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:

   Councilmember Cartwright       Present
   Councilmember Chang             Present
   Councilmember Childs            Present
   Councilmember Clauson           Excused
   Councilmember Lucarelli         Present
   Councilmember Putaansuu         Present
   Mayor Pro-Tem Ashby             Present
   Mayor Matthes                   Present

Staff present: City Clerk Rinearson, Public Works Director Dorsey, City Treasurer Martin, Development Director Bond, Deputy City Clerk Fernandez, and Interim City Attorney Morris were also present.

A. Pledge of Allegiance

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

2. CITIZENS COMMENT

Elissa Whittleton spoke regarding annexations that do not bring a positive impact to the City. The City is not currently providing infrastructure to the existing area, and cannot afford to provide more services.

Nick Whittleton spoke regarding raising water rates based on the internal rate study that was discussed at a breakfast meeting. The City needs a good plan for our infrastructure.

3. APPROVAL OF AGENDA

Council Consideration: - MOTION: By Mayor Pro-Tem Ashby, seconded by Councilmember Chang, to remove from the Consent Agenda Items C and D and place them as the first two items on the Business Items section.
The motion carried.

**Council Consideration:** - **MOTION:** By Mayor Pro-Tem Ashby, seconded by Councilmember Putaansuu, to move under Business Item K, moving it directly after what was listed originally as Business Item A.

The motion carried.

**Council Consideration:** - **MOTION:** By Mayor Pro-Tem Ashby, seconded by Councilmember Childs, to move what is currently Business Item J and placing it directly after the old Business Item K.

The motion carried.

**Council Consideration:** - **MOTION:** By Councilmember Putaansuu, seconded by Councilmember Childs, to add excusing Councilmember Clauson from tonight’s meeting to the Consent Agenda after what is currently F.

The motion carried.

**Council Consideration:** - **MOTION:** By Mayor Pro-Tem Ashby, seconded by Councilmember Putaansuu, to approve the agenda as amended.

The motion carried.

4. **APPROVAL OF CONSENT AGENDA**
   A. Approval of Check Nos. 63535 through 63610 totaling $297,182.82; January Payroll Warrant Nos. 146201 through 146261 totaling $827,299.66; Electronic Payments dates January 1, 2015 through January 31, 2015 totaling $283,853.72; and Treasurer’s check deposit totaling $2,685,776.68.
   B. Approval of Setting the February Work Study Session Meeting Date
   C. Approval of a Bill of Sale for the Pottery Pump Station with Sinclair, LLC for the SW Sidney Plaza Development Moved to Business Item 7A
   D. Approval of a Bill of Sale for the Southwest Sidney Plaza Mixed Use Development Water, Sanitary Sewer, and Roadway Improvements Moved to Business Item 7B
   E. Approval of January 20, 2015, Work Study Minutes
   F. Approval of January 27, 2015, Council Meeting Minutes
   G. Excuse Councilmember Clauson from Tonight’s Meeting

**Council Consideration:** - **MOTION:** By Councilmember Putaansuu, seconded by Councilmember Chang, approving the consent agenda as amended.
The motion carried.

5. PRESENTATION

No presentations were given.

6. PUBLIC HEARING

A. Public Hearing and Adoption of an Ordinance Establishing Park Rules

Staff Report: Development Director Bond presented the staff report and recommended that the City Council conduct a public hearing and approve the Park Rules Ordinance as presented.

Mayor Matthes opened the Public Hearing, and there being no testimony, closed the Public Hearing at 7:12 p.m.

Council Consideration: - MOTION: By Councilmember Cartwright, seconded by Mayor Pro-Tem Ashby, to approve the Parks Rules Ordinance as presented.

The motion carried.

The motion passed 4 to 2. Councilmembers Childs and Lucarelli voted no.

(ORDINANCE NO. 004-15)

B. Public Hearing and Adoption of a Resolution and Approval of Amendment No. 1 to Contract No. 083-13, with Sinclair, LLC for the Southwest Sidney Plaza Development

Staff Report: Public Works Director Dorsey presented the staff report, noting on October 22, 2013, the City of Port Orchard and ‘The Sinclair, LLC’ entered into a Development Agreement (Contract C083-13) for the Southwest Sidney Plaza Development, whereby the City agreed to provide a credit per Equivalent Residential Unit (ERU) allowed under current code against the sewer Capital Facilities Charge (CFC) for the cost of design, engineering, and construction of the Pottery Sewer Pump Station, constructed and dedicated to the City for regional benefit. The purpose of this first Amendment to the Development Agreement is to address actual costs for the task and to provide an accounting of the future credit for the CFC versus the current reimbursement amount. Tonight’s Public Hearing and subsequent Council Action for the First Amendment to the Development Agreement with the ‘The Sinclair, LLC’ is a critical piece to the overall sanitary sewer service capacity issue for the Joint Planning Area.

