1. CALL TO ORDER AND ROLL CALL

Mayor Tim Matthes called the meeting to order at 7:00 p.m.

Roll call was taken by the City Clerk as follows:

<table>
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<tr>
<th>Councilmember</th>
<th>Present</th>
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<tr>
<td>Ashby</td>
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<tr>
<td>Cartwright</td>
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<td>Chang</td>
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<td>Childs</td>
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<td>Clauson</td>
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<td>Putaansuu</td>
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<td>Pro-Tem Lucarelli</td>
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<td>Matthes</td>
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Staff Present: City Clerk Rinearson, Public Works Director Dorsey, Development Director Bond, Deputy City Clerk Fernandez, and Interim City Attorney Morris.

A. Pledge of Allegiance

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

2. CITIZENS COMMENT

Mrs. Elissa Whittleton spoke regarding some Council behavior at the last Work Study and Utility Committee meeting.

Mr. Vance Vaught said civic-minded citizens should be encouraged to attend the council committee meetings and work studies, and input should be welcomed. He objects to the Utility Committee meeting being held outside of City Hall.

Mr. Nick Whittleton said many of the items paid for in the 2011 water rate increase are on the current water gap analysis. He also did not understand why Councilmembers made a big deal about having to use city email when they don’t answer emails.

Ms. Nicole Vaught thanked Mr. Dorsey for his department’s work with the water on her street. She was also appalled by the action of certain councilmembers at the last meeting.
Mr. Tim Matthes spoke regarding the loss of Mr. Gil Michael and recognized his service to our country and city.

3. APPROVAL OF AGENDA

Councilmember Chang added 5C - Martin Luther King Jr. Day Proclamation.

Councilmember Lucarelli requested that Consent Agenda 4E and 4H be pulled for separate consideration.

Councilmember Childs requested that Consent Agenda 4J be pulled for separate consideration.

MOTION: By Councilmember Putaansuu, seconded by Councilmember Ashby, to approve the agenda as amended.

The motion carried.

4. APPROVAL OF CONSENT AGENDA

A. Approval of Check Nos. 63306 through 63421 totaling $462,578.17; December Payroll totaling $601,914.16; and the Treasurer’s Check Book in the amount of $2,301,902.80

B. Approval of Setting the January Work Study Session Meeting Date

C. Approval of December 9, 2014, Council Meeting Minutes

D. Approval of a Contract with Hugh B. Doran, ISA Certified Arborist for On-Call Tree Risk Assessments (CONTRACT NO. 007-15)

E. Approval of a Contract with Progressive Landscape, LLC for Parks Maintenance Services (Pulled for separate consideration) (CONTRACT NO. 009-15)

F. Approval of a Contract with American Council Employment Safety (ACES) for Occupational Health and Safety Services (CONTRACT NO. 008-15)

G. Approval of a Contract with Northwest Cascade DBA FloHawks Plumbing + Septic for On-Call Emergency Pumping Services (CONTRACT NO. 010-15)

H. Approval of a Contract with Babeck Laboratories, Inc. for UCMR3 Assessment Monitoring (Pulled for separate consideration) (CONTRACT NO. 011-15)

I. Approval of a Contract with Centric Analytical Labs for Water Quality Testing (CONTRACT NO. 006-15)

J. Approval of a Contract with Grette Associates, LLC, for On-Call Environmental Consulting Services (Pulled for separate consideration) (CONTRACT NO. 016-15)

K. Approval of a Rental Agreement Needed Prior to Closing the 321 Maple Street Acquisition for Well No. 10 Project (CONTRACT NO. 015-15)

L. Approval of Public Event Application: Cub Scout Day Camp

M. Approval of December 16, 2014, Work Study Session Minutes
MOTION: By Councilmember Clauson, seconded by Councilmember Childs, to approve the Consent Agenda as adjusted.

The motion carried.

5. PRESENTATION

A. Good Neighbor Awards – Councilmember Lucarelli presented the Good Neighbor Awards to the best home, best business, and best neighborhood for holiday decorations.

B. Strong Cities Presentation – Mr. Dave Williams, AWC, presented the Strong Cities agenda.

C. Proclamation – Mayor Matthes proclaimed January 19, 2015, as Martin Luther King, Jr. Day of Service in Action Day and invited the public to the Ebenezer African Methodist Episcopal Church’s program and celebration on January 19, 2015 at 10:00 a.m. at the Kitsap County Fairgrounds.

6. PUBLIC HEARING

None.

