

Oak Harbor City Council  
Regular Meeting Minutes  
August 6, 2014

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**CALL TO ORDER**

Mayor Dudley called the meeting to order at 6:00 p.m.

**ROLL CALL**

Present:

Mayor Scott Dudley  
Mayor Pro Tem Danny Paggao  
Councilmember Joel Servatius  
Councilmember Jim Campbell  
Councilmember Rick Almberg  
Councilmember Tara Hizon  
Councilmember Bob Severns  
Councilmember Munns

Staff Present:

City Administrator Larry Cort  
Finance Director Doug Merriman  
City Attorney Nikki Esparza  
Chief of Police Ed Green  
Chief of Fire Ray Merrill  
Development Serv. Director Steve Powers  
Exec. Assist. to the Mayor Kellye Mazzoli  
Human Resources Director Sara Piccone  
City Clerk Anna Thompson  
City Engineer Joe Stowell  
Public Works Director Cathy Rosen  
Harbor Master Chris Sublet

**PLEDGE OF ALLEGIANCE/INVOCATION**

Pastor John Campbell of Oak Harbor Seventh Day Adventist Church gave the invocation, and Mayor Scott Dudley lead the pledge of allegiance.

**HONORS AND RECOGNITIONS**

Mayor Scott Dudley read the Proclamation for Constitution Week.

The Mayor introduced Daughters of the American Revolution.

**APPROVAL OF AGENDA**

**Motion:** Councilmember Almberg moved to amend the Agenda to move item 9.a in front of item 6.a. Councilmember Campbell seconded the motion, and the motion carried unanimously.

**Motion:** Councilmember Severns moved to approve the Agenda as amended. Councilmember Servatius seconded the motion, and the motion carried unanimously.

**CITIZEN COMMENT PERIOD**

Mayor Scott Dudley opened the citizen comment period at 6:10 p.m.

## Citizens Speaking

Paul Brewer  
Skip Pothilla  
Joyce Amatuzzo

Mayor Dudley closed the comment period at 6:18 p.m.

## **CONSENT AGENDA**

- a. Minutes of the Regular City Council meeting held on July 1, 2014, Special Meeting held on July 1, 2014, Special Workshop meeting held on July 9, 2014 and Regular Workshop held on July 23, 2014.
- b. Approval of *Accounts Payable Voucher Numbers*:
  - Voucher Numbers 158883 through 159266 in the amount of \$1,064,031.90.Approval of *Payroll Check Numbers*:
  - Direct Deposit Numbers 31634 through 31920.
  - EFT Numbers 629 through 636.
  - Payroll Check Numbers 97323 through 97387.
- c. Authorize the surplus of two Jacobsen mowers and authorize trade-in to Western Equipment & Irrigation Distributors in the amount of \$15,000
- d. Appoint Pete Franssen to the Lodging Tax Advisory Committee
- e. Refer to the Lodging Tax Advisory Committee (LTAC) potential changes in the use of Hotel-Motel (2%) funds that may be considered by the City.
- f. Approve an Amendment to the Interagency Agreement with Washington State Department of Corrections (DOC) (#K9413)
- g. Confirm the Mayor's Appointment of Clifford Howard to the Planning Commission.
- h. Name the garden area "Teachers Tribute Garden" where an art sculpture created by Rick Nash and donated by Wallie Funk is located at Windjammer Park.

**Motion:** Councilmember Servatius moved to pull item Consent Agenda Item 4g, Motion seconded by Councilmember Alberg, unanimously approved.

**Motion:** Councilmember Munns moved approve Consent Agenda items 4a through 4f and 4h, seconded by Councilmember Severns, unanimously approved.

### Item 4.g Confirm the Mayor's Appointment of Clifford Howard to the Planning Commission.

**Motion:** Councilmember Servatius moved to reject Clifford Howard's appointment to the Planning Commission, seconded by Councilmember Alberg. Motion passed by majority vote.

Councilmember Campbell opposed.

