106360 through 106374 for a total of $529,011.06.

B. REGULAR BUSINESS MEETING MINUTES, AUGUST 14, 2013

C. REGULAR STUDY SESSION MEETING MINUTES, AUGUST 21, 2013

D. SPECIAL/REGULAR BUSINESS MEETING MINUTES, AUGUST 28, 2013

E. SPECIAL/REGULAR STUDY SESSION MEETING MINUTES, SEPTEMBER 4, 2013

> ***MOTION:*** *I move that the City Council approve Consent agenda items A through E: A) Accounts Payable Voucher and Payroll Approval; B) Regular Business Meeting Minutes, August 14, 2013; C) Regular Study Session Meeting Minutes, August 21, 2013; D) Special/Regular Business Meeting Minutes, August 28, 2013 and E) Special/Regular Study Session Meeting Minutes, September 4, 2013.*
> ***LESTER/WARD*** *– Motion carried unanimously, 6-0.*

F. ROTARY PARK EASEMENT
This item was pulled and voted on as a separate item due to Councilmember Lester's recusal.

8:57:16 PM ***MOTION:*** *I move we approve consent agenda item F Rotary Park Easement, AB 13-117.*
WARD/BLAIR *– Motion carried 5-1 with Councilmember Lester recusing herself.*

8. CITY MANAGER'S REPORT 8:57:51 PM
City Manager Schulze highlighted items from his weekly report such as the island-wide pavement marking project, information regarding increased air traffic over the island, Senate Transportation Committee forum dates, Rockaway Beach Stabilization project update, employee compliments following the Eagle Harbor Sewer Beach Main rupture, new code compliance officer, attending the National League of Cities conference in Seattle on November 14 or 15 to showcase the Waypoint award the City received through the Association of Washington Cities. Following comments regarding code enforcement policies, City Manager Schulze noted the topic was on next week's agenda.

9. COMMITTEE REPORTS 9:06:39 PM
Councilmember Blair reported on the Road Ends Committee's workplan. Mayor Bonkowski reported attending the KRCC executive board and TransPOL meetings.

10. REVIEW UPCOMING COUNCIL MEETING AGENDAS 9:10:24 PM
Following a brief discussion, the code compliance item was rescheduled to September 25. Mayor Bonkowski reported he met with City Manager Schulze and Councilmember Blair to review future calendar items. He said significant time would need to be scheduled to discuss the different aspects of I-502 regarding the legalization of marijuana. City Manager Schulze shared the approach taken by Poulsbo. He explained the process of implementing interim regulations followed by a public hearing within 30 days. Councilmember Lester asked that the naming of John Nelson Park be approved at a business meeting.

Councilmember Hytopoulos requested the Waterfront Park/City Dock design contract award be scheduled later on next week's agenda. Mayor Bonkowski reviewed the upcoming calendar. An update on dog leash regulations was scheduled for October 2. Deputy City Manager Smith described the Suyematsu change in form item. Councilmember Blair commented on the transferring of John Nelson Park from the surplus list. Comments were made regarding the jail interlocal agreement, vehicle impound ordinance and the tree ordinance. Following brief comments, Councilmember Blossom suggested a procedure similar to that used for the general sewer plan update be used for the tree ordinance with Planning Commission, ETAC and Council members participating. Councilmember Lester asked whether there were any funds available to have a professional complete what is left to be done with regard to the tree ordinance.

11. FOR THE GOOD OF THE ORDER 9:30:48 PM
Councilmember Lester shared upcoming community events occurring on the island. She recalled the 12-year anniversary of 9-11 and closed with a quote by President Obama.

12. ADJOURNMENT9:32:53 PM
On a motion by Councilmember Blair, Mayor Bonkowski adjourned the meeting at 9:32 PM.

Steven Bonkowski, Mayor

Rosalind D. Lassoff
Rosalind D. Lassoff, City Clerk