SPECIAL/REGULAR BUSINESS MEETING
OCTOBER 28, 2014

ITEMS DISCUSSED

1. EXECUTIVE SESSION: CURRENT LITIGATION (RCW 42.30.110(1)(i))
2. CALL TO ORDER/ROLL CALL/ PLEDGE OF ALLEGIANCE
3. ACCEPTANCE OR MODIFICATION OF AGENDA/CONFLICT OF INTEREST DISCLOSURE
4. PUBLIC COMMENT
5. CITY MANAGER'S REPORT
6. PUBLIC HEARINGS
   A. ORDINANCE NO. 2014-34, PROPERTY TAX LEVY FOR COLLECTION IN 2015, AB 14-154 – FINANCE
   B. ORDINANCE NO. 2014-27, ADOPTING THE 2015-2020 SIX-YEAR CAPITAL FACILITIES PLAN, AB 14-041 – FINANCE
   C. ORDINANCE NO. 2014-33, ADOPTING TWO-YEAR BIENNIAL BUDGET FOR 2015-2016, AB 14-153 – FINANCE
7. ORDINANCES/2ND READING
   A. ORDINANCE NO. 2014-35, ELIMINATING THE AUTOMATIC ANNUAL FEE ADJUSTMENT TO THE CITY'S WATER UTILITY RATES FOR 2015, AB 14-155 – FINANCE
   B. ORDINANCE NO. 2014-36, ELIMINATING THE AUTOMATIC ANNUAL FEE ADJUSTMENT TO THE CITY'S SEWER UTILITY RATES FOR 2015, AB 14-156 – FINANCE
   C. ORDINANCE NO. 2014-37, ELIMINATING THE AUTOMATIC ANNUAL FEE ADJUSTMENT TO THE CITY'S STORM AND SURFACE WATER UTILITY RATES FOR 2015, AB 14-157 – FINANCE
8. UNFINISHED BUSINESS
   A. RESOLUTION NO. 2014-23, APPROVING THE 2016 COMPREHENSIVE PLAN UPDATE (NAVIGATE BAINBRIDGE) PUBLIC PARTICIPATION PROGRAM, AB 14-50 – PLANNING
   C. MCNABB SETTLEMENT AGREEMENT, AB 14-182 – EXECUTIVE [MOVED UP]
9. NEW BUSINESS [MOVED UP]
   A. UTILITY ADVISORY COMMITTEE APPOINTMENT, AB 14-180 – MAYOR BLAIR
   B. MAYOR'S YOUTH ADVISORY COUNCIL APPOINTMENTS, AB 14-181 – MAYOR BLAIR
10. CONSENT AGENDA [MOVED UP]
    A. ACCOUNTS PAYABLE VOUCHERS AND PAYROLL APPROVAL
    B. REGULAR BUSINESS MEETING MINUTES SEPTEMBER 9, 2014
    C. SPECIAL/REGULAR STUDY SESSION MEETING MINUTES, SEPTEMBER 16, 2014
    D. COMPUTER VOICE STRESS ANALYZER UPGRADE, AB 14-168 – POLICE
    E. KITSAP COUNTY TRAFFIC SAFETY TASK FORCE MEMORANDUM OF UNDERSTANDING, AB 14-171 – POLICE
    F. CITY HALL HVAC UPGRADE CONTRACT AWARD AND TERMINATE EARLIER CONTRACT AWARD, AB 14-074 – PUBLIC WORKS
    G. LYNWOOD CENTER OUTFALL IMPROVEMENTS PROJECT – REQUEST TO RE-APPLY FOR STATEWIDE STORMWATER GRANT, AB 11-086 – PUBLIC WORKS
8. UNFINISHED BUSINESS (CONTINUED) [MOVED DOWN]
   B. SCOPE OF WORK FOR GRANT APPLICATION TO THE PUGET SOUND MARINE AND NEARSHORE GRANT PROGRAM, "IMPROVING COMPLIANCE WITH PUGET SOUND MARINE SHORELINE REGULATIONS", AB 14-089 – PLANNING
11. COMMITTEE REPORTS
12. REVIEW UPCOMING COUNCIL MEETING AGENDAS
13. FOR THE GOOD OF THE ORDER
14. ADJOURNMENT

