1. CALL TO ORDER AND ROLL CALL

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

A. Pledge of Allegiance

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

2. CITIZENS COMMENT

Ms. Paula Rein spoke against the City removing the above-water homes. She asked why the fact that people's homes are being torn down buried in the reports. Good policy results in the economic vibrancy and sustainability of a town. Since when does good policy include tearing down people's homes? She said shame on the City Council. She asked if the Council once considered how invasive and violating it feels for her sister and her neighbors to be told that their homes are going to be torn down so that strangers can walk on their property. She asked that the City adequately compensate her sister and her neighbors. She asked for fair value for the property and their pain and suffering and the loss of enjoyment of life.

Mrs. Arlene Williams talked about the appraisal of her home and said the comparables used in the report are not good. In regards to the land comparables, one was a $5,000 unincorporated Gig Harbor lot that was only accessible by water and another was a $14,000 lot over on the Hood Canal on the Union side. The house comparables are all over the lower south end, which includes one house in Port Orchard, and that sold in 2011. The comparables have been adjusted, but she was not very impressed with the appraisal. The brown house on the corner just sold this last fall for $489,000, but that was not included as a comparable because the sale was complete after the appraisal was done.

Mrs. Williams read a statement on behalf of Mr. Ocean Williams: The email he sent to the Council on May 29, 2014, led to a scenario which the homeowners would be responsibly compensated and incentivize to choose total acquisition. As far as they are aware, none of the homeowners are seeking for the sale of their homes. They will speak for themselves. As for them, if they were to vacate their home, it would create some unwelcomed hardships, for example, practical and convenience and emotional loss. Adequate compensation for their home and property may help interest them in ongoing help with hardships. They would not
be opposed to the process if the homeowners had choices, for example to accept the offers, settle administratively, or reject the offers. In their opinion, the latter possibility of the homeowner who does not accept the City’s offer necessitates a willingness on the part of the City to explore other options that do not require total acquisition. They believe that such options do exist. In summary, they have considered the information the City has sent. They support the City pursuing the next steps toward the completion of the Bay Street Pathway, since it could be a great asset to the City and the people of Port Orchard. They are interested in considering an offer from the City for their home, which may or may not lead to total acquisition, depending on whether they foresee a way that we are compensated sufficiently to choose to vacate the home. In the case that offers by the City for total acquisition were rejected and not settled by the homeowner’s choice, they do not believe further action toward total acquisition of the homes would be the best option available to the City and its inhabitants. At this point, however, they do not oppose the City making offers and negotiating via Universal Field Services with the homeowners.

Mrs. Williams read a statement on behalf of Mr. John Haynes: Why can’t you just make Bay Street a one-way, one-lane road for a few years and see how it works? Why would you throw us out not knowing if this could be the right answer? He is one of the six people that use the trail daily. He would like to keep his house.

Mr. Franklin Rusk asked why he has to move so some yuppie can drive miles away from their house, park down at Annapolis, and ride on his property. It is not right. When they park at Annapolis, most of the riders go to Manchester. He said let the County worry about that. He told the Council to leave their homes alone.

Ms. Noelle Russell, from Modesto, CA, said she came to Port Orchard to stay at a house that is in the way of a bike path. The house has a lovely area for them to look across the bay. It is very nice and it is what attracted them to the town. She also thought a one-way street would be sufficient. It would slow the traffic down and make conditions safer. It would preserve the homes and offer people an opportunity to come and enjoy the town.

Mrs. Moen said her husband has been working for Venture Charters for 10-15 years. They depend on the work it provides their family. They hope Randy can stay so the business can continue.

Ms. Mary, from Ft. Worth TX, said the reason she is staying in Port Orchard is because of the location and the beautiful home she is staying in which is on the water. She came to Seattle, she doesn’t know anything about the state of Washington, but when she found this particular home on the water it was exactly what she was looking for and it was the reason her and her friends came here.

Clancy Donlin lives above the two homes above the water. In good conscience, he could never ask anyone to leave his or her home for a path. He thinks the path is a great idea, but he cannot support tearing the homes down. He supports a moratorium on fixing them and
letting them go a natural way. He would like to bring out all ideas when there is a problem to solve, so that no stone is left unturned. He said Bay Street has 12,000-15,000 cars a day on it. He feels turning the road into a one-way street and rerouting the direction of traffic onto Perry is laughable. Having 6,000 cars driving down that road is not feasible, especially with the 90-degree corner on that street.

