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, Jerry Childs, and Rob Putaansuu were present and constituted a quorum. City Clerk Rinearson, Public Works Director Dorsey, Human Resource Coordinator Howard, Development Director Bond, Deputy City Clerk Fernandez, and City Attorney Jacoby were also present.

Absent: Councilmember Clauson

A. Pledge of Allegiance

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

2. CITIZENS COMMENT

There were no citizen comments.

3. APPROVAL OF AGENDA

Councilmember Cartwright MOVED and Councilmember Putaansuu seconded the motion to remove Business Item 7C and move it to next Public Properties Committee meeting for discussion. Upon vote, the motion passed unanimously.

Councilmember Putaansuu MOVED and Councilmember Childs seconded the motion to add to the Consent Agenda the excusal of Councilmember Clauson from tonight's meetings. Upon vote, the motion passed unanimously.

Councilmember Putaansuu MOVED and Councilmember Cartwright seconded the motion approving the Agenda, as amended. Upon vote, the motion passed unanimously.

4. APPROVAL OF CONSENT AGENDA
   A. Approval of Check Nos. 62243-62324 totaling $170,084.41
   B. Adoption of a Resolution Approving a Light Duty Policy
   C. Approval of Public Event Applications: Ride Around the Sound and National Night Out
   D. New item: Excusal of Councilmember Clauson from July 22, 2014, Council Meeting
Councilmember Putaansuu MOVED and Councilmember Ashby seconded the motion approving the Consent Agenda, as amended. Upon vote, the motion passed unanimously.

5. PRESENTATION

No presentations were given.

6. PUBLIC HEARING

No public hearings were held.

7. BUSINESS ITEMS

A. Adoption of an Ordinance Repealing Resolution No. 1990 and Amending Chapter 12.08 of the Port Orchard Municipal Code Regarding Street Vacations

City Attorney Jacoby presented the staff report, noting a citizen recently filed a petition to vacate the street upon which his property was located. The citizen later withdrew the petition, but not before staff performed a review of local and state law relating to the vacation of streets and alleys. The review revealed that Chapter 12.08 POMC, which has not been updated since 1980 or earlier, contains language regarding compensation paid to the City, which is inconsistent with state law. The review also revealed that Resolution No. 1990, which was adopted in 2002 and remains in effect, is inconsistent with state law. A repeal of Resolution No. 1990 and an amendment to Chapter 12.08 POMC is necessary and appropriate in order to bring the City's street vacation laws and policy into compliance with state law. In addition, after this matter was brought before the public property committee, it was determined to incorporate the state statutes into the Port Orchard Municipal code in order to make it easy for citizens to fully understand the street vacation process.

City Attorney Jacoby also noted that Resolution No. 1990 established procedural steps, which will be gone once the resolution is repealed. The Council agreed to have those procedural steps go before the Public Properties Committee for review and then have them adopted by the Council later.

Councilmember Lucarelli MOVED and Councilmember Cartwright seconded the motion to adopt an Ordinance, repealing Resolution No. 1990 and amending Port Orchard Municipal Code Chapter 12.08 relating to street vacations. Upon vote, the motion passed unanimously.

B. Adoption of the 2014 Comprehensive Plan Amendment Roster

Development Director Bond presented the staff report, noting POMC 16.05.060 requires the Development Director to provide the final recommended Comprehensive Plan
amendment agenda to Council for review and consideration before the Planning Commission can take up review of the amendments. Once the agenda is adopted, the amendments will be brought to the Planning Commission for a public hearing and consideration. Once the Planning Commission has made its recommendation, the amendments will come back to the City Council for final action. The proposed agenda has been provided to the Council for review.

City Attorney Jacoby noted that Items 2 and 3 were sponsored by Councilmember Ashby. He said that the Council could propose an amendment; however, a single councilmember could not. He recommended having a discussion to see if a majority of the Council wished to support the two amendments.