1. EXECUTIVE SESSION: CURRENT LITIGATION (RCW 42.30.110(1)(i)) 6:11 PM

At 6:13 PM, Mayor Blair recessed the October 28, 2014 meeting to an executive session with Councilmembers Bonkowski, Roth, Tollefson, Townsend, Ward and legal counsel in the Planning Conference Room to discuss current litigation pursuant to RCW 42.30.110(1)(i). The recording system was turned off and the door to Council Chambers was posted. Councilmember Blossom arrived during the executive session. No action was taken.

2. CALL TO ORDER/ROLL CALL/PLEDGE OF ALLEGIANCE 6:57 PM

Mayor Blair called the meeting to order at 6:57 PM with Councilmembers Blossom, Bonkowski, Roth, Tollefson, Townsend and Ward present. She noted no action was taken during executive session. City Clerk Lassoff monitored the recording of the meeting and prepared the minutes. Everyone stood for the Pledge of Allegiance.

3. ACCEPTANCE OR MODIFICATION OF AGENDA/CONFLICT OF INTEREST DISCLOSURE

> ***MOTION:*** *I move to accept the agenda as published.*
> *WARD/**BONKOWSKI** – Motion carried 7-0.*

There were no conflicts of interest disclosed.

4. PUBLIC COMMENT 7:00 PM

Mark Leese, Harbor Steward, commented on the lack of financial support for the City dock as well as safety issues.

Dave Kircher, Harbor Commission Chair, 9061 Nisqually Way, commented on the commission's extensive work over the years on the City dock. He was very disappointed to learn that the budget so far gives priority to Waterfront Park and reduces the amount of money that would be made available for the dock to $600,000. He said that given RCO's ranking of the dock it is highly unlikely that they will fund the project.

Jeff Kanter, 10833 Bill Point Bluff, read from a proposed statement regarding the Council's lack of funding for the dock.

Debbi Lester, 266 Ericksen Avenue NE, commented on the newly completed non-motorized segment on SR 305. She encouraged the City to work with Ms. Hanson on the Navigate Bainbridge community participation process as well as to consider Metroquest.com. She commented on the November 3 Suzuki Property community open house and workshop.

5. CITY MANAGER'S REPORT 7:12 PM

City Manager Schulze gave an update on his weekly report. There was a brief discussion regarding how citizens have had issues with signing up for the Comprehensive Plan Update/Navigate Bainbridge notifications.

6. PUBLIC HEARINGS

A. ORDINANCE NO. 2014-34, PROPERTY TAX LEVY FOR COLLECTION IN 2015, AB 14-154 – FINANCE 7:18:52 PM

City Manager Schulze gave a brief PowerPoint presentation explaining how property taxes are calculated.

Mayor Blair opened and immediately closed the public hearing at 7:22 PM as no one signed up to comment.

> ***MOTION:*** *I move that the City Council approve Ordinance No. 2014-34 relating to the levy of property taxes for the City of Bainbridge Island for the fiscal year commencing January 1, 2015.*
> ***BONKOWSKI/ROTH*** *– Motion carried 7-0.*

B. ORDINANCE NO. 2014-27, ADOPTING THE 2015-2020 SIX-YEAR CAPITAL FACILITIES PLAN, AB 14-041 – FINANCE 7:24 PM

Public Works Director Loveless explained project sheets have been updated to accurately mesh with the CIP sheets, Transportation CIP now includes a line for the Transportation Benefit District for annual roads preservation funding and adjustments have been made for grants projections. Mayor Blair wanted to know if the City had heard definitively about the results of the City dock grant application. Public Works Director Loveless indicated preliminary scoring posted on the RCO website showed the dock looked to be in the middle of the pack. Councilmember Bonkowski recalled a conversation regarding how the park was moved into 2015 and did not think it was fair at this point in time to say that we are spending $1M on the park and only $600,000 on the dock.

