1. CALL TO ORDER AND ROLL CALL

Mayor Pro-Tem Lucarelli called the meeting to order at 7:00 p.m. Councilmembers Rob Putaansuu, Bek Ashby, Jeff Cartwright, Fred Chang, John Clauson, and Jerry Childs were present and constituted a quorum. City Clerk Rinearson, Public Works Director Dorsey, City Treasurer Martin, Development Director Bond, Assistant City Engineer Archer-Parsons, Office Assistant II Floyd, and City Attorney Jacoby were also present.

A. Pledge of Allegiance

Mayor Pro-Tem Lucarelli led the audience and Council in the Pledge of Allegiance.

2. CITIZENS COMMENT

Alyssa Whittleton said at the last meeting, she brought up the subject of a timer, which is supposed to keep the meetings under control. She then emailed the Council, but received no response back. $3,000 is not a reasonable expense for a timer; we could try $10 egg timers. This is symbolic of money falling through the cracks. She would also like to establish something for the Council to respond back when they receive emails.

Gil Michael spoke about the agreement with C&M Golf and observed the only thing included in the agenda packet was the staff report and an agreement. There were no supporting documents provided. He also requested that if anyone on the Council has ever received any amenities in any form whatsoever, to include free golf, discounted golf, clubs, balls, food, drinks, etc. from any person or entity associated in any way with C&M Golf, LLC to include but not be limited to its officers, directors, employees, agents, or representatives at any time in the past, that they disclose that and then recuse themselves from this discussion. In addition, if anyone on the Council has had any business or personal relationships in any way whatsoever with anyone associated with C&M Golf, LLC to include but not be limited to its officers, directors, employees, agents, or representatives, that they disclose that and then recuse themselves. He also asked the City Treasurer to calculate the value of this water gift to C&M Golf in dollars and cents. Lastly, he requested to pull this discussion from the agenda and schedule a public hearing, and add any documents relating to this to the City’s website.

Michael Saltvick is concerned about the number of houses serviced by private roads, specifically to Caseco Lane. He believes there is a limitation of 5 houses to a private road; however, there are 19 on Caseco Lane. It is a very unsafe road.

3. APPROVAL OF AGENDA

The following changes were made to the agenda:

- Business item 7I was moved to Business Item 7A
- Business item 7J regarding West Sound Transportation Coordination Effort was added.
Councilmember Putaansuu MOVED and Councilmember Ashby seconded the motion approving the agenda, as amended. *Upon vote, the motion passed unanimously.*

4. APPROVAL OF CONSENT AGENDA
   A. Approval of Check Nos. 62059 through 62129 totaling $1,087,516.33
   B. Approval of June 5, 2014, Special Council Meeting Minutes
   C. Adoption of Ordinance No. 011-14, Amending POMC 5.28 Relating to Gambling
   D. Approval of Contract No. 060-14, Authorizing the Mayor to Execute an Agreement with the Utility Services Associates, LLC for the 2014 Annual Water Main Leak Detection
   E. Approval of Contract No. 046-14, Authorizing the Mayor to Execute an Agreement with Centurylink for Basic Telephone Service
   F. Approval of Public Event Application: Taste of Port Orchard

Councilmember Putaansuu MOVED and Councilmember Childs seconded the motion approving the Consent Agenda. *Upon vote, the motion passed unanimously.*

5. PRESENTATION

No presentations were given.

6. PUBLIC HEARING

A. Natural Gas Tax Increase

City Attorney Jacoby noted this public hearing is to receive public input concerning a potential increase in the Cascade Natural Gas excise tax, which is a part of the franchise agreement which needs to be renewed.

Mayor Pro-Tem Lucarelli opened the public hearing at 7:11 p.m.

Gil Michael, asked the Council to approve version B, and to the drafter of the proposed agreement, in section 12.1, the very last sentence which has been revised, please clarify into a percentage.

In response to Mary Phelps, City Attorney Jacoby said Council already passed a resolution stating its intent to use it for streets repair and maintenance if the tax increase is adopted.

Mary Phelps has spoken to people who are against any tax increases.

Alyssa Whittleton wants to make sure we are vigilant stewards of our funding. She does not mind paying for what we need, but would prefer to start with the 2 percent.

Councilmember Chang read into the record an email from Gerry Harmon regarding the gas tax increase.