Mrs. Elissa Whittleton endorsed the present condition of Bay Street and she does not believe in taking other people’s homes. On another matter, she would like some sort of confirmation that councilmembers received her emails and read them. She sent an email to all Councilmembers, and Councilmembers Ashby, Chang, and Cartwright replied. When she attended the last Finance Committee meeting, Councilmember Childs mentioned that the City’s email system was cumbersome, and thought his account was a disaster by now, because he has not opened it in a year. Councilmember Clauson said he had only opened his account once. Councilmember Putaansuu said he CCs his City account, but uses a different email for correspondence. How does one translate this lack of interest? Why does it take a required Open Public Meetings Act training to spur interest? This is not the kind of leadership she expects. Where is the burning desire to know what people are thinking or hear their suggestions? At the end of the Council meeting, it was mentioned that there was a lack of thanks for the councilmembers. She does thank people, and will thank when the issue is corrected.

Mr. Randy Jones bought his house when he was 19 years old. He has been doing the charter service for 15 years, has five employees, and his home is also a vacation rental. If his home is taken, he will not go willingly and he has a lawyer to represent him. If he loses this battle, he will move his business out of Port Orchard. He is not proud of his City.

At 7:21 p.m., Mayor Matthes turned the meeting over to Mayor Pro-Tem Lucarelli to chair while he gave citizen comment.

Mr. Tim Matthes said he has lived here for almost 40 years. He is not happy about this whole process. His position is a trail should not be the deciding factor for taking a home. It is just not for him. He has to sit up at the dais, run meetings, and not comment on a lot of things, but in this particular case, as a citizen, he does not want to see these folks have their homes taken. He is against this, because there are too many options. The most obvious option is pay back the $300,000 and don’t go down that road at all. He would look at all of the options, but we should never, ever take somebody’s house for this trail. It shouldn’t happen.

At 7:23 p.m., Mayor Matthes resumed chairing the meeting.

Ms. Gerry Harmon said this was supposed to be a study. When did it go from a study to people getting property values? She feels this should be public. Of all the meetings she has attended, there have not been many citizens in this community that want to see anyone lose their homes for a path. She wants the Council to form a concerned citizens group to come
up with a viable plan, instead of having it be somebody's initial plan that had no real input from the public. It is ridiculous to think the City even thinking about destroying peoples' homes for a walking path.

Mr. Steve Hackelburg, Venture Charters, said it is reprehensible to take homes for any reason. He understands there may be some reasons, but to take somebody's home to build a path, he cannot see that happening. He has a wife and three children. If the captain loses his home, chances are he is going to retire and shut his business down and this leaves him without a job. He understands many options are being weighed, but this is affecting business owners, employees, and homeowners.

Mr. Tom Cabalac said he has grown up in this area. He has worked with Venture Charters for ten years. He has a wife and two kids. If that house goes, the business is gone. There is no way Randy is going to keep trying to make that work without the accessibility that he has to the boat from his house. He cannot believe that anyone would think it okay to move someone out of their house, let alone someone like Randy, who contributes to the community. He is a big part of this area. He cannot see someone taking his house for a walking path.

Nick Whittleton said he understands taking homes for public safety, but not public recreation.

3. APPROVAL OF AGENDA

Councilmember Putaansuu MOVED and Councilmember Childs seconded the motion to add Business Item 7E Approval of Purchase and Sale Agreement for 640 Bay Street to the agenda. Upon vote, the motion passed unanimously.

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

4. APPROVAL OF CONSENT AGENDA
   A. Approval of Check Nos. 62327 through 62445 totaling $550,465.49; July Payroll totaling $582,954.30; and the Treasurer's check book totaling $2,125,079.98
   B. Approval of Setting the August Work Study Session Meeting Date
   C. Approval of July 15, 2014, Council Work Study Session Meeting Minutes
   D. Approval of a Contract Authorizing the Mayor to Execute an Agreement with Tri-Tec Communications, Inc. for City Hall Telephone Equipment

Councilmember Ashby MOVED and Councilmember Childs seconded the motion approving the Consent Agenda. Upon vote, the motion passed unanimously.
5. PRESENTATION

A. Legislative Update by City Lobbyist

City Lobbyist Taylor gave an update of what is expected in the 2015 legislative session in regards to the transportation budget, operating budget, and capital budget. She also requested the Council to start thinking about the City of Port Orchard legislative priorities for the 2015 session.

