

ITEMS DISCUSSED

1. EXECUTIVE SESSION: PROPERTY ACQUISITION (RCW 42.30.110(1)(b))
2. WORKSHOP: REVIEW OF 2015-2020 CAPITAL IMPROVEMENT PLAN, AB 14-041 – PUBLIC WORKS
3. CALL TO ORDER / ROLL CALL / PLEDGE OF ALLEGIANCE
4. ACCEPTANCE OR MODIFICATION OF AGENDA / CONFLICT OF INTEREST DISCLOSURE
5. PRESENTATION
 - A. COMMERCIAL BUILDABLE LANDS AND EMPLOYMENT PROJECTIONS, AB 14-110 – PLANNING
6. PUBLIC COMMENT
7. PUBLIC HEARING
 - A. ORDINANCE NO. 2014-04 (FORMERLY ORDINANCE NO. 2013-34), ADOPTING THE CITY OF BAINBRIDGE ISLAND SHORELINE MASTER PROGRAM UPDATE, AB 13-143 – PLANNING
8. CITY MANAGER'S REPORT
9. CONSENT AGENDA
 - A. ACCOUNTS PAYABLE VOUCHER AND PAYROLL APPROVAL
 - B. SPECIAL/REGULAR STUDY SESSION MEETING MINUTES, MAY 5, 2014
 - C. SPECIAL/REGULAR BUSINESS MEETING MINUTES, MAY 12, 2014
 - D. REGULAR STUDY SESSION MEETING MINUTES, MAY 19, 2014
 - E. RESCHEDULED SPECIAL/REGULAR BUSINESS MEETING MINUTES, MAY 27, 2014
 - F. RESOLUTION NO. 2014-16, REGARDING UNPAID HOLIDAYS FOR REASONS OF FAITH OR CONSCIENCE, AB 14-100 – EXECUTIVE
 - G. EAGLE HARBOR SEWER BEACH MAINS REPLACEMENT PROJECT, MITIGATION MONITORING, PROFESSIONAL SERVICES AGREEMENT, AB 10-102 – PUBLIC WORKS
 - H. DRIPPING WATER CREEK CULVERT REPLACEMENT PROJECT, BUDGET AMENDMENT, AB 14-039 – PUBLIC WORKS
 - I. 2014 ROAD STRIPING PROJECT, CONTRACT AWARD, AB 14-108 – PUBLIC WORKS
 - J. SOUND TO OLYMPICS TRAIL PHASE 2 PRELIMINARY DESIGN, PROFESSIONAL SERVICES AGREEMENT, AB 14-096 – PUBLIC WORKS
 - K. RESOLUTION NO. 2014-17, REVIEW OF FINANCIAL AND BUDGET POLICIES, AB 14-106 – FINANCE
- ~~10. COMMITTEE REPORTS~~
11. REVIEW UPCOMING COUNCIL MEETING AGENDAS
- ~~12. FOR THE GOOD OF THE ORDER~~
13. ADJOURNMENT

1. EXECUTIVE SESSION: PROPERTY ACQUISITION (RCW 42.30.110(1)(b)) 5:30 PM

Mayor Blair adjourned the meeting to executive session with Councilmembers Blossom, Bonkowski, Roth, Tollefson, Townsend, Ward and legal counsel to discuss property acquisition. The executive session was held in the Planning Conference Room. The recording system was turned off and a notice was posted on the door to the Council Chamber.

The meeting resumed immediately following at 6:05 PM with no action being taken in executive session. All aforementioned Councilmembers and Mayor Blair were present.

2. WORKSHOP: REVIEW OF 2015-2020 CAPITAL IMPROVEMENT PLAN, AB 14-041 – PUBLIC WORKS 6:06 PM

Public Works Director Loveless gave a PowerPoint presentation to update on the proposed process for development of the Capital Facilities Plan and Capital Improvement Plan (CIP) for the upcoming 2015-2016 biennial budget.

Public Works Director Loveless provided comment and answered questions during the presentation.