In response to Councilmember Clauson, City Attorney Jacoby noted the excise tax is consideration of using the City's right-of-ways, and agrees it is not limited to gas line impacts or expenses.
Mayor Pro-Tem Lucarelli closed the public hearing at 7:18 p.m.

Mayor Matthes joined the meeting at 7:18 p.m.

B. Six Year Transportation Improvement Program Annual Update

Public Works Director Dorsey read the staff report, noting based on Washington State Department of Transportation requirements, cities are required to submit their six-year transportation improvement plan (TIP) annually. Council was provided a copy of the City’s TIP, which covers the years 2015-2020. This document is required to be financially constrained which means that project funding (either secured or planned) must be realistic based on the City’s budget. The City has created a two-tier system for the TIP in which the first tier will be submitted and the second tier would be an in-house project list. The City has transportation needs that include upgrading its’ street and pedestrian facilities and providing maintenance activities on its streets and sidewalks. Federal and State funding, for the most part, is available on a very competitive basis. The City has to look at innovative ways of funding transportation shortfalls, such as forming Local Improvement Districts (LIDs) by which residents agree to tax themselves to do these improvements or Transportation Benefit Districts. More discussion on this issue will be part of the City’s upcoming budget preparation.

Mayor Matthes opened the public hearing at 7:20 p.m.

Nick Whittleton is concerned with the numbers provided on the documents. They do not give enough information.

Alyssa Whittleton would like someone to prolong this item. There is a big picture of money going to be required from the public and we need a clear picture.

Mayor Matthes closed the public hearing at 7:23 p.m.

C. View Protection Overlay Exemption Request from Brent Lovik

Development Director Bond read staff report, noting the City has received a request for a View Protection Overlay District (VPOD) exemption from Brent Lovik for 1236 Pottery Ave on Kitsap County Parcel 342401-1-037-2002. Exemptions are authorized under POMC 16.20.712 upon findings and conclusions by the City Council that demonstrates the proposal meets the criteria for granting. The resolution, which has been prepared in conjunction with this staff report, includes suggested findings based on site visits and a review of the application and supporting materials. A public hearing notice for the proposal was published and a notice was posted at the site, indicating that a public hearing would be conducted on June 24, 2014. Staff review of the proposal indicates that the requested exemption likely meets the criteria for granting and is unlikely to have negative impacts of the views of adjacent property owners.

Mayor Matthes opened the public hearing 7:26 p.m.

City Attorney Jacoby reminded Council that while they normally operate in a legislative capacity, during this Public Hearing the Council is acting as a quasi-judicial body. City Attorney Jacoby asked if any Councilmember had any ex parte communication with anyone regarding this application.
There was no response from any Councilmember. City Attorney Jacoby further asked if any Councilmember had any financial interest in this property, with the applicant or representative of the applicant, either directly or indirectly relating to the property involved. There was no response from any Councilmember. City Attorney Jacoby asked if any Councilmember had any reason to believe they would not be able to render a fair and impartial decision based on the information they receive today. There was no response from any Councilmember. City Attorney Jacoby asked if any member of the audience felt any of the Councilmembers should not participate in the hearing. There was no response from any audience member.

**Mary Phelps** said Brett Lovik is a contractor who has built really nice homes. She recommends him to build there as it will be a real asset to this area.

City Attorney Jacoby and Development Director Bond noted the additional documents that were provided in support of this application.

Mayor Matthes closed the public hearing at 7:29 p.m.

### 7. BUSINESS ITEMS

#### A. Discussion: Stormwater GAP Analysis

Assistant City Engineer Archer-Parsons read the staff report, noting in July of 2012, the City entered into a contract with PACE Engineers, Inc. to perform an analysis of the Storm Drainage Utility and their contract is due to expire on June 30, 2014. During this process they have looked at the City’s permit compliance with the NPDES Permit, both current and future, a capital facility program to address areas with identified issues, utility rates and staffing levels. In May 2014, several options were presented at the Council Work Study Session. Council asked for further information, which is being provided tonight for discussion.

Councilmember Putaansuu stated questions still needed to be answered regarding FTE’s and the allocations of the FTE’s. Since the consultant’s contract is expiring, will there be additional expenses if the contract is renewed, and they continue to work on this? Staff also asked to give details on the numbers they provided.

In response to Councilmember Ashby, Ms. Archer-Parsons said the first piece that comes into consideration is permit compliance, which is the mandate from the Department of Ecology. The City will face fines if compliance is not met. The first piece on the increase is through 2016 will just be for permit compliance. In 2017, is when you start funding capital projects, which is on an as needed basis.

