1. CALL TO ORDER AND ROLL CALL

Mayor Tim Matthes called the meeting to order at 7:00 p.m. Mayor Pro-Tem Cindy Lucarelli and Councilmembers Bek Ashby, Jeff Cartwright, Fred Chang, John Clauson, and Rob Putaansuu were present and constituted a quorum. City Clerk Rinearson, Police Chief Marti, Public Works Director Dorsey, Development Director Bond, Deputy City Clerk Fernandez, and City Attorney Jacoby were also present.

Excused: Jerry Childs

A. Pledge of Allegiance

Mayor Matthes led the audience and Council in the Pledge of Allegiance.

2. CITIZENS COMMENT

Arlene Williams said she would like more information on the Pedestrian Pathway and the timeline for when the contractor will be contacting her regarding her property.

Danielle Rimbert, PO Art Walk Board Member, asked for the sign ordinance to be reviewed. Her main concerns involve the flags on the marquee and using a-board signs to notify the public of upcoming events. Currently, the code does not allow signs for business use in the City's right-of-way. The Art walk is not necessarily for business. The code language could be changed to help them promote their events.

3. APPROVAL OF AGENDA

Councilmember Chang MOVED and Councilmember Clauson seconded the motion approving the Agenda. Upon vote, the motion passed unanimously.

4. APPROVAL OF CONSENT AGENDA
   A. Approval of Check Nos. 61142 through 61252 in the amount of $811,396.66
   B. Approval of January 14, 2014, Council Meeting Minutes
   C. Approval of Resolution No. 001-14, Repealing Resolution No. 002-12, and Re-establishing Council Committee Assignments and Rules
   D. Approval of Amendment No. 1 to Contract No. 089-13, Authorizing the Mayor to Execute an Agreement with University of Washington for Professional Planning Services
Councilmember Clauson MOVED and Councilmember Cartwright seconded the motion approving the Consent Agenda. Upon vote, the motion passed unanimously.

Councilmember Lucarelli MOVED and Councilmember Cartwright seconded the motion to excuse Councilman Childs from tonight's meeting. Upon vote, the motion passed unanimously.

5. PRESENTATION

A. Good Neighbor Awards

The Council awarded seven Good Neighbor Awards to the following local merchants who decorated their shops during the Christmas season: Custom Picture Framing, The Candy Shoppe, Shabulous, Juliana, Rose Nails, Wisteria Lane, and Bay Street Bistro.

6. PUBLIC HEARING

No public hearings were held.

7. BUSINESS ITEMS

A. Adoption of Resolution No. 002-14, Authorizing the Purchase of a Man-lift Fabricated for the City's Current Super-Single Truck

Public Works Director Dorsey presented the staff report, noting on June 12, 2012, the Port Orchard City Council authorized the purchase of a 2012 Freightliner "Super-Single" Multi-purpose Truck using a cooperative purchase agreement with King County. The Multi-Purpose Truck's Hooklift Loader System allows for additional functions and added components consistent with the trucks original body fabrication specifications. The City has received a bid from The Fab Shop, which performed the prior fabrications on the truck and is therefore the sole source of supply for the fabricated man-lift. The purchase of the fabricated man-lift complies with RCW 35.23.352(9) with respect to advertisement for bids regarding exceptions allowed for Sole Source Purchases and the purchase of the fabricated man-lift is clearly and legitimately limited to a single source or supply, pursuant to RCW 39.04.280(1). Finally, the Public Works Department finds the fabrication bid amount of $66,120.31 to be within the funding allocated within the 2014 City of Port Orchard Street Capital Outlay Fund budget.

Councilmember Putaansuu MOVED and Councilmember Clauson seconded the motion to adopt Resolution No. 002-14, authorizing the purchase of Man-lift specifically fabricated for the City's 2012 Freightliner "Super-Single" Multi-Purpose Truck in an amount not to exceed $67,000, from the 2014 Street Capital Outlay Fund. Upon vote, the motion passed unanimously.
B. Adoption of Resolution No. 003-14, Adopting the Revision of the Kitsap County Multi-Hazard Mitigation Plan

Police Chief Marti presented the staff report, noting the Mitigation Plan defines hazard mitigation strategies in order to minimize the effects of hazards in their respective jurisdiction or special purpose district. Additionally, after disasters in Washington State, or when mitigation funds are available, an approved mitigation plan allows jurisdictions to apply for grants and further make improvements to infrastructure vulnerable to hazards.