B. Kitsap Economic Development Alliance Update

Mr. John Powers, Kitsap Economic Development Alliance Director, gave an update on the 2nd quarter Economic Development Activity Report and announced upcoming KEDA events.

6. PUBLIC HEARING

A. Public Hearing and Adoption of a Resolution Declaring Water/Sewer Utility and Storm Drainage Equipment Surplus

City Treasurer presented the staff report, noting assets of the City that are no longer useable, are no longer of value to the City, or are surplus to City needs may be removed from City ownership, sold, or in any other way disposed with a declaration of surplus by the City Council. RCW 35.94.040 requires a public hearing prior to disposal of equipment owned by a Utility.

Surplus Water Sewer Utility and Storm Drainage Utility equipment is described on Attachment "A". Surplus personal property is described on Attachment "B".

Money from the sale of surplus property is deposited into the Fund, which owned the equipment. When disposal is to the public through direct sale, sealed bid or auction, final determination of value shall be the highest responsible bid or offer. The City may transfer a surplus asset to another public agency upon written request and a determination that it is in the public interest to do so.

Mayor Matthes opened the Public Hearing at 8:06 p.m.

Gerry Harmon said she could not read the print that is on the overhead screens. She would like a computer to be used.

A copy of the list was given to members of the public and time was given for review.

There being no further testimony, Mayor Matthes closed the Public Hearing at 8:15 p.m.
In response to Councilmember Cartwright, City Treasurer said he combined surplused items and the motion and resolution reflects all items. He noted only the water sewer utility and storm drainage utility required the public hearing.

In response to Councilmember Ashby, City Treasurer Martin said the City would sell the bigger items at auction as required by the State.

Councilmember Ashby MOVED and Councilmember Putaansuu seconded the motion to declare certain personal property surplus and authorize the disposition of surplus Water Sewer Utility and Storm Drainage Utility equipment. Upon vote, the motion passed unanimously.

7. BUSINESS ITEMS

A. Approval of a Contract Authorizing the Mayor to Execute an Agreement with Asphalt Patch Systems, Inc. for the 2014 Roadway Asphalt Repair Projects

Public Works Director Dorsey presented the staff report, noting on July 8, 2014, the City of Port Orchard Public Works Department issued a Notice to Bidders/Invitation to Bid to the Port Orchard Independent and uploaded Bid Documents to the Builders Exchange of Washington for the City’s 2014 Roadway Asphalt Repair Projects. By the July 22, 2014 12:00pm deadline, six sealed bids were received. The Asphalt Patch Systems, Inc. bid of $184,559.00 was determined to be the lowest responsible bid for all five work zones identified within the project (Schedules A through E). Given budgetary constraints and current private development activity along Horstman Road, it is the Public Works Department recommendation that only Zones 1, 3, 4 & 5 (Schedules A, C, D & E) be completed now, and the work within Zone 2 be revisited in 2015. A summary of the bids received is attached. The Public Works Department has confirmed 1) that the Public Work Advertisement process was followed and 2) that the proposal can be funded within the Street Fund of the approved 2014 Budget.

In response to Councilmember Clauson, Public Works Director Dorsey explained there are over 300 locations of repairs, and it is not possible to map all of the city-wide repair locations.

Councilmember Lucarelli MOVED and Councilmember Cartwright seconded the motion to authorize the Mayor to execute Contract No. 065-14 with Asphalt Patch System, Inc. for Schedules A, C, D & E only of the 2014 Roadway Asphalt Repair Projects in an amount not to exceed of $131,016.00. Upon vote, the motion passed unanimously.

B. Approval of July 22, 2014, Council Meeting Minutes
Councilmember Ashby noted a correction on page 6, fourth paragraph. It should read the work 'is', not 'in'.

Councilmember Chang MOVED and Councilmember Childs seconded the motion to approve the July 22, 2014, Council Meeting Minutes. Upon vote, the motion passed with six affirmative votes and one abstention. Councilmember Clauson abstained from the vote.