Councilmember Townsend asked staff to respond to public comments raised with respect to choosing one project over the other. Public Works Director Loveless replied Council's direction was clear with respect to moving construction of the park into 2015 and leaving the dock where it was pending realization of the grant possibilities. Councilmember Townsend also recalled difficulties with moving the dock into 2015 because of the fish window, permitting, design process, etc. to which Public Works Director Loveless replied even the park will be difficult depending on various timelines. Councilmember Townsend asked what staff's expectation was regarding when we could likely have the dock completed. Public Works Director Loveless indicated if the City was successful in receiving grant funding, we could proceed with construction in 2016 however if we do not receive the grant, then the City would need to look at the availability of using the WSF settlement as well as other funds to complete the project.

Mayor Blair opened the public hearing at 7:32 PM.

Robert Dashiell, 6370 NE Tolo Road, commented on the funding earmarked for the new police station, perhaps replacing the wooden Waterfront Park Trail bridge with a metal one and potentially replacing the last remaining ductile iron sewer line in Eagle Harbor that has yet to be replaced.

Mayor Blair closed the public hearing at 7:37 PM.

Mayor Blair noted the underwater beach mains around Lovell are on the 20-year CIP. Deputy Mayor Roth said he found the dock, in his mind, as the highest priority due for safety and economic development implications, etc. and wanted to make sure that was on the record.

> ***MOTION:*** *I move the City Council schedule Ordinance No. 2014-27 adopting the 2015-2020 Capital Facilities Plan, for third reading and approval on November 25, 2014.*
> ***BONKOWSKI/TOLLEFSON*** *– Motion carried 7-0.*

C. ORDINANCE NO. 2014-33, ADOPTING TWO-YEAR BIENNIAL BUDGET FOR 2015-2016, AB 14-153 – FINANCE 7:42 PM

Finance Director Schroer gave a brief introduction and explained no changes have been made to the budget pending the completion of Council deliberations.

Mayor Blair opened the public hearing at 7:44 PM.

Robert Dashiell, 6370 NE Tolo Road, commented on what he believed was a status quo budget, the priority based budget process and his disappointment of the City's failure to overall the SSWM Utility. He suggested a legal review be performed on setting the parameters of the SSWM Utility.

Dave Kircher thanked the Council for clarifying their position on the funding of Waterfront Park and the City Dock. He pledged that the Harbor Commission would be available to the Council when it comes to decision time after we receive word about the grant.

The public hearing was closed at 7:48 PM.

Deputy Mayor Roth responded on staff's behalf that this budget was not status quo. City Manager Schulze responded to comments made by Mr. Dashiell regarding priority based budgeting. Councilmember Bonkowski hoped that there was linkage between priority based budgeting and the budget document. Councilmember Blossom acknowledged Mr. Dashiell's comments regarding the SSWM Utility. She suggested the answer could be to do something akin with what was done with the Water Utility and have a utility business advisor come in. City Manager Schulze recalled prior Council action that the Utility Advisory Committee would review any policy related to utilities first before it came to Council. Public Works Director Loveless explained the Utility Advisory Committee has the topic on their agenda this coming week. Councilmember Bonkowski was not sure that legal review was part of the Utility Advisory Committee's purview. Public Works Director Loveless indicated the City Attorney would advise.

City Manager Schulze encouraged the Council to show their cards regarding any budget suggestions or changes they would like to make because time is running out.

Councilmember Ward commented on personnel expenses versus revenues. Deputy Mayor Roth commented on funding community services and how he would like to see additional funding allocated.