For clarification, please find the following Sewer Capital Facility Charge (SCFC) Financial Summary:
Mayor Matthes opened the Public Hearing, and there being no testimony, closed the Public Hearing at 7:15 p.m.

**Council Consideration: - MOTION:** By Councilmember Putaansuu, seconded by Councilmember Cartwright, to authorize the Mayor to execute the First Amendment to the Development Agreement (C083-13) by and between the ‘City of Port Orchard’ and ‘The Sinclair, LLC’ for the Southwest Sidney Plaza Development.

In response to Mayor Pro-Tem Ashby, Public Works Director Dorsey said the amendment creates an allowance for both a credit for the future remaining allowance, and a reimbursement for what was already paid.

In response to Councilmember Putaansuu, Public Works Director Dorsey said this was a project that was identified as a main component to connect into the work the City did three or four years ago to provide sewer into the joint planning area -- Sedgwick/Sidney basin. Without these improvements, there would have been a development moratorium. This is critical piece of infrastructure where the developer funded the design and the construction. The code allows for a credit.

Councilmember Childs stated he could not support the motion because he had problems with the information provided.

**The motion passed 5 to 1. Councilmember Childs voted no.**

**(RESOLUTION NO. 001-15 and AMENDMENT NO. 1 to CONTRACT NO. 083-13)**

7. **BUSINESS ITEMS**

A. **Approval of a Bill of Sale for the Pottery Pump Station with Sinclair, LLC for the SW Sidney Plaza Development**

**Staff Report:** Public Works Director Dorsey presented the staff report, noting as required, the Bill of Sale for the Pottery Pump Station (designed and constructed in accordance with the Southwest Sidney Plaza Development Agreement by ‘The Sidney, LLC’ via C083-13) must be executed by the Mayor. The execution of the Bill of Sale will allow for the capitalization of this vital and regional sewerage infrastructure by the City.
Council Consideration: - MOTION: By Councilmember Putaansuu, seconded by Councilmember Lucarelli, to authorize the Mayor to execute the Bill of Sale for the Pottery Pump Station with ‘The Sinclair, LLC’ for the SW Sidney Plaza Development.

The motion passed 5 to 1. Councilmember Childs voted no.

B. Approval of a Bill of Sale for the Southwest Sidney Plaza Mixed-Use Development Water, Sanitary Sewer, and Roadway Improvements

Staff Report: Public Works Director Dorsey presented the staff report, noting as required, the Bill of Sale for the Southwest Sidney Plaza Mixed-Use Development (Water, Sanitary Sewer, and Roadway Improvements) must be executed by the Mayor. The execution of the Bill of Sale will allow for the capitalization of these utility and roadway improvements to the City’s infrastructure.

Council Consideration: - MOTION: By Councilmember Putaansuu, seconded by Councilmember Cartwright, to authorize the Mayor to execute the Bill of Sale for the Southwest Sidney Plaza Mixed-Use Development (Water, Sanitary Sewer, and Roadway Improvements) with ‘The Sinclair, LLC’.

The motion carried.

C. Adoption of an Ordinance Relating to Latecomer’s Agreements for Water and Sewer Facilities

Staff Report: Public Works Director Dorsey presented the staff report and recommended the City Council adopt an Ordinance establishing new Chapter 13.08 – Latecomer’s Agreements of the Port Orchard Municipal Code.

Council Consideration: - MOTION: By Councilmember Putaansuu, seconded by Councilmember Cartwright, to adopt an Ordinance, thereby establishing new Chapter 13.08 – Latecomer’s Agreements of the Port Orchard Municipal Code.

Mayor Pro-Tem Ashby noted a correction in the proposed ordinance language: Page 2, Section E, it reads “who many only” and it should read “who may only.”

The motion carried.