In 2010, a group formed from numerous jurisdictions and agencies in Kitsap County to start a revision of the 2005 Kitsap County Hazard Mitigation Plan (HMP). Each jurisdiction and agency was asked to update their mitigation profile to include the basic plan. The Cities and County were represented in this group. The group reviewed the HMP, DEM revised the document, and it was later approved by Mayors and City Councils. Final approval of the plan is done by Washington State Emergency Management and FEMA Region 10. In the past couple of years, it has been a struggle with getting this massive plan approved (ours has over 600 pages and includes profile from 25+ organizations). This was due to changing personnel at DEM, State EMD, and FEMA; and changes to hazard mitigation plan criteria.

This year, Mike Gordon, Interim Director of Kitsap County Department of Emergency Management (DEM), was given the opportunity to get this accomplished by revising the basic plan (County) and associated city profiles. On December 10, 2013, FEMA approved our plan for the County and Cities pending our cities adoption of the plan. You will note in the revision, updates to demographics based on 2010 census and other data currently available from the County GIS Service. Mr. Gordon reformatted the profiles and added data or maps as appropriate and as required by FEMA.

Councilmember Lucarelli MOVED and Councilmember Clauson seconded the motion to adopt Resolution No. 003-14, adopting the Kitsap County Multi-Hazard Mitigation Plan. Upon vote, the motion passed unanimously.

C. Authorizing the Mayor to Execute Change Order No. 8 to Contract No. 031-13, with MVG, LLC for the DeKalb Street Pier Project Phase 1 Contractor Closeout Fiscal Year 2013

Public Works Director Dorsey presented the staff report, noting the City is closing out the DeKalb Street Pier Phase 1 Project and making final payment to the contractor MVG, LLC (MVG). Two administrative finance items require Council action prior to closing out the project in Fiscal Year 2013:

1) During construction, a request for payment for crushed rock was denied by the City as MVG failed to provide load weigh tickets for crushed surfacing base course. The City denied the claim for payment until the time the load weight tickets would be provided. On January 14, 2014, MVG presented load weigh tickets in the amount of $12,050.
2) On November 19, 2013, the Department of Revenue provided a letter determining project sales tax due and payable to MVG based upon cost/payment information provided by the contractor. Subsequently the City reconciled final cost authorizations and payments with MVG resulting in an additional sales tax payment of $1,992.

These final two items total $14,042, and result in Change Order No. 8 with the contractor. Total MVG construction contract costs are $503,584.

Councilmember Putaansuu and Mayor Matthes thanked Public Works Director Dorsey for getting the job done.

Councilmember Clauson MOVED and Councilmember Putaansuu seconded the motion to authorize the Mayor to execute DeKalb Street Pier Phase 1 Project Change Order No. 8 to Contract No. 031-13 with MVG, LLC in the additional contract amount of $14,042. Upon vote, the motion passed unanimously.

D. Discussion: Summer Foot Ferry Service

City Clerk Rinearson presented the staff report, noting staff is looking for Council direction as to whether or not staff should coordinate a contract with Kitsap Harbor Tours between the Port of Bremerton, City of Bremerton, Kitsap County, and the City to collaborate in providing foot ferry service during the summer. In addition, staff is seeking direction on what hours and days the foot ferry should run.

Councilmember Clauson is concerned with the number of late night sailings that were empty. He would like the Economic Development/Tourism Committee to review this matter.

Councilmember Lucarelli said she added up the afterhours revenues, and it was $16.35 per ride. She thinks it needs to be determined if it is worthwhile.

Councilmember Putaansuu shared Councilmember Clauson’s concerns. He felt the Sunday and holiday service did well. He questioned the 10pm to midnight runs. He would also like the Economic Development/Tourism Committee to talk to other jurisdictions and merchants and come back with a recommendation.