7. BUSINESS ITEMS

A. Appointment of Mayor Pro-Tempore for 2015

Staff Report: City Clerk Rinearson presented the staff report, noting according to RCW 35.23.191, the City Council at their first meeting of each calendar year shall appoint a Mayor Pro-Tempore from the current Councilmembers.

Council Consideration: — MOTION: By Councilmember Putaansuu, seconded by Councilmember Cartwright, to elect Councilmember Ashby as the Mayor Pro-Tempore for 2015.

The motion carried.

B. Adoption of an Ordinance Amending Port Orchard Municipal Code Chapter 10.12.600 Parking Passes to Require the Sales and Use Tax on the Sale of Parking Passes

Staff Report: City Clerk Rinearson said this ordinance authorizes sales and use tax to be added to the price of parking pass rates as contemplated and deliberated in the 2015 Budget. Sales and use tax, defined in RCW 82.14.020, is required to be collected upon the amount of parking pass rates established for city parking lots as defined in POMC 10.12.480. The adopted budget includes $10,300 to be collected in 2015 and paid to the Department of Revenue for sales and use tax on
parking pass rates. Last year, the Department of Revenue performed an examination resulting in $19,800 due for sales tax on hourly parking fees in City parking lots and for parking for 30 days or more when the customer does not have a designated space or stall. The City paid the amount due from parking rate fee revenue that is otherwise considered revenue of the General Fund.

**Council Consideration:** — **MOTION:** By Councilmember Putaansuu, seconded by Councilmember Clauson seconded, adopting an Ordinance amending POMC Chapter 10.12.600 adding sales and use tax to the price of parking pass rates.

The motion carried.

**(ORDINANCE NO. 001-15)**

C. Approval of a Contract with HDR Engineering, Inc. for Well No. 9 Peer Review Additional Services

**Staff Report:** Public Works Director Dorsey presented the staff report and recommended that the Council authorize the Mayor to execute a contract with HDR Engineering, Inc. in an amount not to exceed $26,000.00 for Well No. 9 Peer Review Additional Services.

**Council Consideration:** — **MOTION:** By Councilmember Clauson, seconded by Councilmember Putaansuu, to approve a contract, authorizing the Mayor to execute an agreement with HDR Engineering, Inc. in an amount not to exceed $26,000 for Well No. 9 Peer Review Additional Services.

The motion carried.

**(CONTRACT NO. 014-15)**

D. Discussion: Purchase of 640 Bay Street

**Staff Report:** Development Director Bond presented the staff report and recommended that Council discuss whether it wants to proceed with the purchase of this property. If so, whether it wants to proceed with the purchase of this property given the possible the possible encroachment and adverse possession claim at the same price and under the same conditions as set forth in the Agreement.

At 8:01 p.m., the City Council recessed to Executive Session for 15 minutes, per RCW 42.30.110(1)(i), to discuss potential litigation with legal counsel.

The Regular Meeting reconvened at 8:16 p.m. No action was taken.

Interim City Attorney Morris will discuss these issues with the receiver’s attorney.
E. Approval of a Contract with Progressive Landscape, LLC for Parks Maintenance Services

Staff Report: Public Works Director Dorsey presented the staff report and recommended that the City Council authorize the Mayor to execute an ordinary maintenance contract with Progressive Landscapes, LLC in the amount not to exceed $7,500.30 for the reduced scope 2015 Parks Maintenance Services to include the Roundabout, Etta Turner Park, and the Flagpole Triangle. The full scope of services could not be funded under the 2015-budgeted amount.

Council Consideration: — MOTION: By Councilmember Ashby, seconded by Councilmember Lucarelli, to approve a contract, authorizing the Mayor to execute a ordinary maintenance contract with Progressive Landscapes, LLC in the amount not to exceed $7,500.30 for the reduced scope 2015 Parks Maintenance Services to include the Roundabout Park, Etta Turner Park, and the Flagpole Triangle.

Councilmember Clauson expressed his concern about the parking lots downtown.

Councilmember Putaansuu stated he would like the money to be found to have the full scope of work.

AMENDED MOTION: By Councilmember Clauson, seconded by Councilmember Childs to adjust the contract terms to include the full scope for $9,600, plus tax.

The motion to amend carried.

The amended main motion carried.
(CONTRACT NO. 009-15)

F. Approval of a Contract with Babcock Laboratories, Inc. for UCMR3 Assessment Monitoring

Staff Report: Public Works Director Dorsey presented the staff report and recommended that the City Council authorize the Mayor to execute a contract with Babcock Laboratories, Inc. in an amount not to exceed $12,252.00 for the 2015 UCMR3 Assessment Monitoring Professional Services, with the contract term beginning January 1, 2015 and ending December 31, 2015, with renewal clause applicable.