## **MAYOR, STAFF AND COUNCIL COMMENTS**

### City Administrator

Dr. Cort announced the upcoming Workshop Meeting on August 27, 2014 and Regular Council Meeting on September 2, 2014.

The Council scheduled a Special Meeting on September 2 at 3:00 p.m. to discuss the Navy's Request for Proposals concerning the North Transmission Water Line Project.

A Quorum of Council will be attending the Municipal Finance Conference in Leavenworth, Washington on August 14-15, 2014.

Chief Green announced the Hydroplane Races event next week and discussed the road closures. Harbor Master Chris Sublet provided additional information about the races.

Councilmembers Almberg and Severns asked questions about access to the Hydroplane race and road closures.

### Mayor

Mayor Scott Dudley asked that the Councilmembers explain their rejection of Clifford Howard's appointment.

Councilmember Munns and Almberg disagreed that this item should have been voted upon based on the prior rejection of the appointment at the last Regular Council Meeting.

Mayor Scott Dudley encouraged the Council should elect members to the Planning Commission regardless of political affiliation.

### Councilmembers

Mayor Pro Tem Paggao commented on the Council Rules of Procedure and Point of Order.

Councilmember Campbell discussed the Board of Directors Island Transit article in Whidbey News-Times and explained that the article was not completely accurate. Island Transit is in financial disrepair and they are working to remedy the situation. Mr. Campbell called for the Director's resignation, but then qualified that the Board must formally request her resignation.

Councilmember Almberg commented that Council should not be asked to discuss their reasons for rejecting Mr. Howard's appointment.

Councilmember Munns thanked the Oak Harbor Police and Fire Departments for the contributions to the Help House for Christmas in July. She also thanked the Oak Harbor Police and Fire Departments and the citizens for the attendance at National Night Out August 5, 2014.

The Economic Development Council met in July. The next meeting will be held in August. He addressed the fact that drones are being used in Oak Harbor and such activity should be evaluated.

Councilmember Hizon spoke on the rejected appointment of Clifford Howard. She then announced upcoming Youth Commission meeting and Music Festival.

Councilmember Servatius thanked Mr. Pothilla's thorough announcement of upcoming activities in Oak Harbor.

Councilmember Campbell Announced that he will be out of town for both Council meetings in September and first meeting in October and asked the Council acknowledge his absences.

Councilmember Almberg added that he will also be absent.

## **ORDINANCES AND RESOLUTIONS**

Authorize Mayor to sign a Professional Services Agreement with Oak Harbor Elks Lodge No. 2362 to serve as the Whidbey Marathon Race Director  
City Administrator Dr. Cort presented the staff report.

Mayor Dudley opened the meeting for public comment at 6:57 p.m.

### Citizen's Comments

Edward Sem, President of Elks Lodge  
Melissa Riker, Elks member  
Jason McFaddon, President of Chamber of Commerce  
Tamra Sipes

Mayor Scott Dudley closed public comment at 7:08 p.m.

Councilmember Hizon read a letter from a concerned resident, John B. Greet, regarding the Marathon contract. Councilmember Hizon was concerned that running the event by the Elks Lodge may be a gift of public funds.

Dr. Cort responded that it is not a gift of public funds, but a contract for services.

Councilmember Hizon was hesitant to hire another director and thanked Tamra Sipes for her years of service to the Marathon. She will support the new director as long as the contract duration is 1 year with an option to extend to 2 years.

Councilmember Severns asked about the difference between incentives from last year's contract compared to the new proposed contract.

Dr. Cort explained that this contract will be based on the Contractor's ability to acquire sponsorships for the event and would receive 20% of the total cash sponsorships. The second incentive is that the Director will receive 10% of market value of product donations.

Councilmember Severns stated that he will support this new appointment but has reservations about the 2-year duration and about changing Directors when the Marathon has been so successful. Councilmember Severns added that Tamra Sipes has done a nice job with the Marathon in previous years.