Councilmember Ashby said the Economic Development/Tourism committee met on Monday, and it is a task the committee would be willing to take on. She said she has been active as a member of the Port Orchard Bay Street Association (POBSA), and extended hours was an important element to the downtown merchants. POBSA distributed 500 complimentary ferry coupons last summer. The coupons were distributed in Bremerton at the Chamber of Commerce, various art galleries, hotels, and the marina. Of the 500
coupons that were distributed, 190 were used, with 55 of those being used in the extended hours. She is also concerned with the low ridership after 10:00 p.m.

Councilmember Clauson noted it was cheaper to hire a cab than it is to run the late night service.

In response to Mayor Matthes, City Clerk Rinearson said $9,500 was budgeted for the ferry service last year, and $7,900 was actually spent.

Mayor Matthes considers coming in under budget a small success, and said it will take a couple of years to be successful. Everyone expected the ridership to start slow and build over time.

Councilmember Chang said this was their first attempt at providing extended hours with no data to go on. With last year's ridership counts, they can now fine tune the hours of service. He feels the City needs to do a better job of getting the word out. The fact that we came in under budget is a sign of success. He said last year some private businesses and individuals had offered to help pay for the ferry if the costs went over the projections.

Councilmember Cartwright said if the money from the hotel-motel tax is to go to heads in beds, then he is not convinced based on the data that the ten o'clock trips are doing that. He wants to make sure the City is being efficient with those dollars.

Councilmember Chang, Chair of the Lodging Tax Advisory Committee, said half of the committee, who are made up of hoteliers, felt strong about providing foot ferry service. It was a service that they could sell to their guests. He also noted Saturday June 22 had higher ridership in the evening than Sunday June 23.

8. COMMITTEE REPORTS

Councilmember Clauson reported the Finance Committee is pleased with the sales tax receipts that were received and the committee is looking at some of the fees the City charges. They received a report about the natural gas agreement that is coming for renewal. They are not interested in another 50-year agreement; they want a shorter agreement that gives more flexibility.

Councilmember Ashby reported the Economic Development/Tourism Committee met yesterday. The meetings will occur the second Monday of the month at City Hall at 10:00 a.m. It was a kick-off meeting to get some ideas of what they may want to do in this committee next year.

Councilmember Putaansuu reported the next Utility Committee meeting is March 14 at 7:30 a.m. He reviewed the operating agreement amendments with the Council and asked them to
provide any changes to him so he could get the agreement sent over to WSUD tomorrow. He also said the next Sewer Advisory Committee meeting is March 19.

Councilmember Cartwright reported the Public Properties Committee will meet the second Monday of each month at 8:30am in the Carolyn Powers Conference Room at City Hall. The committee will take a tour of the City parks with the Mayor.

Councilmember Chang asked if the Council would like to provide input to the composition of the Lodging Tax Advisory Committee. He will make sure the Council is emailed a list of past committee members.

Councilmember Ashby reported on the Kitsap Regional Coordinating Council (KRCC) meeting that happened today. They approved the Growth Management Policy Board as recommended by the Puget Sound Regional Council (PSRC); approved the federal funding cycle selection process; appointed members to PSRC (Councilmember Ashby will be the alternate on TransPol Committee and Councilmember Chang will be the alternate on Growth Management committee); appointed the Housing Advisory Team (Mayor Matthes will serve on that); and made appointments to the local KRCC TransPol (Councilmembers Cartwright and Ashby will sit on that committee).

9. MAYOR’S REPORT

The Mayor Matthes reported on the following:
- He will serve as the chair of the Kitsap Regional Coordinating Council, Housing Kitsap, and Kitsap County Department of Emergency Management in 2014.
- Roger Brooks webinars will begin on February 3. They will be shown at City Hall at 4:00 p.m. Other dates are February 10 and 24.
- Town Hall meeting scheduled for February 13 at City Hall at 6:30 p.m.

10. REPORT OF DEPARTMENT DIRECTORS

Public Works Director Dorsey reported the under bridge inspection will be complete midday tomorrow; all trees are now felled and skidded at the McCormick Woods Park and he is working on Contract No. 2 for Phase 1 activities; the Council will be seeing the contract for the raising of the slab on Sidney by log cabin in February, and RFPs for Bethel grinding and Well 10 final design will also come before Council.