In response to Councilmember Clauson, Ms. Archer-Parsons noted the proposed 2015 increase would get us in compliance through 2015.

Councilmember Putaansuu would not like to raise the rates three years in a row. He would like to fund a larger increase in 2015, so we would not be back in a year having the same debate. Also it would allow us to use money other than just for compliance.
Councilmember Lucarelli noted currently, everyone is charged $7.00 per month. What is proposed in 2015 is for the rate to go up to $9.70 per month, $13.20 per month in 2016, and $16.00 per month in 2017.

Council and staff continued to discuss rate increases, capital projects and permit compliance.

**Councilmember Childs MOVED and Councilmember Clauson seconded the motion to direct staff to prepare an ordinance increasing the stormwater rate to $14.00 effective next year at a date the City Treasurer determines is most feasible. Upon vote, the motion passed with six affirmative votes. Councilmember Chang cast the dissenting vote.**

**B. Second Reading and Adoption of Ordinance No. 010-14, Establishing a Franchise Agreement with Cascade Natural Gas**

City Attorney Jacoby read the staff report, noting the City entered into a franchise agreement with Cascade Natural Gas Corporation in 1962, allowing Cascade to provide natural gas and natural gas services to the citizens of Port Orchard using City owned rights-of-way. The franchise agreement expires in July of 2014. A new franchise agreement has been prepared and was approved for first reading at the May 13th Council meeting. At the May 27th Council meeting, the Council approved Resolution No. 013-14, stating the Council’s intent to use additional excise tax revenue for sidewalks and street maintenance and repair.

At the June 10th Council meeting, several members of the Council requested staff to bring forward two versions of the franchise agreement. Version A includes a step-up in excise tax revenue for the City, which is currently set at 2%. Beginning January 1, 2015, the excise tax would increase to 4% and then to 6% beginning January 1, 2017. Version B keeps the excise tax at 2% but includes text reserving to the City Council the authority to increase the excise tax at a future date. Apart from correcting a few minor typos and non-substantive edits, the balance of the agreements are unchanged from the version that was presented for first reading. The franchise agreement is necessary because Cascade must use City owned rights-of-way to provide natural gas and natural gas services. Pursuant to RCW 35.23.251, franchise agreements require two readings and the vote of at least 5 members of the Council.

Councilmember Lucarelli said with the increases in stormwater, this is not a good time for this increase as well.

Councilmember Cartwright will not vote for the current motion for Version B. We have to start making improvements with the City.

Councilmember Ashby would like to go through the budget process and before voting for an increase.

Councilmember Putaansuu said we are selling the community short as our streets and sidewalks need to be repaired. It will not do us any good to wait three or four more months.
In response to Councilmember Lucarelli, City Treasurer Martin noted each one percent brings in $30,000. He also added our expenses are going up by 2% on almost every item. We are losing buying power every day. If we don’t keep up, we will fall behind.

Councilmember Chang will vote for Version B, but we should still have more discussion on this.

**Councilmember Lucarelli MOVED and Councilmember Chang seconded the motion to adopt Ordinance No. 010-14, thereby establishing a new franchise agreement with Cascade Natural Gas Corporation, maintaining the excise tax at the current 2%, and reserving the right to increase the tax in the future. Upon vote, the motion passed unanimously.**

C. Adoption of Resolution No. 014-14, Approving the Six-Year TIP

Public Works Director Dorsey read the staff report, noting City Council held a Public Hearing earlier this evening, as required, to hear testimony regarding the Six-Year Transportation Improvement Program (TIP) for the Years 2015-2020.

**Councilmember Childs MOVED and Councilmember Lucarelli seconded the motion to adopt Resolution No. 014-14, six year transportation improvement program for the years 2015-2020. Upon vote, the motion passed unanimously.**

In response to Councilmember Clauson, Public Works Director Dorsey stated the TIP is an annual list City’s prepares every year. In the past, the City's TIP list has been a wish list, and we were required to modify it to be reasonably constrained. The TIP is a funding compliance document so we can get funding.