Councilmember Almberg noted some concerns regarding the appointment method for the 2015 Marathon Race Director. However, he does support the contract to appoint the Elks Lodge with a few changes. Councilmember Almberg inquired why Tamra Sipes was not reappointed.

**Motion:** Councilmember Servatius moved to suspend the rules of order, seconded by Councilmember Munns, motion unanimously approved.

Mayor Dudley explained that from his perspective the appointment of the Elks Club as Race Director is to increase participation and improve.

Mayor Pro Tem Paggao commented on the Whidbey Island Marathon online registration. He commented that the main purpose of the Marathon is to promote tourism, not to gain revenue or break even. He added that he is not comfortable with the Marathon Director appointment and will not support the recommendation.

Councilmember Campbell stated that he will support the appointment of the Elks Lodge and also supports the 2-year term.

Councilmember Munns supports the 2-year contract term for planning purposes. Mrs. Munns stated that she has concerns as to the appointment process of the Race Director and added that Tamra Sipes has done well.

Councilmember Servatius thanked Tamra Sipes for her dedication and commitment to the Marathon. He added that he has concerns regarding the selection process of the Race Director. Mr. Servatius also discussed the Cities' goals for the Marathon. He noted that the City can lose money and the service provider may still receive a bonus, which was one of the concerns of the 2014 Marathon results.

Councilmember Servatius asked about the lack of insurance in the Professional Services Agreement, and Dr. Cort explained that insurance details are forth coming.

Melissa Riker came up to the podium to answer questions. Councilmember Servatius asked that she provide oral updates on the Marathon throughout the year.

Councilmember Almberg asked Dr. Cort whether the Elks were able to review the contract before tonight. Dr. Cort confirmed that the Elks have reviewed it.

### **Authorize Mayor to sign a Professional Services Agreement with Oak Harbor Elks Lodge No. 2362 to serve as the Whidbey Marathon Race Director**

**Motion:** Councilmember Almberg moved to modify the last sentence of paragraph 3.4 of the agreement, "the City shall pay incentive bonuses as provided in paragraph 3.4, which describes the 10 % and 20% bonuses, except all incentive bonuses shall be subject to the City of Harbor first breaking even for all costs incurred for this event as determined by the City Finance Director prior to any payment of any bonus to the Elks Lodge." Motion seconded by Councilmember Campbell. The motion passes by majority vote.

Mayor Pro Tem Paggao opposed.

**Motion:** Councilmember Almberg moved to add new paragraph 3.6: "no portion of this agreement shall be subcontracted to any other person or entity without the Council approval." Motion seconded by Councilmember Servatius.

City Attorney Nikki Esparza pointed to paragraph 12 which addresses assignment and subcontracting.

The motion was opposed unanimously.

The City Attorney Nikki Esparza and Councilmembers Hizon, Servatius, and Almberg discussed the termination clause of the contract and confirmed that the contract can be terminated with 30 days notice. Ms. Esparza noted that the Mayor has the authority to terminate the agreement.

**Motion:** Councilmember Hizon moved to approve the contract as amended, seconded by Councilmember Almberg. Motion passed by majority vote.

Mayor Pro Tem Paggao opposed the motion.

Mayor Dudley ordered a 5 minute recess at 8:03 p.m.

Mayor Dudley reconvened the meeting at 8:08 p.m.

**Motion:** Councilmember Servatius moved to discuss item 7.d at this time. Motion Seconded by Councilmember Almberg, unanimously approved.

Ordinance 1693: Amend OHMC 6.12.080 (1) to allow the sale of beer, wine, and/or liquor in conjunction with a concession agreement and/or special event permit at Fort Nugent Park

Public Works Director Cathy Rosen provided the staff report.

Mayor Dudley opened the meeting for public comment at 8:12 p.m.

Speaking in favor of the motion:

Matt Plush, Whidbey Island Bicycle President

Speaking against the motion:

Gordon Keyes

Paul Brewer

Mayor Dudley closed the public hearing at 8:20 p.m.