C. Discussion: Bay Street Pedestrian Pathway alternatives and Right-of-Way Services Precursor Summary of Findings

Public Works Director Dorsey presented the staff report, noting on February 11, 2014, the Port Orchard City Council authorized the execution of Contract No. 028-14, thereby authorizing Universal Field Services, Inc. (UFS) to assist in the decision-making process associated with the Bay Street Pedestrian Pathway Project and the five (5) existing overwater structures located along Bay Street. The primary focus for UFS was to 1) obtain title reports, 2) prepare appraisals, 3) meet with property Owners, 4) summarize their Findings as to overall acquisition costs anticipated and 5) determine the level of participation interest of the homeowner(s). The discussions regarding the UFS Findings for the Precursor activities are to occur at Executive Session. The remaining decision-making alternatives for public discussion are as follows:

Alternative #1 Terminate the federalized project at Segment #5
(Requires repayment of $300k and de-obligation of new funding)

Alternative #2 Bay Street one-way
(Requires reclassification of Perry Avenue to 6K average daily trips minor arterial)

Alternative #3 Construct deviated pathway within existing right-of-way
(Requires WSDOT approval of deviations & eliminates on-street parking. Based on recent conversations with WSDOT, he was directed to use the City's right-of-way and not provide any parking)

Alternative #4 Construct non-deviated pathway
(Requires removal of five overwater structures for a 14-foot wide pathway)

Councilmember Ashby noted the Council has not seen the report from Universal Field Services.

Discussion highlights included:
  • Project background:
The original 2005 plan was to build a pedestrian path called the Mosquito Fleet Trail Pathway.

In 2008, the Federal government and DOT determined that the multi-modal pathway standard that required a 14-foot path would be required. With WSDOT local programs requiring the path to be multi-modal path, instead of just a pedestrian path, a decision was made by the Council in 2011 to pursue the project, but with deviations. Although no guarantee of a deviation request outcome could be made by local programs, pursuit of the deviations to complete the pathway design was the only viable alternative given physical constraints along the prescribed pathway route.

During conversations with WSDOT and FHWA in 2013, while working towards the end of final design to get funding for Phase 2, staff was advised that the deviations would not be approved and the City was directed to use its right-of-way, do not submit that extent of deviation request, and do not provide replacement parking for the displaced parking within the city’s right-of-way.

Public Works came back to the Council looking for direction, and staff was then directed to look at the option of taking the five homes, because the Council did not feel it would be good for the homeowners to have no parking (would create a potential claim for loss of home value) and have the path built right up to their homes.

Until the City has the right-of-way certification, the City cannot apply for federal construction funds.

The City is supposed to complete the project by 2015; however (if land acquisition is added to the project), a 10-year extension can be given with progress verification required every 2 years. The City therefore needs to be making progress on the project by 2017.

When completing a federal project, there is the project prospectus that says that the City will receive federal funds to build a project from A to B. The City needs to either build the complete project from A to B, which is a one-mile waterfront pathway from ferry terminal to ferry terminal, or terminate the project. If the pathway is not built from A to B as outlined in the project prospectus, any federal dollar that is put into this project will have to be paid back, which is currently $300,000. The City has $2.2 million in right-of-way acquisition money currently obligated that has not been expended.

The impact of the Shoreline Master Program on the existing structures is that maintenance and repair of existing structures is exempt from having to get new shoreline permits. Expansion of uses is subjected to permitting requirements and potential mitigation. These are considered non-conforming uses and must be maintained. If the use lapses for 18 months, it ceases to have its status of a non-conforming use.

- Alternative 1:
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- The $300,000 payback would be budgeted into 2015, and the KRCC and PSRC funds would need to be de-obligated immediately.
- **Alternate 2:**
  - Based on conversations with DOT, it is not viable to create one-way at Bay Street, because it would require Perry Avenue to be one-way Minor Arterial at 6K average daily trips and meet WSDOT LAG Manual geometry for Minor Arterial.
- **Alternative 3:**
  - The homes along the waterfront are built on the property line and there are some encroachments. There was a street vacation of 25 feet back in 1985. The street vacation moved the ROW line from the middle of the house to the doorknob.
  - If we were to construct the deviated pathway, scoring would drop for federal funding, there would be no parking locations for the residents (allowing for possible lawsuit for loss of home value), and the state would not fund or support mid-walk crossings due to liability issues.
  - If all five homeowners agreed in writing to have the path up to their front doors and not have parking, then WSDOT may be compelled to look at providing the deviation. But the City would still score lowly and struggle to get construction funding. It is not a benefit to the homeowners to have no parking and have the path right up to their doors.
- **Alternative 4:**
  - If a property owner were willing to negotiate and sell, condemnation is not necessary and the owner will receive just compensation.
  - If the property owner were not willing to sell, the City would need to pass a resolution declaring a public use and the intent to condemn the properties. If the two parties could not agree on a value, a judge would end up deciding on the matter.
  - The appraisals and entitlement valuations followed federal processes.
  - It could be many years until funding is acquired for construction, and the homeowners could opt to have a possession and use agreement established and continue to live in the homes until the City is ready to build. Non-motorized funds are easier to get though.