Council Consideration: — MOTION: By Councilmember Chang, seconded by Councilmember Lucarelli, to approve a contract, authorizing the Mayor to execute an agreement with Babcock Laboratories, Inc., in an amount not to exceed $12,252 for the 2015 UCMR3 Assessment Monitoring Professional Services.
In response to Councilmember Clauson, Public Works Director Dorsey said this is a new federal regulation from the US EPA, and the City is currently in non-compliance.

The motion carried.
(CONTRACT NO. 011-15)

G. Approval of a Contract with Grette Associates, LLC, for On-Call Environmental Consulting Services

Staff Report: Development Director Bond recommended that the City Council approve the contract with Grette Associates, LLC in an amount not to exceed $20,000 for On-Call Environmental Consulting Services.

Council Consideration: — MOTION: By Councilmember Childs, seconded by Councilmember Clauson, to approve a contract, authorizing the Mayor to execute an agreement with Grette Associates, LLC, in an amount not to exceed $20,000 for on-call environmental services.

In response to Councilmember Childs, Development Director Bond said this is not a new expense. A previous contractor, who is no longer available, was used for on-call environmental services; and this is a pass-through cost to the developer.

In response to Councilmember Lucarelli, Development Director Bond said this is the first of this type of report that they have had to review. Average costs for an in-depth review and site visit will be around $1,500-$2,500.

The motion carried.
(CONTRACT NO. 016-15)

8. COMMITTEE REPORTS

Councilmember Clauson reported the next Finance Committee is January 20, 2015, 6:30 p.m. at City Hall.

Councilmember Ashby reported the ED/Tourism Committee discussed the Economic Development Element of the Comp Plan; Countywide Planning Policy for growth allocation and the potential of the City accepting a larger allocation; public event process review; media kit development; and a wayfinding system update. At KRCC, they discussed implementation elements of the new agency structure, PRSC appointments, and the legislative agenda. At PSRC TransPol, they recommended approval by the executive committee for the 2014-2015 coordinated grant program list of projects and discussed their legislative agenda items.
Councilmember Putaansuu reported the next Sewer Advisory Committee will meet February 18, 2015. The Utilities Committee discussed the stormwater utility, Well 10 update, and side sewers.

Councilmember Cartwright reported the Public Properties Committee discussed sidewalk use for merchandise in the downtown area; park rules; homelessness within parks; possibly updating the Parks Plan to coincide with Comp Plan; an annexation petition request; 640 bay street; impact fees; a parking sign at Bay Street & Retsil; and water damage at the Active Club.

Councilmember Childs reported the KEDA meeting discussed how to attract business. The Decision Makers Breakfast is January 28, 2015.

Councilmember Putaansuu reported the Kitsap Transit Board meeting received a presentation of the consultant’s business plan on the passenger-only ferry. There is a need to do more due diligence before a ballot measure is considered. The Annapolis Ferry Dock needs to be made ADA compliant. There will be a community meeting on January 17 at 2:30 p.m. at City Hall.

Councilmember Lucarelli attended the SKWRF Auditor’s Exit Conference, and they received a good report.

9. MAYOR’S REPORT

Mayor Matthes reported that he received positive comments regarding the great job done by Public Works on the Christmas light decorations.

Mayor Matthes asked the Council to take a picture with Flat Stanley for a second grader named Eve.

10. REPORT OF DEPARTMENT DIRECTORS

Public Works Director Dorsey reported the Bethel grinding plans are done and will be going to legal ad in March.

City Clerk Rinearson reported AWC/MRSC has published training calendars.

11. CITIZENS COMMENTS

Captain Sherry Barnhart thanked Officers Jana Deck, Jerry Jensen, Matt Bell, Nathan Lynch, and Bill Schaibly for their great work when she was robbed December 22. She thanked Police Chief Marti and the whole police department and those behind the scenes.
Glenna Bailey would like a review of the contract with Kitsap County Prosecuting Attorney’s Office. She does not believe they are doing their job.

12. EXECUTIVE SESSION

An executive session was held at 8:00 p.m. during Business Item 7D.

13. ADJOURNMENT

The meeting adjourned at 9:12 p.m. No other action was taken.

Brandy Rinearson, CMC, City Clerk

Timothy C. Matthes, Mayor