Councilmember Bonkowski raised the subject of a parking element that is not in the draft CIP specifically a question regarding land acquisition should there be an opportunity to purchase parcels that would be suited for a parking facility in the downtown area. Interim City Attorney Haney stated that the Growth Management Act requires that all capital budget decisions are based on the CIP and the Comprehensive Plan and while it is always best to have the project in the Comprehensive Plan, the ability to amend it is feasible if done in conjunction with a budget adjustment.

6:20 PM **MOTION:** to add a public parking facility to the CIP with funding TBD in 2015-2016.
 BONKOWSKI/TOLLEFSON: Motion carried 7-0.

6:34 PM **MOTION:** to add a municipal court facility to the CIP with funding TBD in 2015-2016.
 BONKOWSKI/TOLLEFSON: Motion carried 7-0.

Public Works Director Loveless had stated earlier that there was not enough money in the Storm and Surface Water Management (SSWM) Fund to accommodate the projects on the CIP list. Councilmember Blossom asked if the amount of money in the SSWM Fund (or budgeted) includes the amount the General Fund will replace for the funds used for streets. Finance Director Schroer confirmed there is no expectation of a General Fund transfer to SSWM as discussed at the study session meeting on July 7 during the financial policies agenda item. Councilmember Blossom would like to reconsider the discussion on the policies for more clarity on streets considered part of SSWM so they do not have to pay for their impervious surfaces.

6:55 PM ***MOTION:** I move to reconsider the financial policies.*
 ***BLOSSOM/BONKOWSKI:** Motion passed 6-1 (Roth).*

3. CALL TO ORDER / ROLL CALL / PLEDGE OF ALLEGIANCE 6:59 PM

Mayor Blair called the meeting to order at 6:59 p.m. with Councilmembers Blossom, Bonkowski, Roth, Tollefson, Townsend, and Ward present. Records Management Coordinator Jahraus monitored the recording of the meeting and prepared the minutes.

4. ACCEPTANCE OR MODIFICATION OF AGENDA / CONFLICT OF INTEREST DISCLOSURE 7:00 PM

***MOTION:** I move we accept the agenda as presented.*
***BONKOWSKI/BLOSSOM:** Motion carried 7-0.*

5. PRESENTATION 7:00 PM

A. COMMERCIAL BUILDABLE LANDS AND EMPLOYMENT PROJECTIONS, AB 14-110

Special Project Planner Sutton and Kitsap County Planner Katrina Knutson facilitated the discussion on the Buildable Lands Report, a collaborative project that is currently underway with Kitsap County and its cities. The results of the report will be used to inform the 2016 Comprehensive Plan Updates. The specific focus of the presentation was the Commercial Buildable Lands Report and Capacity Analysis. The Kitsap Regional Coordinating Council has asked each jurisdiction to review the purpose, scope and methodology of the analysis to ensure that all questions have been identified and answered.

6. PUBLIC COMMENT 7:15 PM

Robert Dashiell, Tolo Road, offered comment on the Dripping Water Creek project.

Bryan McConaughy, Puget Sound Energy, provided an update on the Agate Pass tower replacement project.

7. PUBLIC HEARING 7:23 PM

A. ORDINANCE NO. 2014-04 (FORMERLY ORDINANCE NO. 2013-34), ADOPTING THE CITY OF BAINBRIDGE ISLAND SHORELINE MASTER PROGRAM UPDATE, AB 13-143 – PLANNING

Planning Director Cook provided introductory comments:

Tonight is expected to be the final public hearing on Ordinance 2014-04, adopting the City's Shoreline Master Program (SMP) Update. In accordance with the City's noticing requirements, a notice of the public hearing was published three times in The Review, on June 27, July 4, and July 11, 2014. Staff would like to provide some comments about what exactly Ordinance 2014-04 encompasses, as well as material submitted by the Department of Ecology. All of the material I am about to summarize is included in the packets that were prepared for tonight's public hearing.