The Council agreed to hold an executive session at the September 9th Council retreat.

**D. Discussion: LIS Server Failure and Options for Fixing Permitting System**

Development Director Bond presented the staff report, noting on the morning of Thursday, July 31, 2014, the City’s 12-year-old LIS server failed and was unable to be repaired. This system hardware failure resulted in the city being unable to access its Public Works, Building, and Planning permitting software (LIS) and meant that the city was unable to process or issue permits. The department heads in consultation with IT and Paladin (the maker of the permitting software) evaluated the City’s options.
The first option considered was server replacement. IT contacted Dell and learned that a
new server could be delivered in about a week and could then be configured to run the LIS
permitting system. Taking this action would have resulted in the city being unable to issue
permits for at least a week. The city would have had to install a version of Microsoft’s
operating system dating from 2003 on this new machine since the permitting software is
not compatible with more recent server systems. This option would have meant buying
$7,328.50 worth of hardware, configuring it with an obsolete and no longer supported
operating system and permitting software so that the city could run that software until the
new software comes online in 2015 if it is approved in the city budget.

While the city considered this option, Paladin, the company that makes the LIS software
offered to loan the city another 10-year-old server, which could run LIS on a temporary
basis. They made this offer with the intent that the city would initiate the migration to the
new SMARTGov permitting software. This loaner server would have put the permitting
system back online by Tuesday August 5 at no cost limiting the permitting outage to 3
working days. Since the city has thoroughly discussed a 2015 move to the SMARTGov
permitting software at both the finance and economic development committee meetings,
the administration decided to take Paladin up on their offer to borrow a server and to
request that Council allow for an accelerated move to SMARTGov. The migration to
SMARTGov is expected to take a few months and given that the loaner is nearly as old as
the machine that failed, is urgently needed to ensure that another service interruption does
not occur and to avoid having to purchase a new server on a temporary basis.

The City had received quotes for switching to SMARTGov in 2015 for use in the budgeting
process. Permitting software, whether it is the current LIS system or the new SMARTGov
system consists of two fees. There is the setup fee, which is a onetime cost, and the annual
subscription cost which include licensing and ongoing support.

The one time setup cost, whether paid in 2014 or 2015 has been quoted at $20,350. The
other fee, the annual subscription cost, is something that we currently pay for our LIS
system and which upon going live with the new system; we would also pay for SMARTGov.
The annual subscription cost for our current LIS system and for SMARTGov is as follows.

LIS: $7,697
SMARTGov: $12,900 (w/o web portal) - $16,665 (with web portal)

You will notice the range in the annual cost for SMARTGov. This is due to another variable
that would be rolled out later. SMARTGov offers an Internet Portal, which allows for a
variety of features including online application and payment of permit fees, applicants
being able to check permit status online, and a mapping feature where the public can see
and find information on permits issued throughout the city. DCD and Public Works intend
to bring these features online once the basic system framework is up and running smoothly.
The City proposes to take the public portal live in 2016. Any contract would also include up to $3,840 for training starting in 2016.

If Council agrees to initiate the move to SMARTGov, staff would bring forward a contract with Paladin for the new service. Council would be agreeing to pay the upfront cost of $20,350 now, plus a prorated cost of the annual subscription less the prorated cost already paid by the city for LIS in 2014, estimated at $969 assuming a go live date of November 1. The Technology fee which was passed as part of the DCD and Public Works permit fee increase earlier this year was set up to provide an additional $6,000 in revenue annually to pay for this ongoing cost for the SMARTGov system.