(ORDINANCE NO. 002-15)

D. First Reading of an Ordinance Amending the 2015 Budget

Staff Report: City Treasurer Martin presented the staff report, noting this Budget Amendment Ordinance recognizes changes to a Developers Agreement approved by Council to provide a
reimbursement for the Sewer Capital Facilities charge paid by the Developer and not credited at the time of application. A reimbursement payment was not anticipated at the time the 2015 Budget was adopted. The Budget Amendment Ordinance reflects the following: $380,000 from the Cumulate Reserve for Water Sewer Fund No. 403 for the general facility fee component of the Sewer Capital Facility Charge for Developer reimbursement.

Citizen Comment: None.

Council Consideration: - MOTION: By Councilmember Putaansuu, seconded by Councilmember Lucarelli, to accept the first reading of an Ordinance, amending the 2015 Budget for the City of Port Orchard and to direct staff to place an Ordinance on the February 24, 2015 agenda for second reading and final adoption.

Discussion was held regarding the history of this project. When the apartments on Sedgwick and Sidney were built, the City needed to upgrade the sewer infrastructure. The City was not in a position to do it, the developer was. The City gave the developer a credit to hook up to sewer. They were pulling permits, and the City was charging them for the hook-ups. The hook-up fees need to be reimbursed, because they were supposed to be deducted from the credit.

Public Works Director Dorsey said a facility normally would be built before they would start their development, and they get a credit to their connection charges. In this situation, the development agreement was put in place based on the code, but they were building apartments faster than they were building the pump station. As we go through and update code, the City will add language and have better communication between Public Works and Finance so that it does not happen again.

The motion carried.

E. Discussion: 2016 Comprehensive Plan Update – City Council/Planning Commission Involvement and Public Process

Development Director Bond presented the staff report, noting the Mayor’s proposal would be to conduct two or more joint meetings of the Planning Commission and City Council to review the progress on the update. After the presentations, the Council and Commission would be able to comment on the changes to the elements, which would be remanded back to the Planning Commission for final revisions.

Mayor Pro-Tem Ashby stated her position that the Council, Planning Commission, and the public should not be excluded from the front-end work and the foundation that needs to be laid for the comprehensive plan.
Mayor Matthes noted that the comprehensive plan has been worked on for a year, and a lot of input has been taken. He agrees public participation is important.

Councilmember Putaansuu would like to set the joint meeting dates now, and have the meetings earlier rather than later.

Councilmember Cartwright would like to know what kind of outreach would be performed to encourage as many citizens as possible to attend the joint meetings.

Councilmember Childs would be in favor of visionary meeting.

Councilmember Chang would like early and continuous involvement.

Development Director Bond thinks a good place to start is recap what work was done by the students, and what has been done since then with a presentation. That would be followed up with a workshop as a second step. He would like Council buy-in on what they currently have before they continue working on it.

Councilmember Putaansuu asked Clerk Rinearson to work with Development Director Bond to propose some dates.

Development Director Bond would like the meetings to be back-to-back to maintain the momentum. He would like three weeks to put together a thorough presentation.

F. Approval of a Contract with TSI, Inc. for the 2015 Transportation Element Update to the Comprehensive Plan

Staff Report: Public Works Director Dorsey presented the staff report, noting as required for the City of Port Orchard’s 2016 Periodic Comprehensive Plan Update, the City’s Transportation Plan Element of the Comprehensive Plan must be updated in 2015. Staff recommended approval of the contract for the 2015 Transportation Element Update to the Comprehensive Plan.

Council Consideration: - MOTION: By Councilmember Putaansuu, seconded by Councilmember Cartwright, to authorize the Mayor to execute Contract No. 028-15, with TSI in an amount not to exceed $92,000 for the 2015 Transportation Element Update to the Comprehensive Plan.

The motion carried.
(CONTRACT NO. 028-15)

G. Approval of a Contract with Pace Engineers, Inc. for the 2015 Comprehensive Water System Plan Update
Staff Report: Public Works Director Dorsey presented the staff report, noting as required for the City of Port Orchard’s 2016 Periodic Comprehensive Plan Update, the City’s Comprehensive Water System Plan must be updated in 2015. Staff recommended approval of the contract for the 2015 Comprehensive Water System Plan Update.

Council Consideration: - MOTION: By Councilmember Lucarelli, seconded by Councilmember Chang, to authorize the Mayor to execute Contract No. 026-15 with Pace Engineers, Inc. in an amount not to exceed $60,000.00 for the 2015 Comprehensive Water System Plan Update.