D. Adoption of Resolution No. 015-14, Approving a View Protection Overlay Exemption Request from Brent Lovik

Development Director Bond read the staff report, noting the City has received a request for a View Protection Overlay District (VPOD) exemption from Brent Lovik for 1236 Pottery Ave on Kitsap County Parcel 342401-1-037-2002. Exemptions are authorized under POMC 16.20.712 upon findings and conclusions by the City Council that demonstrates the proposal meets the criteria for granting. The resolution, which has been prepared in conjunction with this staff report, includes suggested findings based on site visits and a review of the application and supporting materials. A public hearing notice for the proposal published and a notice was posted at the site indicating that a public hearing would be conducted on June 24, 2014. Barring any public testimony or evidence presented at the public hearing, which contradicts the findings and conclusions that have been included in the Resolution presented; City staff recommends approval of the exemption request.

However, staff is limited in its ability to demonstrate view impacts or a lack thereof since it may be necessary to enter private property to do so and it is possible that evidence or testimony suggesting an impact will be presented at the public hearing. Were this to occur and depending on the credibility and completeness of the information presented, the City Council may want to consider continuing the public hearing so that further research can be conducted. It may be necessary for City staff to meet with adjacent landowners to investigate their claims and potentially revise the staff recommendation or the draft findings and conclusion of the city council.
Councilmember Clauson MOVED and Councilmember Putaansuu seconded the motion to approve Resolution No. 015-14. Upon vote, the motion passed unanimously.

Councilmember Chang thanked Development Director Bond for submitting a picture of a sign posted on the property to notify neighbors.

E. Adoption of Ordinance No. 012-14, Amending POMC 16.39.030 to Restrict Recreational Marijuana Businesses within 1,000 Feet of Family Daycare Providers, Nursery Schools and Preschool

City Attorney Jacoby stated this matter came up for discussion at the last Council meeting. State regulations restrict marijuana businesses from operating within 1,000 feet of a child care centers, as well as schools and parks. Child care centers do not include home day care centers that are licensed by the State of Washington. It was asked to add home day care centers, nursery schools, and preschools to the City’s current code, and apply those to the 1,000 feet buffer as well.

In addition, this is an amendment to the development regulations, which requires a public hearing. A public hearing was not scheduled for tonight. If the Council is interested in pursuing this further, he asks to postpone this to the July 8th Council meeting for final adoption and public hearing.

Councilmember Lucarelli MOVED and Councilmember Cartwright seconded the motion to approve Ordinance No. 012-14, amending POMC section 16.39.030 so as to restrict recreational marijuana businesses from operating within 1,000 feet of family daycare providers, nursery schools and preschools, in addition to child care centers.

Councilmember Clauson MOVED and Councilmember Putaansuu seconded the motion to table this ordinance to the July 8th agenda for further discussion and action. Upon vote, the motion passed with six affirmative votes. Councilmember Chang cast the dissenting vote.

F. Adoption of Resolution No. 016-14, Providing Authority to Invest City Funds in the Washington State Local Government Investment Pool

City Treasurer Martin read the staff report, noting the State Treasurer is requiring participants of the Local Government Investment Pool ("LGIP") to update the Resolution authorizing the City to contribute funds available for investment in the LGIP. The City of Port Orchard is a current participant. The updated Resolution is required for continued participation in the LGIP.

The Office of the Washington State Treasurer currently manages the LGIP as a short-term cash fund offered to municipalities seeking a short-term cash vehicle with low operating expenses. The State Treasurer is changing its existing short-term fund, the LGIP – Money Market Fund ("LGIP-MMF") and will move to daily accrual of total net earnings in the LGIP-MMF. The LGIP – MMF will seek to maintain a stable Net Asset Value of $1 per share The LGIP will only invest in eligible investments permitted by state law. The LGIP-MMF is not an SEC-registered money market fund and will not be required to follow SEC Rule 2a-7.
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Changes to the Washington Administrative Code (WAC) allow the State Treasurer to offer additional sub-pools with different risk parameters within the LGIP. Should the State Treasurer deem appropriate to offer sub-pools within the LGIP, said sub-pools will be offered by means of an amendment to this prospectus. The City Treasurer will determine the suitability of a sub-pool as an investment vehicle at that time the amendment is offered.

As required by the State Treasurer the City Council acknowledges that it has received, read, and it understood the prospectus as provided by the Office of the State Treasurer and incorporates said prospectus as exhibit “B” to the Resolution.

Councilmember Clauison MOVED and Councilmember Putaansuu seconded the motion to accept Resolution No. 016-14, providing authority to invest City funds in the Washington State Local Government Investment Pool. Upon vote, the motion passed unanimously.