In response to Councilmember Clauson, Development Director Bond said there are quite a few software packages. The systems do the same thing, but operate and look and feel very different. All local jurisdictions are using SMARTgov. From a user perspective, every city in the county would have the same look and feel, which would be good for the building community. SMARTgov’s office is in Poulsbo.

City Treasurer Martin noted that Paladin’s existing system changed its name to SMARTGov. They would be migrating to the newer software system that is available from the same company.

In response to Councilmember Childs, Development Director Bond said there would be a net increase of approximately $5,000. And the technology fee should cover the difference.

In response to Councilmember Putaansuu, City Treasurer Martin recommended funding this expense from ending cash balance.

In response to Councilmember Childs, Development Director Bond said he would like to get the web portal option in 2016.

In response to Councilmember Chang, Development Director Bond said he knows the County has the web portal, and is trying to take it live. He is unaware of any of the other cities using it at this time.

E. Approval of Purchase and Sale Agreement of 640 Bay Street

City Attorney Jacoby said this relates to the property at 640 Bay Street. Council had directed him to negotiate with the receiver and he has done so. He has an agreement that would be appropriate to discuss some of the details in executive session.

At 9:37 p.m., Mayor Matthes recessed the meeting for a 10-minute executive session pursuant to RCW 42.30.110(1)(a) for the purpose of considering the acquisition of real estate. City Attorney Jacoby, Development Director Bond, and City Treasurer Martin were invited to attend.
At 9:47 p.m., Mayor Matthes reconvened Council back into regular session.

City Attorney noted the City has been in discussion with the company Turn-Around Inc. for old Los Cabos building. The City considered and reviewed an appraisal of the property as well as the costs of demolition and abatement of the building. It is the City’s desire that the building come down. He negotiated with the receiver, and they are willing to sell to the City for the price of $148,000. The receiver will demolish the existing structure, which will include asbestos removal. They will turn over to the City a clean piece of property with all asbestos removed. The receiver has already signed the agreement, should the Council approve this, and it will have to go to a judge for formal approval. The receiver does not expect any opposition. Staff recommends approval of the purchase and sale agreement and authorizing the Mayor to execute the document.

In response to Councilmember Clauson, City Attorney Jacoby said staff has reviewed an environmental site assessment phase 1 for the property, which indicated there were no underground storage tanks or pipes on the site. Staff has no reason to believe there are any hazardous substances on the property.

Councilmember Putaansuu said the Council has had multiple executive sessions on this property. He does not want to look at what currently exists on that site for the next three to five years. The City would pay substantially more if we have to do the abatement and demolition ourselves. The seller is also assuming all risk for demolition.

Councilmember Cartwright agrees with Councilmember Putaansuu’s comments.

Councilmember Lucarelli said she is not in favor of the City buying property. If the City agreed to move forward with selling it afterward, she would be okay with purchasing it. She had a problem with the parking lot across the street and how much money was lost on it.

Councilmember Childs said the rational for buying the property has evolved and the price has increased. He still looks across the street at the building that was bought for $500,000 and a $100,000 parking lot was built. The City is not a good landlord. The City should let the property owner do what they are supposed to do and if they do not do it right, take action against them.

Councilmember Ashby supports the purchase. She said the structure is a liability, and this is the most efficient way for the City to make its downtown more presentable. The City has a responsibility to do that.

Councilmember Clauson supports the purchase for the same reasons as Councilmember Ashby. In the event the property owner would not tear it down, it would be more expensive for the City to tear it down. Then there would be a lien against the property that would be
higher than the value of the property. This is also an issue regarding safety and the cleanliness of downtown.

Councilmember Putaansuu MOVED and Councilmember Clauson seconded the motion to approve the purchase and sale agreement regarding 640 Bay Street for $148,000 plus fees. Upon vote, the motion passed with five affirmative votes and two dissenting votes. Councilmembers Childs and Lucarelli cast the dissenting votes.

8. COMMITTEE REPORTS

Councilmember Clauson reported the Finance Committee discussed sales tax receipts; an offer from Wireless Capital Partners, LLC to purchase the City’s cell tower leases; the cost of living index was published at two percent; the City Hall phone system; and the constraints of the Tremont project.

Councilmember Childs MOVED and Councilmember Ashby seconded the motion to extend the meeting until business was complete. Upon vote, the motion passed unanimously.