**Councilmember Putaansuu MOVED and Councilmember Childs seconded the motion to adopt the attached 2014 Comprehensive Plan Amendment Agenda as presented excluding Item Nos. 2 and 3.**

**Councilmember Ashby MOVED and Councilmember Putaansuu seconded the motion to include Item 3 in the Comp Plan Update Agenda.**

Councilmember Ashby said Item No. 3 was initiated through KRCC. KRCC will be updating their centers list this year. That drew her attention to the City’s Comp Plan and to what centers are currently listed with KRCC for Port Orchard. The City’s Comp Plan does not have centers designated as such; however, there are some sub-area plans. The amendment was to make a section in the Comp Plan referring to centers and defining the centers; that would be complimentary to what is being discussed with KRCC. The UW students also came up with the ideas of the centers.

Councilmember Putaansuu supports this amendment.

In response to Councilmember Lucarelli, City Attorney Jacoby said if the Planning Director learned there was interest by any one Councilmember during the spring, then the best way to handle it is to put it on as a discussion item at a business meeting, and vote to add it to the roster. The only change would have been some sort of council vote before the application was prepared.

Development Director Bond said that when he read the Port Orchard Municipal Code that the City Council could apply, he interpreted it to be any councilmember. Additionally, at the last jurisdiction that he worked for, individual councilmembers could apply. But he remembers the issue that came up with a planning commissioner adding an item last year, and agrees it should be added by the Council.

Councilmember Lucarelli would like future items be brought before the Council ahead of time. She remembers the discussion of centers and was in support of that. She feels blindsided by this.
Councilmember Chang noted that in the past the City had a Growth Management Committee. That committee might have decided stuff like that and then communicated it to the Council. He likes both amendments; both are important discussion items.

Upon vote, the motion to add Item No. 3 to the Comp Plan Update Agenda passed unanimously.

Councilmember Ashby MOVED and Councilmember Cartwright seconded the motion to add Item No. 2 in the Comp Plan amendments for consideration in 2014.

Councilmember Ashby said KRCC is dealing with employment numbers, which is based on the UGA. She looked at the UGA more in depth, and she felt it was appropriate to have a discussion on shrinking the UGA a little bit.

In response to Councilmember Putaansuu, Councilmember Ashby said she is looking at the south and east boundaries of the City. This would take residential. Some is undeveloped, some is farmland, and some land does not make sense to have in the City. The boundaries she proposed may be completely different after it gets through the Planning Commission process. She looked at water, sewer, and maintaining the roads.

Councilmember Putaansuu said the commercial piece concerns him.

Councilmember Cartwright said none of this is familiar to him. He has no data, and cannot support it as it is right now. He cannot visualize what is being talked about.

Councilmember Ashby also said this is a multi-step process and they would have to get the County’s approval.

Councilmember Childs feels this is loosey-goosey. He does not understand the exact areas. He does not feel good about putting this one forward.

Councilmember Chang feels this is one of the most important things they could talk about. The City needs to think about if they would like to extend police service all the way to these residential areas. He wants to hang onto the commercial as much as possible, but the area is too big. Poulsbo has completely annexed all of its UGA. That puts them in a much more powerful position for grants. The City of Port Orchard has this unwieldy UGA. He remembers being on the citizen’s group and that process was very loosey-goosey. They had citizens saying, “Oh yeah, I want it to go to Long Lake, they need sewer.” This discussion is important to get better funding opportunities.
Councilmember Putaansuu sat on that committee as well, and he did not feel it was that arbitrary, there were reasons for each decision. But that does not mean the City may want to extend that far.

Councilmember Ashby noted that with the growth they are predicting, the City will have a population of over 40,000. There is a lot of responsibility for us to accept. She would like to see a discussion now. Next year is the major comp plan change. It makes sense to bring these forward, whether they agree to do it at the end of the year, at least they will have some of the work done.

Councilmember Putaansuu is comfortable with the dialogue; he would be more comfortable in 2015.

Development Director Bond said one of the big things is when the buildable lands analysis came out we learned that the City of Port Orchard and the combined UGA has a capacity for about 55,000 residents. This is different from the vision of the City to retain a small town feel. We have a very large UGA and a small population.