The motion carried.
(CONTRACT NO. 026-15)

H. Approval of a Contract with BHC Consultants, LLC for the 2015 General Sewer Plan Update

Staff Report: Public Works Director Dorsey presented the staff report, noting as required for the City of Port Orchard’s 2016 Periodic Comprehensive Plan Update, the City’s General Sewer Plan must be updated in 2015. Staff recommended the approval of the contract for the 2015 General Sewer Plan Update.

Council Consideration: - MOTION: By Councilmember Chang, seconded by Councilmember Putaansuu to authorize the Mayor to execute Contract No. 027-15 with BHC Consultants, LLC in an amount not to exceed $128,000.00 for the 2015 General Sewer Plan Update.

In response to Councilmember Childs, City Treasurer Martin will go back through the budget and give a budget report for the total cost for updating the 2015 Comprehensive Plan.

The motion carried.
(CONTRACT NO. 027-15)

I. Approval of a Contract with KPFF Consulting Engineers for the 2015 Lund Avenue Bridge Program Management

Staff Report: Public Works Director Dorsey presented the staff report, noting in 2013, a Bridge Program was developed by KPFF for the City. Having accomplished required bridge inspections, monitoring, maintenance, reporting and overall bridge management in compliance with the FHWA National Bridge Program criteria in 2014 (which included the Under Bridge Inspection), continued routine inspections, monitoring, repairs and Program Management will continue in 2015.
Council Consideration: - MOTION: By Councilmember Childs, seconded by Councilmember Lucarelli, to authorize the Mayor to execute Contract No. 019-15 with KPFF Consulting Engineers in an amount not to exceed $13,037.00 for the 2015 Lund Avenue Bridge Program Management.

Interim City Attorney Morris addressed her memo in the staff report on indemnification language.

City Clerk Rinearson said the language is not recommended by AWC and the City will be partly protected; however, it is consistent with WSDOT contract language. If there was a legal issue with the contract, AWC may not defend the City.

Councilmember Childs does not want to go against AWC’s recommendation.

Councilmember Cartwright said the contract is for a small amount; it is minimal risk.

Public Works Director Dorsey said he would go out for an RFQ next year and have the contractor agree to our indemnification language, if they want to be awarded the contract.

The motion passed 5 to 1. Councilmember Childs voted no.

(CONTRACT NO. 019-15)

J. Approval of an Ingress/Egress and Utility Easement Agreement with Mr. and Mrs. Vernon Pontius for Lone Bear Lane SW

Staff Report: Public Works Director Dorsey presented the staff report and recommended the approval of an Ingress/Egress & Utility Easement across the South 60-ft of Lot 8 (Tax Parcel No. 052301-2-012-2005).

Council Consideration: - MOTION: By Councilmember Cartwright, seconded by Mayor Pro-Tem Ashby, to authorize the Mayor to execute an agreement with Vernon and Cassandra Pontius for an Ingress/Egress & Utility Easement across the South 60-ft of Lot 8 (Tax Parcel No. 052301-2-012-2005).

The motion carried.

K. Approval of Change Order No. 3 to Contract No. 051-14 with Parametrix for the 2015 Bethel Avenue Grind-Out Design Addendum & Construction Support

Staff Report: Public Works Director Dorsey presented the staff report, noting Change Order No. 3 provides required funding for the 2015 Bid/Construction Administration support carry-over and pending Addendum No. 1 for the design and specification development needed for the replacement of four existing curb ramps that are required to be replaced pursuant to the
Rehabilitation Act, which was recently determined by Staff at a WSDOT Pedestrian Accommodation Workshop.

**Council Consideration: - MOTION:** By Councilmember Putaansuu, seconded by Mayor Pro-Tem Ashby, to authorize the Mayor to execute Change Order No. 3 to Contract No. 051-14 with Parametrix Engineering in an amount not to exceed $16,570.22 for the 2015 Bethel Avenue Grind-out Bid/Construction Administration and Addendum No. 1.

The motion carried.

**(CHANGE ORDER NO. 3 to CONTRACT NO. 051-14)**

**L. Notice of Intent to Petition for Harrison-Salmonberry Annexation**

**Staff Report:** Development Director Bond presented the staff report and recommended that the Council allow a petition to be circulated for annexation of the property described in the Notice of Intention and require the simultaneous adoption of comprehensive plan and zoning designations, and the assumption of existing City indebtedness by the area to be annexed.

