

**City of Port Orchard  
Council Meeting Minutes  
Regular Meeting of May 27, 2008**

**7:00 P.M. CALL TO ORDER AND ROLL CALL**

**PRESENT:** Lary Coppola, Mayor  
Council Members: Mayor Pro-Tem Clauson, Chang, Childs, Colebank, Olin, Powers, and Putaansuu.

**ALSO PRESENT:** Police Chief Townsend, Commander Marti, City Treasurer Tompkins, Development Director Weaver, Public Works Director/City Engineer Dorsey, City Clerk Merlino, Deputy Clerk Kirkpatrick, and City Attorney Jacoby.

**PLEDGE OF ALLEGIANCE**

Charlie Bermant led the audience and Council in the Pledge of Allegiance.

**CITIZEN COMMENTS**

Gerry Harmon of 906 Kitsap Street reported on a recent trip to Port Angeles, noting a local convention generated approximately \$300,000 to the Port Angeles community and she encouraged the Council to promote tourism and activities in Port Orchard to draw more tourists to our area.

**APPROVAL OF AGENDA**

The following items were added to New Business:

- Discussion: Agenda Packets for Work Study Sessions
- Discussion: Tremont/Pottery Intersection

**Council Member Olin moved and Council Member Chang seconded the motion approving the Agenda as amended. *Upon vote, the motion passed unanimously.***

**APPROVAL OF CONSENT AGENDA**

The following item was removed from the Consent Agenda and placed under New Business:

- Adoption of Resolution No. 025-08, Designating the Public Works Department and/or Designee Responsible for Establishing Rules and Regulations for the Use of the Active Club Building

**Council Member Clauson moved and Council Member Putaansuu seconded the motion approving the Consent Agenda as amended. *Upon vote, the motion passed unanimously.***

- A. Approval of Claim Warrant #49819 through 49874 totaling \$69,321.20
- B. Minutes of the May 13, 2008, City Council Meeting Minutes
- ~~C. Adoption of Resolution No. 025-08, Designating the Public Works Department and/or Designee Responsible for Establishing Rules and Regulations for the Use of the Active Club Building~~
- D. Adoption of Resolution No. 026-08, Authorizing the Mayor to Spend up to \$200 for CAD Drawings to Support Parks Grant Applications
- E. Reappointment of Stephanie Bailey as the City's Representative to the Solid Waste Advisory Board
- F. Confirmation of Mayor's Appointment to the Library Board of Trustees

### **PRESENTATION**

Senator Derek Kilmer provided a brief update on post legislative session as follows:

- Economic Development:
  - a. State Funding: The main priority is to provide assistance from the State for funding to revitalize downtown areas and basic infrastructure. There were several funding programs available such as the Public Works Trust Fund and Community Revitalization Board (CRB).
  - b. Education: In response to demand by employers for educated, skilled workers a university campus would be placed on the Olympic Community College Campus forming a partnership between a two-year college and a four-year university for degrees in engineering and nursing, as an example.
- Transportation:
  - a. Revenue status: Revenues generated by fuel taxes has decreased due to high price of fuel, people driving less, and driving more fuel efficient vehicles. In addition, cost of construction has continued to go up and is causing a pinch in the transportation funds. The goal has been to keep the current projects funded and stay within budget.
  - b. Kitsap projects:
    - i. Moving forward with the Burley/Olalla interchange project.
    - ii. Sedgewick Road funds to be stretched to deal with new issues arising in the corridor.
    - iii. Reviewing the priorities of the ferry systems to make sure funds are spent efficiently and effectively by redirecting dollars from the terminals to invest in boats that work and maintaining existing boats in service.
  - c. Military and Veterans: Important to show our veterans and their families that they are supported and as a result;

- i. Returning service members who hold a specialty license will now be allowed a six-month grace period upon their return from deployment to renew their license. In addition, the higher education board will be looking at ways to translate military experience for education credit for service members coming back into the work force.
  - ii. It came to the State's attention that National Guard members had not been paid for service during the 2007 winter storm/flood and a law was passed that payment will be made within seven days, which would reduce the burden on those members and their families.
- Upcoming year will be focused on the full two-year budget and his office is ready to partner with the City of Port Orchard on funding for local projects.