Public Works Director Dorsey said when the City goes over the 25,000 population, our world changes: we now have SR-166 to take care of, much larger storm drainage utility to take care of, and we will pick up county facilities through the annexations. There is no harm to have this as a discussion. It is important because of the timeframe the City is on for the 2015 updates for water/sewer/transportation plans, so we are ready to adopt financially constrained plans in 2016. If we delay this to next year, then the system plans may have to be written twice.

Councilmember Cartwright clarified he has seen the numbers for the growth and what happens once the population reaches 25,000. He is not comfortable with the south and east portions of the City being identified as the sections to be looked at.

Development Director Bond said the City only has a few acres to the west side of the City's UGA. There is not really anything to shrink except south and east of the City. He said staff needs standard assumptions when working on the 2015 Comp Plan, and it would not be good to change the standard assumptions halfway through the process. Doing it concurrently will be costly and cause duplication of efforts.

Councilmember Putaansuu is willing to support this to have the dialogue, even though he has some reservations.

Councilmember Lucarelli agrees with reduction of UGA, but she has an issue with boundaries that were drawn without Council buy in.

Councilmember Chang said part of the problem was that they did not know that the entire Council had to do the amendment. He thinks it is ironic that a single citizen can do an
amendment, but a Councilmember does not count as a citizen. He also wishes they could have discussed this earlier, but the majority of the land that would be discussed is in the southeast area. He would like to move the process along.

**Councilmember Ashby MOVED and Councilmember Cartwright seconded the motion to amend the amendment to a “request for UGA reduction”, removing located on the south and east of the City. Upon vote, the motion passed unanimously.**

In response to Councilmember Putaansuu, Development Director Bond said the amendment is to change all references from Central to Clayton in the parks comprehensive plan.

City Attorney said this action is not to change the name, but to correct the comp plan that is using the wrong name. The name was already decided by the Council.

Councilmember Putaansuu said he knows the name is Clayton Park; however, everyone in the neighborhood refers to it as Central Park. He would like the history of why it was named Clayton Park by previous Council action. He wants this to be a separate discussion as part of the process.

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

**C. Approval of a Contract Authorizing the Mayor to Execute a Professional Services Contract with N.L. Olson & Associates, Inc. for the 2014 Paul Powers Park Interim Improvements Project**

**D. Approval of Assignment from Kitsap County to the City Regarding Road Mitigation Fees from the Freestone at Bayside Development**

City Attorney Jacoby presented the staff report, noting Freestone Bayside, LLC is the owner of a 294-lot subdivision, Freestone at Bayside, in south Kitsap County located west of Anderson Hill Road and approximately 1,000 feet north of SW Old Clifton Road. The planning and permitting for the subdivision was done by the City of Bremerton. In 2007 when the planning and permitting was occurring, access to the subdivision was to be from Anderson Hill Road, which was then a Kitsap County road. Accordingly, in 2007 Freestone Bayside’s predecessor in interest (Bayside LLC) and the County entered into a Development Agreement (2007 Agreement) whereby Bayside agreed to pay to the County a road mitigation fee of $1,059, per dwelling unit. In 2009, the City annexed the McCormick Woods area and access to the development is now from a road located within City limits. Pursuant to the 2007 Agreement, the mitigation fees are to be paid when building permits are issued.
Construction is now underway at the Freestone at Bayside development. Earlier this year, the County contacted the City and proposed to assign its interest in the 2007 Agreement to the City since access to the development will now occur from City-owned roads rather than County-owned roads.

Approval of this Assignment will enable the City to put a process in place whereby it is entitled to all payments made to date, as well as future payments of $1,059 each time the developer/builder obtains a building permit.

In response to Councilmember Ashby, Public Works Director Dorsey said the entrance is still on Anderson Hill. He said the property went into foreclosure and sat for years. When they got picked back up out of foreclosure, it became part of the City of Bremerton. It is the City of Bremerton that contacted the City of Port Orchard and said they are collecting these fees, but the City of Port Orchard is going to have to do the offsite mitigation. This is Old Clifton and Anderson Hill Road.