Councilmember Ashby reported the Economic Development/Tourism Committee met yesterday and discussed the constraints on the Tremont project; foot ferry ridership; the need for tourism/public event coordination; how to execute a business retention and development; proposed outreach survey for the economic development portion of the Comprehensive Plan; and Department of Commerce grant loan program. The next meeting is September 8, 2014, at 10:00 a.m. at City Hall.

Councilmember Putaansuu reported the Utility Committee has not met, and the next Sewer Advisory Committee meeting is scheduled for August 27, 2014.

Councilmember Cartwright reported the Public Properties Committee last met on July 28, 2014, and they discussed e-cigarettes, McCormick Village Park rules; request for a food truck to park near the Courthouse, and an update of the street vacation rules. The next meeting is scheduled for September 8, 2014, at 8:30 a.m. at City Hall.

Councilmember Chang reported the first LTAC meeting was July 30, 2014, and the members introduced themselves and streamlined the application. The applications are due back on August 25, 2014, and interviews will be scheduled for September.

Councilmember Lucarelli reported the Festival of Chimes & Lights will be held on December 6, 2014, and it will begin 30 minutes earlier, thereby moving it closer to the Jingle Bell Run. The theme is “Sleigh Bells Ring, Port Orchard Glistening”. The next meeting is scheduled for September 10, 2014, at 3:30 p.m.
9. MAYOR'S REPORT

Mayor Matthes recognized Public Works Crewmember Tony Lang, who received an email for excellent customer service.

Mayor Matthes thanked Human Resources Coordinator Howard for her hard work and dedication in getting the City of Port Orchard to be designated as a WellCity for the fourth year in a row.

Mayor Matthes reported the bikers took over downtown Port Orchard last Sunday in the first ever Live to Ride Motorcycle Show.

10. REPORT OF DEPARTMENT DIRECTORS

Public Works Director Dorsey thanked Nicole and Vance Vaught for their letter on the Tremont Place water service replacement. They thanked the Public Works Department and the contractor for being very efficient and doing an outstanding job.

Development Director Bond reported there is a Short Course in Planning scheduled for October 13, 2014, in the Council Chambers.

City Clerk Rinearson said if the Council had any ideas for the use of LTAC funds, an application could be submitted.

11. CITIZENS COMMENTS

Mr. Randy Jones asked what happens if not all the property owners are willing to sell for the 14-foot path that is needed, where the City will get its funding. He does not mind having the path go up to his house; he just needs parking across the street. He questioned what would happen with the homes further down the proposed path, because the path would be up to their doors as well. He does not know why the original plans are still not on the table for parking across the street. Around the corner, the other twelve properties will not be able to park in front of their homes. It also sounds like mitigation is part of the discussion; otherwise, the City would not need the five overwater homes to come down. He does not want to sell. His home is in jeopardy because the path needs 14 feet.

Mr. Frank Rusk said if the road rerouted through Perry, the traffic counts would drop, because more people would use Mile Hill Road. They will stop taking the Bay Street route because it will be slower.

Mrs. Arlene Williams asked if it was ever considered to widen Bay Street inland to get the 14 feet for the path. She asked the Council to make a decision at their September 9 meeting. She also asked that the 2011 PowerPoint presentation be shared with the Council,
since some councilmembers have not seen it. She also said the path would not go up to all of the homeowners’ doors. She would like the Council to see where the lines are.

**Mr. Randy Jones** said that in 1985 the City decided where the property lines are. The City sold the homeowners the property, so they were not encroaching.

**Ms. Gerry Harmon** asked the parking enforcement to enforce the ballot drop parking spots during election times.

**Mrs. Elissa Whittleton** thanked Councilmember Clauson for detailed report for Finance Committee. The City will need to revisit as a community how to fund government, because the method we have now does not work. She was wondering what we are looking at and if we could have more dialogue on that. She thought it was interesting to hear that we have roughly a million dollars in the REET fund that is unencumbered. She asked if Tracy Avenue could be made a one-way street running east for people that have to be close by in the area, and the rest of the people could access Beach Drive via Olney.

**12. EXECUTIVE SESSION**

An executive session was held during Business Item 7E.

**13. ADJOURNMENT**

At 10:31 p.m., Mayor Matthes adjourned the meeting.

\[Signature\]

Brandy Rinearson, CMC, City Clerk

\[Signature\]

Timothy C. Matthes, Mayor