Mayor Coppola thanked Senator Kilmer for taking time to update the Council, staff and community on legislative matters.

Council Members and Senator Kilmer discussed the following items:

- Annexation bill, which had been caught in the Rules Committee; however, Senator Kilmer thought there would be more effort to move it along before next year.
- Schedule a meeting with the Senator later in the summer to review the City's vision and goals and work together for funding on various projects. Senator Kilmer stated there was a lot of opportunity for funding through CRB and Public Works Trust Fund, noting the key to obtaining these funds is to have a clearly defined project.
- The next legislative session will be focused on the budget and ensuring funds are invested for a strong return, noting that the State will be tightening their belt and pushing reform in the State's ferry system. Another challenge is due to the largest graduating class in Washington history and the impacts to higher education and will focus on high demand enrollment areas.
- Senator Kilmer explained that no new funds were expended on the ferry system reform rather the State put a hold on future terminal expansion until the boats are safe. The State is looking at a reservation system, which may allow smarter transportation of passengers during peak and non-peak hours.
- Senator Kilmer assured Council Members that the State would continue to protect the LEOFF and State retirement pension systems.
- The State has been discussing the formation of one system for all transit and ferry agencies, including toll roads, as the Good to Go pass is being used at the Narrows Bridge and Hwy 167 for the HOT lanes, noting it would soon be used for the 520 bridge.

**NEW BUSINESS**

**Adoption of Ordinance No. 013-08, Changing Water Rates and Connection Fees**

City Treasurer Tompkins provided the staff report, noting that for over six months staff has been working with the Utilities Committee studying and evaluating the City's water rates and connection fees and it was determined that an increase is needed to meet maintenance, operation, and new infrastructure costs. The proposed increases were reviewed at the Public Meeting held on April 3, 2008, the Public Hearing held on April 22nd and the Council further discussed the rate increase at their May 20th Work Study Session. On May 5, 2008, staff received a letter from South Kitsap Fire and Rescue indicating they would not be able to currently consider the discount on water connection fees for single-family residences installing an automatic sprinkler system and thereby giving the City a nesting of water supply volumes (fire flow credits). After further review and decreasing the water capital facility charge back to the original amount the water rate study suggested, the Utilities Committee recommends creating a lower tier for those customers that conserve and use under 3,000 gallons of water. The rate for this tier would remain at \$15.00 per billing period. The next tier will be for 3,001 to 5,000 gallons at a price changing from \$15.00 to \$19.00 per bi-monthly period. The Committee also recommends adding another tier in the rate structure which increases the costs to higher water consumers by approximately 26-28%. Further, in 2003 the State passed a law mandating water use efficiency goals to be set.

Council Member Olin recommended the City provide water conservation items such as leak test kits, a brochure on shower head restrictors, and other pertinent information on ways to reduce water consumption.

**Council Member Putaansuu moved and Council Member Clauson seconded the motion to adopt Ordinance No. 013-08, changing the City water rates and water connection fees, effective July 1, 2008.**

Council Member Clauson stated it would be beneficial for the public utility district to have water conservation items available to residents.

Council Member Colebank stated opposition to the ordinance, noting that he could not support an increase due to rising costs in food and fuel and that the timing was off.

Council Members Chang and Putaansuu favored the proposed rate increase, noting rates have not been raised in nine years and that the increase will allow the utility to stand on its own.

Council Member Childs explained that the base cost to provide water to each home in the City was approximately \$15 and that low water consumption users were not necessarily paying more for water, rather for the basic service of having water provided to their home.

***Upon vote, the motion passed with six affirmative votes and one dissenting vote. Council Member Colebank cast the dissenting vote.***

**First Reading of Ordinance No. 015-08, Amending the 2008 Budget for the Current Expense and Cumulative Reserve for Municipal Facilities Funds**

City Treasurer Tompkins provided the staff report, noting that the City went out for bids on the Bay Street Franchise Utility Undergrounding Project; however, the bids were rejected at the March 11, 2008, Council meeting due to costs. The project was then divided into three parts and the City went out for bids again, with no bids being received. Proposals for the three segments were sought from Caseco Associates and at its April 22, 2008, the Council accepted Caseco's proposals for Frederick Avenue and Orchard Avenue. The Sidney Avenue portion was approved at the May 13, 2008, Council meeting. At its April 29, 2008, meeting, the Finance Committee recommended, based on information provided by the Treasurer, to finance the unbudgeted balance of the Bay Street Utility Undergrounding Project from the Cumulative Reserve for Municipal Facilities Fund. Ordinance No. 015-08, authorizes the City Treasurer to transfer the funds as needed, but only the amount spent above the original \$250,000 budget and up to \$300,000.