Councilmember Servatius spoke in support of allowing alcohol in Fort Nugent Park.

Chief Green provided information regarding strict requirements for operating beer gardens in parks.

Councilmembers Campbell, Almberg, Severns and Mayor Pro Tem Paggao spoke against allowing alcohol in Fort Nugent Park.

Councilmember Hizon spoke in support of the amendment to allow alcohol in the Park.

Councilmember Paggao added that his concerns are the after affects of allowing alcohol in the Parks regardless of whether the entire park is reserved.

Councilmember Hizon noted that there will be police surveillance at the beer gardens.

**Ordinance 1693: Amend OHMC 6.12.080 (1) to allow the sale of beer, wine, and/or liquor in conjunction with a concession agreement and/or special event permit at Fort Nugent Park**

**Motion:** Councilmember Almberg moved to take no action on Ordinance No. 1693 amending Chapter 6.12.080 of the OHMC. Seconded by Councilmember Severns, approved by majority vote.

Councilmembers Hizon, Munns, and Servatius opposed the motion.

Resolution 14-24: Amend the Employee Policy Manual to incorporate new State legislation requiring local government entities to accommodate up to two (2) unpaid holidays per calendar year for faith-based leave

Human Resources Director Sara Piccone provided the staff report.

Mayor Dudley opened the meeting for public comment at 8:43 p.m., no comment, closed at 8:43 p.m.

Councilmembers Campbell and Hizon asked follow up questions.

**Resolution 14-24: Amend the Employee Policy Manual to incorporate new State legislation requiring local government entities to accommodate up to two (2) unpaid holidays per calendar year for faith-based leave**

**Motion:** Councilmember Servatius moved to adopt Resolution 14-24. Motion seconded by Councilmember Almberg, unanimously approved.

Resolution 14-28: Approve the final location for the new Wastewater Treatment Plant.

City Engineer Joe Stowell provided the staff report.

Mayor Dudley opened the meeting for public comment at 8:52 p.m.

Citizens Speaking against the motion:

Skip Pothilla  
Paul Brewer

Mayor Dudley closed the public comment at 9:00 p.m.

**Motion:** Councilmember Servatius moved to extend the meeting to 12:00 a.m. Seconded by Councilmember Hizon, unanimously approved.

Councilmember Servatius spoke on some concerns on the treatment plant location but will support Resolution 14-28.

Councilmembers Munns, Campbell and Mayor Pro Tem Paggao spoke against the site plan location for the WWTP.

Councilmember Almberg spoke in favor of the site location.

Councilmember Severns abstained from voting in order to avoid the appearance of a conflict of interest because he is on the Whidbey Island Bank Board.

**Resolution 14-28: Approve the final location for the new Wastewater Treatment Plant.**

**Motion:** Councilmember Hizon moved to adopt Resolution 14-28. Motion Seconded by Councilmember Servatius, motion passed by majority vote.

Councilmember Severns abstained.

Resolution 14-30: Local Agency Agreement with Washington State Department of Transportation for the Waterfront Trail/Veteran's Park Landslide Restoration.

City Engineer Joe Stowell provided the staff report.

Mayor Dudley opened the meeting for public comment at 9:23 p.m., no comment, closed at 9:23 p.m.

**Resolution 14-30: Local Agency Agreement with Washington State Department of Transportation for the Waterfront Trail/Veteran's Park Landslide Restoration.**

**Motion:** Councilmember Servatius moved to adopt Resolution 14-30. Motion seconded by Councilmember Munns, unanimously carried.

Resolution 14-31: Local Agency Agreement with Washington State Department of Transportation for the Whidbey Avenue Crosswalk.

City Engineer Joe Stowell provided the staff report.

Mayor Dudley opened the meeting for public comment at 9:28 p.m., no comment, closed at 9:28 p.m.

Councilmember Servatius, Hizon and Mayor Pro Tem Paggao spoke in support of Resolution 14-31.