8:04 PM ***MOTION:*** *I move that the City Council schedule Ordinance No. 2014-33 adopting the 2015-2016 Biennial Budget, for the third reading on November 25, 2014.*
ROTH/BONKOWSKI *– Motion carried 7-0.*

7. ORDINANCES/2ND READING

A. ORDINANCE NO. 2014-35, ELIMINATING THE AUTOMATIC ANNUAL FEE ADJUSTMENT TO THE CITY'S WATER UTILITY RATES FOR 2015, AB 14-155 – FINANCE 8:05 PM

Finance Director Schroer gave a brief PowerPoint presentation on each of the three utilities and how the City compares to other jurisdictions in Washington.

Councilmember Bonkowski asked if there was a way to look at cities with under 5,000-10,000 customers as a more comparable way to evaluate our water and sewer rates. Finance Director Schroer indicated she would be happy to do that.

8:09 PM ***MOTION:*** *I move that the City Council approve Ordinance No. 2014-35 eliminating the automatic annual fee adjustment to water utility rates for 2015.*
BONKOWSKI/TOLLEFSON *– Motion carried 7-0.*

B. ORDINANCE NO. 2014-36, ELIMINATING THE AUTOMATIC ANNUAL FEE ADJUSTMENT TO THE CITY'S SEWER UTILITY RATES FOR 2015, AB 14-156 – FINANCE 8:10 PM

8:10 PM *MOTION: Ordinance No. 2014-36 eliminating the automatic annual fee adjustment of the City's sewer utility rates for 2015.*
***BONKOWSKI/ROTH** – Motion carried 7-0.*

C. ORDINANCE NO. 2014-37, ELIMINATING THE AUTOMATIC ANNUAL FEE ADJUSTMENT TO THE CITY'S STORM AND SURFACE WATER UTILITY RATES FOR 2015, AB 14-157 – FINANCE

8:10 PM *MOTION: Ordinance No. 2014-37 eliminating the automatic annual fee adjustment of the City's storm and surface water utility rates for 2015.*
***TOLLEFSON/BONKOWSKI** – Motion carried 7-0.*

8. UNFINISHED BUSINESS

A. RESOLUTION NO. 2014-23, APPROVING THE 2016 COMPREHENSIVE PLAN UPDATE (NAVIGATE BAINBRIDGE) PUBLIC PARTICIPATION PROGRAM, AB 14-50 – PLANNING 8:11 PM

Planning Director Cook indicated the program was developed by the Steering Committee working with staff, reviewed and unanimously recommended for approval by the Planning Commission. She briefly explained changes incorporated following last week's meeting (descriptive sentence added explaining the graphic depiction of the process in Appendix A *How to Get and Stay Involved* section, removed Priority Based Budgeting icon, remove reference to priority base results and replace with the word themes, update Appendix B, community group outreach list, to include a date so each time a group is added, the date will be updated). She indicated after the packet was prepared, Councilmember Bonkowski suggested, and staff has included, an update to the community group outreach list that includes Kitsap County and the Kitsap Regional Coordinating Council as well as timeline corrections. Councilmember Blossom asked if Laura Hansen was working with the City to which Planning Director Cook indicated Ms. Hansen would be facilitating the community visioning workshops on November 12 and 17.

Following comments regarding signing up via email to receive information, City Manager Schulze will follow-up on the process.

8:18 PM *MOTION: I move to approve Resolution No. 2014-23 adopting the Public Participation Program for the 2016 Comprehensive Plan Update.*
***TOLLEFSON/BONKOWSKI** – Motion carried 7-0.*

Councilmember Ward requested item B be delayed until ETAC Chair Sale arrived.