**Council Member Powers moved and Council Member Clauson seconded the motion to direct staff to place Ordinance No. 015-08, amending the 2008 Budget on the June 10, 2008, Council consent agenda for action. *Upon vote, the motion passed unanimously.***

**Rejection of Bids Received for the Internet Website Redesign**

City Clerk Merlino provided the staff report, noting that on May 9, 2008, the City received 28 responses to the request for proposal for internet website redesign. After review and careful consideration, it was determined that it would be in the best interest of the City to reject all bids received and to narrow the scope of the request for proposals to better suit the City's needs.

Mayor Coppola clarified that the bid amounts ranged from \$4,700 to \$67,000 and that narrowing the scope would allow staff to specifically define the type of content management software and procedures to be initiated by a vendor.

City Treasurer Tompkins explained that \$5,000 was budgeted for the project, and discussion had been held on use of additional funds if needed up to \$10,000 total for the project.

**Council Member Olin moved and Council Member Chang seconded the motion to reject all bids received for the Internet Website Redesign and to direct staff to redefine the scope of services and rebid the Request for Proposal for Internet Website Redesign. *Upon vote, the motion passed unanimously.***

**Meeting with Initiating Parties Regarding Notice of Intent to Petition for Annexation of the Reynolds Property**

Development Director Weaver provided the staff report, noting that the applicant submitted a Notice of Intent for Annexation for one parcel totaling approximately 4.16 acres contiguous to the City limits. The parcel is located at the east end of E 4<sup>th</sup> Street, north of the Veterans Cemetery in Section 25, Township 24N, Range 1E. This parcel is in the City's currently recognized Urban Growth Area. The parcel has a County Comprehensive Plan designation and Zoning of *Urban Low-Density Residential*. The applicant intends to request a City Comprehensive Plan designation of *High-Density Residential* with R-20 zoning. Staff recommends that the Council allow a petition to be circulated for annexation of the property described in the Notice of Intent and require the simultaneous adoption of comprehensive plan and zoning designations, and the assumption of existing City indebtedness by the area to be annexed.

**Council Member Powers moved and Council Member Putaansuu seconded the motion to allow the applicant to circulate a petition for annexation of the property described in the Notice of Intent and to require the simultaneous adoption of comprehensive plan and zoning designations, and the assumption of existing City indebtedness by the area to be annexed.**

In response to Council Members' concerns, Nils Rosendahl, representing the applicant, explained that water and sewer lines are available to the property and the plans would be amended for zoning designation of R-10 to be more consistent with the surrounding area.

***Upon vote, the motion passed unanimously.***

**Discussion: Agenda Packets for Work Study**

Council Member Chang requested that Work Study Session information be made available to the Council prior to the meeting time.

After a brief discussion, the Council directed staff to place Work Session backup information in Council Members' mailboxes as it becomes available prior to the study session meeting.

**Adoption of Resolution No. 025-08, Designating the Public Works Department and/or Designee Responsible for Establishing Rules and Regulations for the Use of the Active Club Building**

Council Member Powers voiced concern that the Resolution referred to the building as both the Youth Activity Building and the Active Club Building. She recommended that the building be called "Active Club Building" and requested the Resolution reflect that change.

**Council Member Powers moved and Council Member Clauson seconded the motion to adopt Resolution No. 025-08, designating the Public Works Department and/or Designee responsible for establishing rules and regulations for use of the Active Club Building and that the building be reference as the "Active Club Building." *Upon vote, the motion passed unanimously.***

**Discussion: Tremont/Pottery Intersection**

**Council Member Olin moved and Council Member Clauson seconded the motion to change the Tremont/Pottery Intersection from a roundabout to a signalized intersection.**

Council Member Olin explained that due to the amount of Council and staff time discussing and debating the issue, he would like this project to move forward.