The action that prompted scheduling the public hearing was the City's receipt on June 24, 2014, of a letter of conditional approval for the Shoreline Master Program Update, signed by Maia D. Bellon, Director of the Ecology (Ecology). Receipt of this letter indicates that Ecology has completed its review of the City's SMP Update and finalized the list of required and recommended changes. Pursuant to RCW 90.58.090 (2)(e), the City may either agree to the proposed changes, or submit a proposal for alternative language. Final Ecology approval will come when the City and Ecology agree on the final Ecology changes or proposed alternative language.

Director Bellon's letter was accompanied by a number of attachments, including the Ecology's Findings and Conclusions; Ecology's required and recommended amendments to the SMP and related documents the agency's response to public comments 30-day Ecology public comment period and a list of scientific literature that was used in developing the SMP Update.

As explained in the staff memo prepared for tonight's hearing, Ecology's required/recommended changes include those that were received and reviewed by the Council in 2013, and subsequently accepted by the Council after a public hearing on November 20, 2013.

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In the June 24 transmittal from Ecology, the agency also included additional required changes that were provided in 2014, including some that were reviewed by the Council at two workshops on April 28 and March 24.

In addition, included in the June 24 transmittal from Ecology were six new changes that the Council and community had not previously seen. These new revisions pertain to policies and regulations related to public access requirements for public entities to ensure consistency with WAC provisions, and to policies and regulations related to dock prohibitions in areas with physical limitations.

Tonight the Council will take public comment on all aspects of the SMP update, including the changes received from Ecology in 2013 and all changes received in 2014.

The City Council will also take comment all of the other documents that are proposed for revision as part of the SMP update, including:

- The revised, updated Shoreline Master Program, including the revised shoreline designations map. (Exhibit 1)
- Amendments to the Comprehensive Plan for consistency with the SMP Update (Exhibit 2)
- Chapter 2.14 (*Land Use Approvals*) and Chapter 2.16 (*Land Use Procedures*) of the Bainbridge Island Municipal Code for consistency with the SMP Update. (Ex 3)
- Amendments to Chapter 18.12 (*Dimensional Standards*) and Chapter 18.36 of the Bainbridge Island Municipal Code (Exhibit 4)

Upon conclusion of the public hearing and consideration of the comments provided by the community, and if the Council deems it appropriate, staff is suggesting that the Council pass a motion approving Ordinance 2014-04. This would result in adopting the City of Bainbridge Island Shoreline Master Program Update, including adopting the new shoreline designations map and amending goals, policies and regulations; adopting amendments to the Comprehensive Plan; adopting amendments to Chapters 2.14, 2.16, 18.12, and 18.36 of the Bainbridge Island Municipal Code; and repealing Chapter 16.12 of the Bainbridge Island Municipal Code and adopting a substitute Chapter 16.12 in its place.

The motion would also authorize the City Manager to submit a letter to the Department of Ecology, notifying Ecology of the City Council's approval of Ordinance 2014-04, and Council's agreement with Ecology's required changes as outlined in Attachments F through K and amended Exhibit 3 contained in the Council packet prepared for the July 14 public hearing; and would reaffirm Council's acceptance of Ecology's required and recommended changes and staffs proposed alternative language previously approved at the November 20, 2013 City Council public hearing.

Finally, I would like to take a moment to acknowledge the monumental effort that has gone into the SMP Update and thank everyone involved. The Update process started in 2010 and included:

- 4 public meetings at the onset of the process to develop a public participation plan, which was then adopted by the Council.
- 43 public meetings including public forums, open houses, citizen workgroups and citizen task force meetings (September 2010-August 2011)
- 17 study sessions and a public hearing at the Planning Commission (July 2011 through March 2012)
- 12 City Council study sessions, two City Council workshops, and 3 Council public hearings including tonight's (May 2012 to present)

Thanks to the citizen workgroups, Planning Commission, City Council and many, many citizens who attended all those meetings, participated in the Hearings and submitted written public comment.

Thanks also to the City staff who has worked so hard on this effort, and to the consultants who provided the scientific basis the Update, and thanks to our partners at the Department of Ecology, especially Barb Nightingale.

Mayor Blair opened the public hearing at 7:35 PM.

John Anderson, Irene Place, asked that the citizenry not be burdened with too many regulations.