C. MCNABB SETTLEMENT AGREEMENT, AB 14-182 – EXECUTIVE [MOVED UP] 8:20 PM

City Attorney Marshall explained the agreement brings to a close litigation that has been pending since 2006 involving the McNabb's filing a lawsuit against the City and Park District for siltation on their property. She indicated prior to the settlement agreement, the parties attended mediation and a memorandum of understand was developed (which was reduced to a settlement agreement). She noted the terms included that the City would relocate the sewer outfall located on the property, that the Parks District would contribute $10,000 towards that cost and that the City is not promising in any way that the change in location of the sewer outfall will decrease the siltation but agrees to relocate it in any event. She also noted the settlement of the McNabb's damage claim would be in the amount of $400,000 of which $300,000 was payable by the City (covered by insurance) and $100,000 by Parks District. She indicated the Park's District did have the option to purchase the property however, the City did not. Lastly, the City and all parties will be forever released once the City applies for the permits. Mayor Blair added the McNabb's would dismiss the lawsuit pending the finance payment from the City. Councilmember Bonkowski asked if the capital plan needed to be revised to reflect the relocation to which City Manager Schulze indicated no as it was a smaller capital repair.

8:22 PM *MOTION: I move the City authorize the City Manager to execute the attached McNabb Settlement and Release Agreement.*
***BONKOWSKI/TOLLEFSON** – Motion carried 7-0.*

9. NEW BUSINESS

A. UTILITY ADVISORY COMMITTEE APPOINTMENT, AB 14-180 – MAYOR BLAIR [MOVED UP] 8:23 PM

Mayor Blair entertained a motion with regard to the appointment of Emily Sato to the Utility Advisory Committee Position 2 for a three-year term expiring June, 2017.

***WARD/TOWNSEND** – Motion carried 7-0.*

B. MAYOR'S YOUTH ADVISORY COUNCIL APPOINTMENTS, AB 14-181 – MAYOR BLAIR 8:24 PM

Mayor Blair indicated 30 applications were received and 18 students were selected. She noted 9 juniors would serve for a two-year and 9 seniors would serve through the end of this school year.

She then entertained a motion regarding the list as presented, both juniors and seniors, and that they be appointed for the terms as stated.

TOWNSEND/WARD – Motion carried 7-0.

Mayor Blair anticipated the first meeting would be November 10. Councilmember Bonkowski believed it was important that the City come up with a way to acknowledge their volunteerism (i.e. letter or certificate).

10. CONSENT AGENDA 8:26 PM

A. ACCOUNTS PAYABLE VOUCHERS AND PAYROLL APPROVAL

Accounts Payable Void Manual Check Number 336947, Manual Check Numbers 336973 through 336979, Regular Run Check Numbers 336980 through 337077 for a total of $710,49315. Travel Advance Check Number 64 in the amount of $100.00. Payroll Direct Deposit Check Numbers 031486 through 031559, Payroll Regular Check Numbers 106836 through 106841, Vendor Check Numbers 106842 through 106853, Miscellaneous Check Numbers 106854 through 106855 and Federal Tax Electronic Transfer for a total of $444,409.65.

B. REGULAR BUSINESS MEETING MINUTES SEPTEMBER 9, 2014

C. SPECIAL/REGULAR STUDY SESSION MEETING MINUTES, SEPTEMBER 16, 2014

D. COMPUTER VOICE STRESS ANALYZER UPGRADE, AB 14-168 – POLICE

E. KITSAP COUNTY TRAFFIC SAFETY TASK FORCE MEMORANDUM OF UNDERSTANDING, AB 14-171 – POLICE

F. CITY HALL HVAC UPGRADE CONTRACT AWARD AND TERMINATE EARLIER CONTRACT AWARD, AB 14-074 – PUBLIC WORKS

Approve City staff decision to terminate the earlier City Hall HVAC Upgrade contract award with Ameritech in the base bid amount of $33,283.07 from the April 28, 2014 City Council meeting and award the City Hall HVAC Upgrade contract to Air Management Solutions in the base bid amount of $37,019.96.