**Council Consideration: - MOTION:** By Councilmember Putaansuu, seconded by Mayor Pro-Tem Ashby, to allow the applicant to circulate a petition for annexation of the property described in the Notice of Intent and to require the simultaneous adoption of comprehensive plan and zoning designations, and the assumption of existing City indebtedness by the area to be annexed.

Discussion highlights:
- There is concern with a possible illogical boundary and the condition of Salmonberry Road.
- Having an advisory vote of the existing citizens would be a good way to get the barometer of the citizen’s sentiment in regards to proposed annexations.
- Residential is not a high priority when annexing, but willing to allow them the opportunity to gather signatures.
- Who would be responsible for the maintenance of Salmonberry?
- What are the economic impacts of the annexation?

Interim City Attorney Morris said what they are doing tonight is setting a date not later than 60 days from the filing of the petition for a meeting with the initiating parties to determine whether the city will accept, reject, or geographically modify the proposal. She said there is nothing in the Growth Management Act that says the Council must annex every petition.

The motion was withdrawn by the motion maker. The second agreed.
Council Consideration: - MOTION: By Councilmember Putaansuu, seconded by Mayor Pro-Tem Ashby, to set a meeting date for February 24 with the petitioner to accept, reject, or modify the petition.

Discussion was held on whether the meeting had to be set or held no later than 60 days from the filing date.

The motion failed 0 to 6.

Council Consideration: - MOTION: By Councilmember Cartwright, seconded by Councilmember Putaansuu, to set the petitioner’s meeting with the Council for the next Work Study Session, which will be on February 17.

The motion carried.

M. Appointment of an Alternate for the City Attorney Process Ad Hoc Committee

Councilmember Cartwright noted his conflict with being able to review the RFPs for City Attorney and asked an alternate be appointed to the City Attorney Process Ad Hoc Committee to score the applications.

Council Consideration: - MOTION: By Councilmember Cartwright, seconded by Councilmember Putaansuu, to remove himself and Jerry Childs replaces him for the ad hoc committee for the selection of the City Attorney at least through this phase.

Councilmember Cartwright stated if Councilmember Childs wants to change something at the next phase, they could open it up and discuss it at that point in time.

The motion carried.

8. COMMITTEE REPORTS

Councilmember Putaansuu reported the Utilities Committee would meet this Friday, and SAC is scheduled for next Wednesday evening. He mentioned Commissioner Garrido spoke at Rotary about legislation related to the public facilities districts. He feels the City should have its lobbyist support that.

Mayor Pro-Tem Ashby reported the ED/Tourism met and discussed summer foot ferry service; special events ordinance; Tremont overlay district and possible interim regulations; the sign code; and fee resolution.
Councilmember Cartwright reported the Public Properties Committee met and discussed the Mind Mixer software and a potential active club fix. He also gave a report of the last KRCC meeting and West Sound Alliance meeting.

Councilmember Childs gave a report on the KEDA Decision Makers Breakfast.

Councilmember Chang reported on the 125th Anniversary Committee meeting.

9. MAYOR’S REPORT

Mayor Matthes reported on West Sound Alliance meeting.

10. REPORT OF DEPARTMENT DIRECTORS

City Clerk Rinearson reported KRCC would like a meeting to discuss the ILA with the Council. The Council would like a 15-minute executive summary on February 24. She also reported on renewing the Waste Management contract and the 125th Anniversary Committee meeting.

11. CITIZENS COMMENTS

Ms. Gerry Harmon spoke regarding citizen involvement at the beginning of the process of the comprehensive plan and spoke against a racetrack in the area.

Ms. Ann Savatasi asked about the comprehensive plan update consultants and how it relates to the gap analysis.

Public Works Director Dorsey explained the differences and crossovers between the scopes of work.

Mr. Gary Anderson asked if the update to the Sidney/Sedgwick intersection would provide enough capacity to serve all of the anticipated needs for the intersection at this point. He also asked about water.

Public Works Director Dorsey said the Pottery Pump Station would support all of the properties in the basin. The Albertsons Pump Station needs improvements to increase its capacity. The water system issue is handled now that Bremerton is under a new ILA.

Mr. Gary Anderson said the comprehensive plan update should begin with a visioning study before it goes to the Planning Commission.

12. EXECUTIVE SESSION
No executive session was held.

13. ADJOURNMENT

The meeting adjourned at 9:44 p.m. No other action was taken.

Brandy Rinearson, CMC, City Clerk

Timothy C. Matthes, Mayor