G. Approval of the June 10, 2014, City Council Meeting Minutes

Councilmember Chang MOVED and Councilmember Ashby seconded the motion to approve the June 10, 2014, City Council meeting minutes. Upon vote, the motion passed with five affirmative votes and two abstaining votes. Councilmembers Clauison and Putaansuu cast the abstaining votes.

H. Approval of Contract No. 061-14, Authorizing the Mayor to Execute an Agreement with Port Orchard Independent as the City’s Official Newspaper

City Clerk Rinearson read the staff report, noting annually, RCW 35.23.352(7) requires second-class cities to designate an official City newspaper. The newspaper shall be of general circulation within that City or town and shall have been published regularly, at least once a week. Request for Newspaper Publication Services was published Friday, May 23, 2014. The City received two bids: the Port Orchard Independent, which runs weekly; and the Kitsap Sun, which runs daily. Kitsap Sun submitted a cost per single column inch at $4.90, with an additional line cost at $0.49. Port Orchard Independent submitted a cost per single column inch at $2.35 with an additional line charge at $.024.

Councilmember Lucarelli MOVED and Councilmember Ashby seconded the motion to approve Contract No. 061-14, designating the Port Orchard Independent as the City's official newspaper in accordance with Port Orchard Municipal Code Chapter 1.16 and RCW 35.23.352. Upon vote, the motion passed unanimously.

I. Approval of Contract No. 053-14, Authorizing the Mayor to Execute an Agreement with C&M Golf, LLC for Assignment and Perpetual Use of Well 4B Water Rights

City Attorney Jacoby read the staff report, noting existing McCormick Well #4B is a 400 GPM (645 AF/Y) “irrigation only” well that is currently owned and operated by C&M Golf, LLC and is not physically connected to the City’s public water system. The recitals found within the attached agreement provide a clear chronology of events that lead to the Well #4B Municipal Water Rights being assigned to C&M Golf, LLC in 2008. In the best interest of all parties, it has been agreed that
the 2008 assignment was mistaken and should be rescinded thus restoring the parties to the position they were in prior to the 2008 assignment. Pursuant to the terms of this agreement, the Well #4B water right will be restored to the City – in accordance with the Department of Ecology’s requirements. C&M Golf will have the perpetual use of 225 AF/Y from Well #4B without paying water rate consumption charges. Well #4B will continue to be owned and operated by C&M Golf, LLC. Staff recommends approval of the agreement because it protects the City’s continuing right to withdraw a total of 3,528-acre feet per year and it complies with the Department of Ecology’s requirement that the City hold the Well #4B water right. The utilities committee has reviewed the terms and conditions of this agreement and recommends its approval.

Councilmember Putaansuu noted this started several administrations ago when the land company sold the golf course to C&M Golf. We processed this erroneously. This should have never been done in their name. It is a municipal water right. It is their right and their well. If we didn’t do this, we run the risk of the water rights going away.

City Attorney Jacoby stated this is the first step in a two step process. Right now the water right is held by C&M Golf. The City needs to have an agreement in place with C&M golf where they agree to give us back those water rights. Step two is we still need to sit down with the Department of Ecology, but we cannot have that conversation until we have an agreement in place with C&M Golf.

Mayor Matthes said he researched when the last time someone had talked to the Department of Ecology, and he thinks it was 2008. Rather than push through something the Department of Ecology is not even seen, and there might be a possibility they might find something wrong with what they are doing tonight, it would make more sense to have a meeting with them and show them the agreement. He also questioned some of the dates and statements in the agreement.

In response to Councilmember Chang, City Attorney Jacoby said what we are agreeing to is conveyance of the water right, which is a legal right to withdraw water. We are also agreeing for C&M Golf to continue to take water out for irrigation purposes only. C&M Golf owns the well, and will continue to own the well. The City wants the water rights.

Mayor Matthes is concerned this has not been discussed during work study.

Councilmember Putaansuu CALLED for the question. Upon vote, the motion passed unanimously.

Councilmember Childs MOVED and Councilmember Clauson seconded the motion to approve Contract No. 053-14, an agreement regarding the use of Well 4B water rights and rescission of assignment. Upon vote, the motion passed unanimously.

J. West Sound Transportation Coordination Effort

Councilmember Ashby reported at the KRCC meeting, there was discussion about the West Sound Transportation Regional Coordination Plan. The intent of this effort is to have a regional unified advocacy in Olympia for transportation. KRCC is requesting confirmation from the Council that they are willing to support the regional transportation on a regional basis. She provided a list of
projects, and noted these are long time frames, six to twenty years, and is also just a draft. KRCC needs something back from our Council by Thursday.