Development Director Bond reported the Planning Commission had a productive meeting last night, and their recommendations on the DOD and permanent recreational marijuana regulations will come before the Council in the future. He has also put out the RFQ for way finding signage consultants.

City Attorney Jacoby reported the Attorney General said I-502 does not pre-empt counties, cities, and towns from banning marijuana businesses. This is an opinion; it is not a decision.
City Attorney Jacoby’s opinion is this issue will be litigated somewhere in the state of Washington and the courts will have to make a ruling. The legislature could make a change to the statute and indicate it was the legislature’s intent that state law pre-empt local jurisdictions. There is a bill in the legislature to do that right now. He asked the Council if they wished to discuss the issue further with the understanding that the Planning Commission has been considering the interim regulations.

Councilmember Cartwright would at least like to consider other options one more time before adopting permanent regulations. City Attorney Jacoby will get that discussion on a future Work Study agenda.

Police Chief Marti said yesterday was Officer McFann’s last day. He was called to active duty five years ago, and served two different tours and was injured. He was unable to return to work. He served in the Port Orchard Police Department for 20 years. He deserves our recognition for a job well done serving his country. Chief Marti also reported his new officer, Matthew Bell, is going to graduate from the academy next week. He served for the POPD as a reserve officer for three years. He was employed as a Pierce County corrections officer. Matthew Bell is going to be a great officer for Port Orchard.

City Clerk Rinearson reported she is working with department heads on a public event policy, and will be bringing it forward to the Council to review at a future Work Study. She also mentioned next month there are ten items on the Work Study agenda. She will begin moving some discussion items to the Business agendas in order for staff to get direction on items in a timely manner.

11. CITIZENS COMMENTS

Jerry Harmon said the Council should not be worried about the revenues from the foot ferry at this time. The Council should be focused on getting people to ride the ferries. If the ferries are not consistent, people cannot rely on them and will not use them. She said the Council needs to give the new ferry runs five years to build ridership.

Robert McGee said it is smart to look at the finances for the ferries, but said the City only has one summer’s worth of data to review. He feels marketing the ferry is important, and this year the City will be able to use social media to get the word out. He said if it is a positive investment, then they have to give it a chance; success does not happen overnight. He also said the Kitsap Young Professionals group had its first gala. They had a 60% membership sign up rate. Their mission statement is “Elevate Kitsap”.

Elissa Whittleton thanked the committees that are meeting at City Hall. She would be pleased if it could be videotaped and put on the website.

Gil Michael seconded the last three public comments made. As far as Planning Commission last night, they did talk about the DOD and marijuana issue. He felt the
direction from the council to the Planning Commission was clear and succinct. His votes were against the recommendations that are being brought forward.

**Eric Gonnason** encouraged people to attend the Roger Brooks webinars. He said four new businesses will be opening up soon downtown. The ferry will be a benefit to them. The financial loss in the first year of the ferry is okay. It is not unreasonable to expect the foot ferry to cost more in the first year.

**Danielle Rimbert** said consistency is everything when approaching a new endeavor. The City needs to collaborate not only with Port Orchard businesses, but also create a relationship with the Bremerton businesses in regards to the foot ferry service.

**12. EXECUTIVE SESSION**
At 8:25 p.m., Mayor Matthes recessed the meeting for a 15-minute executive session regarding real estate in accordance with RCW 42.30.110(B). City Attorney Jacoby and Public Works Director Dorsey were invited to attend and the Mayor announced that no action would be taken because of the executive session.

At 8:40 p.m., Mayor Matthes continued the executive session for an additional 15 minutes.

At 8:55 p.m., Mayor Matthes continued the executive session for an additional 35 minutes.

At 9:30 p.m., Mayor reconvened Council back into regular session.

**13. ADJOURNMENT**

At 9:30 p.m., Mayor Matthes adjourned the meeting.

Brandy Rinearson, CMC, City Clerk

Timothy C. Matthes, Mayor