Linda Young, Point White, provided comment on various sections of the SMP document she does not support.

Gary Tripp, Olympus Beach, does not support the SMP document. Mr. Tripp stated that Bainbridge Defense Fund would be filing a suit against the City of Bainbridge Island because of the SMP.

Laura Hendricks, representing the Coalition to Protect Puget Sound Habitat, provided written comment for the record and displayed various pieces of garbage found in the Sound.

Elise Wright, Bill Point View, encouraged Council to pass the SMP but has reservations regarding the aquaculture portion.

Lisa Macchio, Old Mill Road, is disappointed with DOE's determination on the aquaculture portion of the SMP.

Frank Stoll, Blakely Avenue, stated the update to the SMP needs to be wrapped up and adopted.

Barbara Phillips, Fletcher Bay, made comment on the 2011 Herrera report completed two years ago; she believes it to be deficient.

Charles Schmid, Manitou Park Blvd, encouraged Council to pass the SMP but also has concerns on four issues: No Net Loss, Aquaculture, Change in Designation of Whiskey Creek Estuary and Climate Change/Rising Sea Levels.

Robert Miller owns property on Bainbridge Island. He referenced the 2011 Herrera report that stated that Rolling Bay Walk is being eradicated; he offered several examples to the contrary.

Hal Snow, Point Monroe Drive, is unhappy that he would be unable voluntarily replace his home because of the SMP regulations.

Kathy Wolfe, Park Hill Place, urged Council to pass the SMP but to consider the aquaculture element.

Wayne Daley, Jeannette Place, referenced the aquaculture element that was approved by the Council and sent to DOE only to have it changed in the final document.

Martha Droge, Harbor Square Loop, agreed that it is time for the SMP to be passed however, she did have a slide that illustrated why shoreline homeowner values would go down.

Mayor Blair closed the public hearing at 8:29 PM.

Planning Director Cook clarified for the Council that they could approve the SMP and then later request limited amendments. She said if they proposed any major changes at this point, the City would fail to meet the state-imposed deadline.

Councilmembers provided comment prior to motions being made.

Councilmember Blossom voiced her frustration with the aquaculture regulations added by the DOE. She is disappointed that prior councilmembers failed to address the challenges to homeowners wanting to rebuild.

Councilmember Tollefson agreed and shared his belief that people are beginning to organize statewide to oppose the DOE's stance that aquaculture is a preferred use.

Councilmember Bonkowski wondered if any other communities had challenged DOE on the aquaculture regulations. DOE's Barbara Nightingale said that Jefferson County took eight years and accepted all the regulations.

Councilmember Ward does not support the SMP because of three issues including the aquaculture regulations seemingly made at the eleventh hour based on pressure from industry lobbyists; the rebuilding of existing structures and the compliance-monitoring program.

Mayor Blair said she too was dissatisfied in some ways with the update, but she said she was confident the work done over the last five years was thoughtfully done.

8:40 PM **MOTION:** *I move to approve Ordinance 2014-04, adopting the City of Bainbridge Island Shoreline Master Program Update, including adopting the new shoreline designations map and amending goals, policies and regulations; adopting amendments to the Comprehensive Plan; adopting amendments to Chapters 2.14, 2.16, 18.12, and 18.36 of the Bainbridge Island Municipal Code; and repealing Chapter 16.12 of the Bainbridge Island Municipal Code and adopting a substitute Chapter 16.12 in its place.*
 TOLLEFSON/ROTH: *The motion passed 4-3 (Ward, Blossom, Bonkowski).*

- 8:50 PM **MOTION:** I move to authorize the City Manager to submit a letter to the Department of Ecology, notifying Ecology of (1) the City Council's approval of Ordinance 2014-04, (2) Council's agreement with ecology's required changes as outlined in Attachments F through K and amended Exhibit 3 contained in the Council packet prepared for the July 14 public hearing, and (3) Council's agreement with Ecology's required and recommended changes and staff's proposed alternative language previously approved at the November 20, 2013 City Council public hearing.
- TOLLEFSON/ROTH:** The motion passed 6-1 (Roth).