Councilmember Childs MOVED and Councilmember Cartwright seconded the motion to approve the Assignment from Kitsap County to the City of all the County’s rights, title, and interest in the 2007 Development Agreement between the County and Bayside LLC. Upon vote, the motion passed unanimously.

E. Approval of Public Event Application: Act of Proscription/Dress Act 1746

City Clerk Rinearson presented the staff report, noting each year several organizations request permission to close certain City streets; request the use of City parking lots; and/or use City Parks. Dave Tagert, with the Swimdeck Gastro Pub, submitted an application to use a portion of the City’s streets and right-of-ways for the Act of Proscription/Dress Act 1746 on Saturday, August 2, 2014.

The event is a celebration of Scottish heritage and music, and they are anticipating between 70 and 90 visitors. Mr. Tagert is requesting closure of a portion of Frederick Avenue. City Departments, the Fire Department, and Kitsap Transit have reviewed the application and have submitted their recommendations and/or comments, which have been provided to you.

In response to Councilmember Chang, City Clerk Rinearson said the event organizer will be contacting the businesses regarding the closure.

Ms. Stacey Bronson, co-owner of the Swimdeck, said that the requested closure will extend 60 feet past the start of Frederick Avenue and the walkway to the Pavilion will not be blocked. The 60 feet does not include the bird shop or the coin store. It goes back to the door that goes upstairs to the apartment.
Councilmember Chang’s concern is about the one-way street. How would people access the store? He wanted to know if they would be blocking access to those merchants.

Ms. Bronson said customers could come in either way from the Sidney Parkway. They will be able to walk through Frederick, but not drive through the street.

Public Works Director Dorsey said they could come off Sidney Parkway, the Kitsap Bank, or park on Bay Street and walk in.

In response to Councilmember Lucarelli, Ms. Bronson did not know if the Pavilion was having an event at that time.

Councilmember Ashby said in the past the City has closed Frederick Street for Farmers Markets and other events. This is not a unique request of the City.

Councilmember Childs is concerned if the Pavilion has a big event, they will not be able to use that street. Councilmember Putaansuu said they have access from the back of the building.

In response to Councilmember Chang, Ms. Bronson said they wanted to hold the event on the day the Act was signed.

Councilmember Chang is concerned about not giving pre-notice to other merchants.

**Councilmember Putaansuu MOVED and Councilmember Lucarelli seconded the motion to approve the public event application from the Swimdeck Gastro Pub, allowing them to hold their public event using a portion of the City right-of-ways and streets on August 2, 2014. Upon vote, the motion passed with five affirmative votes and one dissenting vote. Councilmember Chang cast the dissenting vote.**

**F. Approval of Mayoral Appointment to the Lodging Tax Advisory Committee**

City Clerk Rinearson presented the staff report, noting on July 8, 2014, the City was notified that Visit Kitsap declined the appointment of a member to serve on the committee, as it would not be best, and are hoping to work directly with the Council. State law requires there be an equal number of representatives from organizations that are authorized to receive the tax and the business that collect the tax. The City needs to appoint one more member that is authorized to receive the tax.

Businesses required to collect the tax currently appointed to the committee on May 13, 2014, are Comfort Inn, Days Inn, Cedar Cove Inn, and Mrs. Howe’s Bed and Breakfast. Organizations involved in activities currently appointed to the committee on May 13, 2014, are Fathoms O’Fun, Saints Car Club, and Port Orchard Bay Street Association.
Councilmember Chang said the Chamber would not be his first choice, but would be okay with whomever the Council chose.

Mayor Matthes asked if he is putting the candidates forward, and the Council confirms them, or is it the other way around. City Attorney Jacoby responded that the Mayor selects the candidates, and the Council confirms it. Now they need a majority of the Council to confirm the appointment.

Councilmember Lucarelli suggested removing a hotelier to get to an equal number.

In response to Councilmember Ashby, Councilmember Chang said all of the hoteliers have been active, and there is a new participant this time.

Councilmember Putaansuu said the Mayor brings up a fair point. The Council has to confirm or deny this. If it is denied, the Mayor will have to come back with a different list.