Public Works Director Dorsey added this is a legislative tool to be used to look at regional projects. This is not related to our TIP; and will help us receive funding for those projects.

Council and staff continued to discuss projects and funding.

**Councilmember Putaansuu MOVED and Councilmember Clauson seconded the motion to support the West Sound Transportation Coordination Effort. Upon vote, the motion passed unanimously.**

### 8. COMMITTEE REPORTS

Councilmember Clauson reported the Finance Committee is scheduled to meet July 24.

Councilmember Ashby reported the Economic Development and Tourism Committee is scheduled for July 14 at 10:00am. At the last meeting, they discussed having a booth at Fathoms O’ Fun.

Councilmember Putaansuu reported the Utilities Committee met last Friday where they discussed the Well 10 project, and this Friday is the consultant interviews for final design.

Councilmember Chang reported the Lodging Tax Advisory Committee will begin meeting next month.

Councilmember Cartwright reported the Public Property Committee will meet July 14 at 8:30am.

Councilmember Lucarelli reported the Chimes and Lights Committee will begin meeting in August.

Councilmember Ashby gave a brief report on the PSRC and KRCC meetings she attended this morning. She also acknowledged City Clerk Rinearson, who was elected to the Operations Committee for the Risk Management part of AWC.

Councilmember Putaansuu gave a brief update of the Agency Review Team.

### 9. MAYOR’S REPORT

Mayor Matthes reported he participated in a City parks tour and Fathoms O’ Fun Grand Parade is Saturday, at 6:00pm.

### 10. REPORT OF DEPARTMENT DIRECTORS

Public Works Director Dorsey reported the Utilities Committee is July 18, 8:00am, at the Homemade Café; the Rockwell no left turn signs are in place and have received no complaints; McCormick Village Park is ahead of schedule; and they are not able to put two stop signs at Division and Seattle, but they can put up advisory reduce speed signs.

City Treasurer Martin noted in regards to Resolution No. 016-14, a net asset value a mutual funds per price share value the per share dollar amount of the fund is calculated by dividing the total
value of all the securities in its portfolio lessening liabilities by the number of funds shares outstanding.

City Attorney Jacoby noted the Tacoma News Tribune had Port Orchard has a featured city in their pull out feature.

City Clerk Rinearson reported her risk management duties have increased over the last six to eight weeks; she has looked into the cost of a Council meeting timer and will share with the Treasurer this week; still does not have a consensus on a retreat date for the Council; and the July 15th Work Study Session is dedicated to Open Public Meetings Act and Public Records Act training.

11. CITIZENS COMMENTS

**Terri Squires** thanked the Council for their time and due diligence for marijuana and child home day care centers issues. She is also concerned with the Liquor Control Board making statements that they will not revoke any licenses once they are issued.

**Alyssa Whittleton** has observed the burden of increased storm assessments has a lot to do with the annexation of McCormick Woods’ area and retaining ponds. She also noted at the Finance Committee meeting it was reported the City has a 4% increase in revenue above the anticipated amounts.

**Nick Whittleton** states no one knows that unfunded mandates are really unfunded, just they don’t want to pay for them. He suggested sending the Department of Ecology a bill, and let them say no, instead of saying it is unfunded.

**Gil Michael** is extremely disappointed in one Councilmember specifically about what he knows to be his personal relationships with one of the beneficiaries of C&M Golf, LLC, since it was not disclosed; even after the City Attorney was clear about what the definition is on a conflict of interest. In addition, to bring something forward without informing the public the details of the agreement or providing background information brings forward the question of their motives.

12. EXECUTIVE SESSION

At 9:48 p.m., Mayor Matthes recessed the meeting for a 20-minute executive session regarding potential litigation and potential acquisition of real estate in accordance with RCW 42.30.110(1)(b). City Attorney Jacoby, Public Works Directory Dorsey, and Development Director Bond were invited to attend and the Mayor announced that no action would be taken because of the executive session.

At 10:08 p.m., Mayor reconvened Council back into regular session.

13. ADJOURNMENT

At 10:08 p.m., Mayor Matthes adjourned the meeting.

[Signature]

Brandy Rinearson, CMC, City Clerk

[Signature]

Timothy C. Matthes, Mayor