8. CITY MANAGER'S REPORT 8:57 PM

City Manager Schulze gave a brief update on his weekly report.

9. CONSENT AGENDA 9:01 PM

A. ACCOUNTS PAYABLE VOUCHER AND PAYROLL APPROVAL

Accounts Payable ACH, EFT, Void Manual Check Numbers 335916, 336014 and 336048. Manual Check Numbers 336094 through 336105 and Regular Run Check Numbers 336106 through 336244 for a total of \$680,646.92. Retainage Release Check Number 125 for a total of \$4,239.68. Direct Deposit Payroll Check Numbers 030677 through 030787, Regular Run Check Numbers 106700 through 106706, Payroll Vendor Check Number 106707 through 1067919, Payroll Miscellaneous Check Number 030788 and Federal Tax Electronic Transfer for a total of \$559,259.11.

B. SPECIAL/REGULAR STUDY SESSION MEETING MINUTES, MAY 5, 2014

C. SPECIAL/REGULAR BUSINESS MEETING MINUTES, MAY 12, 2014

D. REGULAR STUDY SESSION MEETING MINUTES, MAY 19, 2014

E. RESCHEDULED SPECIAL/REGULAR BUSINESS MEETING MINUTES, MAY 27, 2014

F. RESOLUTION NO. 2014-16, REGARDING UNPAID HOLIDAYS FOR REASONS OF FAITH OR CONSCIENCE, AB 14-100 – EXECUTIVE

G. EAGLE HARBOR SEWER BEACH MAINS REPLACEMENT PROJECT, MITIGATION MONITORING, PROFESSIONAL SERVICES AGREEMENT, AB 10-102 - PUBLIC WORKS

H. DRIPPING WATER CREEK CULVERT REPLACEMENT PROJECT, BUDGET AMENDMENT, AB 14-039 – PUBLIC WORKS

I. 2014 ROAD STRIPING PROJECT, CONTRACT AWARD, AB 14-108 – PUBLIC WORKS

J. SOUND TO OLYMPICS TRAIL PHASE 2 PRELIMINARY DESIGN, PROFESSIONAL SERVICES AGREEMENT, AB 14-096 – PUBLIC WORKS

K. RESOLUTION NO. 2014-17, REVIEW OF FINANCIAL AND BUDGET POLICIES, AB 14-106 – FINANCE

- 9:01 PM **MOTION:** I move that the City Council approve Consent Agenda Items A through K: A) Accounts Payable Voucher and Payroll Approval; B) Special/Regular Study Session Meeting Minutes, May 5, 2014; C) Special/Regular Business Meeting Minutes, May 12, 2014; D) Regular Study Session Meeting Minutes, May 19, 2014; E) Rescheduled Special/Regular Business Meeting Minutes, May 27, 2014; F) Resolution No. 2017-16; G) Eagle Harbor Sewer Beach Mains Replacement Project Mitigation Monitoring Professional Services Agreement; H) Dripping Water Creek Culvert Replacement Project Budget Amendment; I) 2014 Road Striping Project Contract Award; J) Sound to Olympics Trail Preliminary Design Professional Services Agreement and K) Resolution No. 2014-17, Resolution No. 2014-17, Review of Financial and Budget Policies, AB 14-106 – Finance
- WARD/TOWNSEND:** The motion carried 7-0.

10. COMMITTEE REPORTS

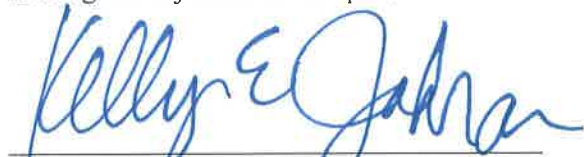
11. REVIEW UPCOMING COUNCIL MEETING AGENDAS 9:02 PM

City Manager Schulze reviewed the July 21, 2014 agenda and long-range calendar.

12. FOR THE GOOD OF THE ORDER

13. ADJOURNMENT 9:17 PM

The meeting was adjourned at 9:17 p.m.


Kelly Jahraus, Records Management Coordinator


Anne S. Blair, Mayor