G. LYNWOOD CENTER OUTFALL IMPROVEMENTS PROJECT – REQUEST TO RE-APPLY FOR STATEWIDE STORMWATER GRANT, AB 11-086 – PUBLIC WORKS

MOTION: *I move the City Council approve consent agenda items A through G: A) Accounts Payable Voucher and Payroll Approval, B) Regular Business Meeting Minutes September 9, 2014, C) Special/Regular Study Session Meeting Minutes, September 16, 2014, D) Computer Voice Stress Analyzer Upgrade, E) Kitsap County Traffic Safety Task Force Memorandum of Understanding, F) City Hall HVAC Upgrade Contract Award and Terminate Earlier Contract Award and G) Lynwood Center Outfall.*

BONKOWSKI/TOWNSEND *– Motion carried 6-0. Councilmember Blossom recused due to a conflict of interest regarding item G, Lynwood Center Outfall.*

Deputy Mayor Roth requested a point of privilege and asked whether it was appropriate to read for the record the names of the Mayor's Youth Advisory Council – Seniors: Mikelle Ackerley, Nick Allen, Maxsena Butler, Savana Gordon, Margaret Hoberg, Kellie Miller, Ian O'Keefe, Richard Perry and Grayson Wildsmith; Juniors: Audrey Baker, Clair Branley, Jem Bullock, Faith Eckford-Prosser, Connor Lee, Nate Marx, Brian Messing, Amy Willerford and Zarye Wassne).

8. UNFINISHED BUSINESS (CONTINUED)

B. SCOPE OF WORK FOR GRANT APPLICATION TO THE PUGET SOUND MARINE AND NEARSHORE GRANT PROGRAM, "IMPROVING COMPLIANCE WITH PUGET SOUND MARINE SHORELINE REGULATIONS", AB 14-089 – PLANNING [MOVED DOWN] 8:31 PM

Planning Director Cook introduced Planner Carr who recently joined the City and worked on the grant application.

Mayor Blair said a decision needed to be made as to whether the City wanted to implement a monitoring program that goes beyond the minimal DOE monitoring and scope requirements.

Planning Director Cook explained how DOE's monitoring requirements apply to the general provisions of insuring no net loss of ecological functions. She shared various approaches offered in the DOE handbook which included determining the frequency of the review, selecting no net loss indicators to monitor and developing a process and method to track those indicators. She explained DOE recognizes that the requirements are vague and are still a work in progress. She noted how the City has a framework for a monitoring program that would meet DOE's requirements and asked for Council's guidance.

Councilmembers discussed the merits of the grant application, future funding implications, etc.

Planning Director Cook indicated the grant will give the City baseline information and the next step is to develop a monitoring program that uses that data. She shared her concern about what the monitoring program would look like and staffing the program. Following brief comments, a motion was made.

9:04 PM ***MOTION**: I move that City Council ask the City Manager to submit the grant application.*
***BONKOWSKI/WARD** – Motion carried 6-1 with Mayor Blair voting against.*

11. COMMITTEE REPORTS 9:05 PM
Councilmember Bonkowski reported on KRCC's organizational changes. Mayor Blair added that KRCC postponed taking action on the housing grant recommendations to which both Deputy Mayor Roth Councilmember Bonkowski responded action was taken.

Councilmember Townsend reported on a recent LTAC meeting.

Councilmember Ward reported that he was given an opportunity to observe the eelgrass sampling process with DOE.

Mayor Blair reported on BI Ride ridership statistics.

12. REVIEW UPCOMING COUNCIL MEETING AGENDAS 9:11 PM
City Manager Schulze reviewed the November 4 study session agenda and long-range calendar. He suggested adding a discussion of the petition and options for Winslow Way parking regulations to the November 10 meeting.

13. FOR THE GOOD OF THE ORDER 9:15 PM
Mayor Blair indicated she received a letter from the City of Redmond asking the City to sign on to a letter to Governor Inslee and the legislature regarding the continuation of development and tax incentive programs and asked whether Council was comfortable with that. There was consensus to do so. Mayor Blair introduced a proclamation which she received from Bremerton Mayor Lent asking that the City declare November as Hip/Hop History Month. Following brief comments, Council declined to support the proclamation.

14. ADJOURNMENT 9:19 PM
The October 28, 2014 business meeting adjourned at 9:19 PM.

Anne S. Blair

Anne S. Blair, Mayor

Rosalind D. Lassoff

Rosalind D. Lassoff, City Clerk