Council Members discussed that at the May 20, 2008, Work Session, staff was given direction to place the matter on the June 10, 2008, regular meeting in order to allow the new City Engineer/Public Works Director time to review the project and determine the status of the project.

**Council Member Colebank moved and Council Member Childs seconded the motion to table the matter to the June 24, 2008, Council meeting.**

City Attorney Jacoby advised that the Council had indeed directed the project be reviewed by the incoming City Engineer/Public Works Director Dorsey and placed on the June 10, 2008, agenda; however, he felt it would be prudent to allow City Engineer/Public Works Director Dorsey time to review the project and bring the matter to the June 17, 2008, Work Study Session with final discussion and approval at the June 24, 2008, meeting.

***Upon vote, the motion to table the matter to the June 24, 2008, Council Meeting passed with five affirmative votes and two dissenting votes. Council Members Chang and Olin cast the dissenting votes.***

### **COMMITTEE REPORTS**

Council Member Powers reported the Public Property Committee would schedule a meeting in June to review the response to the Parks Grant Applications.

Council Member Putaansuu announced that the Utilities Committee would meet on June 11, 2008, at 8:00 a.m. at Myhre's.

Council Member Clauson announced the Finance Committee would meet on June 12, 2008, at 7:30 a.m. at Myhre's.

### **MAYOR'S REPORT**

Mayor Coppola reported the McCormick Woods Annexation Committee was continuing to meet to discuss how to move forward with the petition process. He welcomed Mark Dorsey aboard as the new City Engineer/Public Works Director, and wished Development Director Weaver a Happy Birthday.

In response to Council Member Olin, Development Director Weaver explained that a tentative meeting has been scheduled with Eric Baker of Kitsap County for next week to finalize issues with McCormick Woods Annexation. Further, Development Director Weaver reported the Bethel Avenue Sinkhole project was pending FEMA approval, and Northern Con-Agg was ready to begin work on July 1, 2008.

In response to Council Member Olin, Police Chief Townsend explained his Department was working on the school zone crossing with Bethany Lutheran Church.

In response to Council Member Chang, City Attorney Jacoby advised it would be appropriate for staff to compile a summary and overview of the McCormick Woods Annexation letters and discussions at the Council Work Sessions and place that information on the City's website.

### **COUNCIL REPORTS**

#### **Discussion: Fee Waiver Requirements**

Development Director Weaver explained that Resolution No. 022-06, established the amounts for Planning, Building, and Public Works Administrative fees; however, there are times when an action is stopped and refunds of those fees and other City fees are

requested. In order to treat all requests in a consistent manner, he requested Council review the following procedures and to contact him directly with comments:

- If request is received with 24 hours of payment and no work has been done, refund in full; except for building permit fees, which are handled separately.
- If request is before the written staff report has been started, deduct \$50 plus any costs incurred, such as advertising in the Port Orchard Independent.
- If request is after written staff report has been started, but before the public hearing, we will estimate the time spent by everyone and deduct that amount plus any costs incurred.
- If request is after the public hearing date, there will be no refund.

After a brief discussion, the Council directed the City Treasurer to contact the State Auditors to determine if a more formal process was required or if the policy provided was adequate.

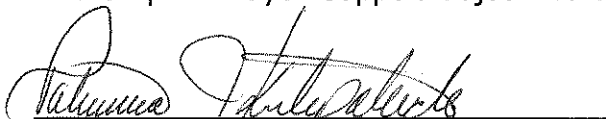
#### **CITIZENS COMMENTS**


Gerry Harmon of 906 Kitsap Street voiced her disappointment in the Council regarding increased water rates.

**Council Member Olin moved and Council Member Clauson seconded the motion to excuse Council Member Powers from the June 24, 2008, Council meeting. *Upon vote, the motion passed unanimously.***

#### **ADJOURNMENT**

At 8:37 p.m. Mayor Coppola adjourned the meeting.

  
\_\_\_\_\_  
Patricia J. Kirkpatrick, Deputy Clerk

  
\_\_\_\_\_  
Larry Coppola, Mayor