Councilmember Cartwright said the other seven entities have all committed to doing this. Visit Kitsap has opted out and the Mayor is seeking to replace that. He would not be in favor of a future vote of going to one of the inns and asking someone to step off if they already accepted the invitation.

Councilmember Childs votes for Cedar Cove, because they have never been on the committee.

Councilmember Putaansuu MOVED and Councilmember Ashby seconded the motion to approve the Mayor's appointment of a representative for the Port Orchard Chamber of Commerce involved in activities to serve on the Lodging Tax Advisory Committee. Upon vote, Councilmembers Ashby, Cartwright, and Putaansuu cast the affirmative votes. Councilmembers Chang, Childs, and Lucarelli cast the dissenting votes. Mayor Matthes broke the tie with an affirmative vote. The motion passed 4-3.

G. Approval of July 8, 2014, Council Meeting Minutes

Councilmember Putaansuu MOVED and Councilmember Ashby seconded the motion to approve the July 8, 2014, Council Meeting minutes. Upon vote, the motion passed unanimously. Councilmembers Lucarelli and Childs abstained.

8. COMMITTEE REPORTS

Councilmember Putaansuu reported the next Finance Committee is Thursday and the Sewer Advisory Committee will meet next month. The Utilities Committee met on July 18th and discussed the Gurske utility bill request, storm drainage utility gap analysis and
account changes, Sedgwick RV Dump Station, JPA (Stetson Heights) water availability, and Well No. 10 project status update.

Councilmember Ashby reported the next ED/Tourism meeting is this coming Monday at 10:00 am at City Hall. Councilmember Ashby also reported on the KRCC meeting that approved employment allocations to 2035. The City of Port Orchard is taking a 6.8 percent increase and the UGA is taking a 4 percent increase. She reported that Transpol is focusing on the Westsound Transportation Lobbying effort. Port Orchard is involved in putting something together to present to Olympia.

Councilmember Cartwright reported the next Public Property meeting is July 28th at 8:30 am in the Council Chambers.

Councilmember Lucarelli reported the Chimes and Lights Committee meeting date on the agenda in an error. The meeting is August 6th at 3:30 pm in the Carolyn Powers Conference Room. The following meetings will take place the second Wednesday of each month at 3:30 pm at City Hall.

Councilmember Chang reported there are two historic tours happening this week as fundraisers of the Sidney Museum.

9. MAYOR’S REPORT

Mayor Matthes reported that PSNS will be holding interviews at the Port Orchard Pavilion next week, the Chris Craft Rendezvous was a huge success last weekend, and the Mustangs on the Waterfront will happen on July 27th.

10. REPORT OF DEPARTMENT DIRECTORS

Public Works Director Dorsey reported the ribbon cutting for VanZee Park and McCormick Village Park is set for August 11th. In response to Councilmember Childs, Public Works Director Dorsey said the Bay Street Pedestrian Pathway Segment No. 4 is in design and permitting, and they are currently looking for mitigation. He estimated that the project will be finished in February or March of 2015.

Development Director Bond said his department received a large development application for a 375-lot plat out by Sidney and Sedgwick.

In response to Councilmember Cartwright, Development Director Bond said the RCO grant applications where submitted by the Friday deadline. The next step will be to present the applications in August.

In response to Councilmember Childs, Development Director Bond said Horstman Heights applied for a final plat and it is being processed right now.
City Clerk Rinearson needed direction from Council on when they were available for a retreat. The Council decided it would be September 9, 2014 at 6:00pm.

11. CITIZENS COMMENTS

There were no citizen comments.

12. EXECUTIVE SESSION

At 8:25 p.m., Mayor Matthes recessed the meeting for a 15-minute executive session regarding real estate acquisition in accordance with RCW 42.30.110(1)(b). City Attorney Jacoby and Development Director Bond 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 reconvened Council back into regular session.

13. ADJOURNMENT

At 8:40 p.m., Mayor Matthes adjourned the meeting.

Brandy Rinearson, CMC, City Clerk

Timothy C. Matthes, Mayor