Councilmembers Munns and Severns discussed traffic safety concerns.

Councilmember AlMBERG inquired about the traffic count on this street and discussed the prudence of the proposed crosswalk project with Mr. Stowell.

**Resolution 14-31: Local Agency Agreement with Washington State Department of Transportation for the Whidbey Avenue Crosswalk.**

**Motion:** Councilmember AlMBERG moved to seek opinion letter from a licensed traffic engineer confirming that this is or is not a recommend location for crossing prior to expending any engineering funds for a traffic study or design. Motion seconded by Councilmember Servatius, motion carried by majority.

Councilmembers Hizon, Munns, and Severns opposed.

**Motion:** Councilmember Almgerg moved to postpone taking action on adopting on Resolution 14-31 until after we've received the opinion letter, seconded by Councilmember Campbell, unanimously carried.

Resolution 14-32: Amendment to the Collective Bargaining Agreement with Teamsters Local No. 231 for Public Works.

Human Resources Director Sara Piccone presented the staff report.

Mayor Dudley opened the meeting for public comment at 9:55 p.m., no comment, closed at 9:55 p.m.

Councilmember Severns asked how this Agreement will affect the budget. Dr. Cort confirmed that this will not require a budget amendment.

**Resolution 14-32: Amendment to the Collective Bargaining Agreement with Teamsters Local No. 231 for Public Works.**

**Motion:** Councilmember Servatius moved to adopt Resolution 14-32, seconded by Councilmember Almberg, unanimously carried.

**PUBLIC HEARINGS/PUBLIC MEETINGS**

Public Meeting for Mangat Property Petition for Annexation

Development Director Steve Powers provided the staff report. The Council may either accept, reject, or modify the Petition.

Mayor Dudley opened the public hearing at 10:07 p.m.

Citizens Speaking against the Petition:

Paul Brewer

Mayor Dudley closed the public hearing at 10:08 p.m.

Councilmembers Servatius, Munns, Campbell, Severns, Hizon, and Mayor Pro Tem Paggao asked follow up questions.

Councilmember Almberg supports the annexation petition with modifications.

**Motion for Mangat Property Petition for Annexation**

**Motion:** Councilmember Almberg moved to allow the annexation process to proceed, item number 1 that it proceeds where the City would require the annexation to be geographically modified to include the small central property fronting Oak Harbor Rd. Motion seconded by Councilmember Munns, motion passed by majority vote.

Councilmember Severns Opposed.

**Motion:** Councilmember Almberg moved that this annexation would have a requirement for simultaneous adoption of the proposed zoning. Motion seconded by Councilmember

Servatius, motion passed by majority.

Councilmember Severns Opposed.

**Motion:** Councilmember Almberg moved that the annexation requirement shall include the assumption of all or any portion of existing City indebtedness by property owners within the area to be annexed. Motion seconded by Councilmember Servatius, motion carried unanimously.

Public Hearing to receive citizen comment on projected revenues for the 2015-2016 Biennial Budget

Finance Director Doug Merriman provided the staff report.

Mayor Dudley opened the public hearing at 10:56 p.m.

Citizen Comments:

Skip Pothilla  
Paul Brewer

Mayor Dudley closed public hearing closed at 10:58 p.m.

Mayor Dudley called a 5 minutes recess at 11:02 p.m. and reconvened the meeting at 11:06 p.m.

Public Hearing on goals for the Oak Harbor Water Use Efficiency Program (WUEP)

Public Works Director Cathy Rosen provided the staff presentation

Mayor Dudley opened the public hearing at 11:10 p.m., no comment, closed at 11:10 p.m.

Mayor Pro Tem Paggao asked about meter readings.

**Goals for the Oak Harbor Water Use Efficiency Program (WUEP)**

**Motion:** Councilmember Hizon moved to approve the Water Use Efficiency Programs goals as presented, seconded by Councilmember Servatius, unanimously approved.

**UNFINISHED BUSINESS**

**NEW BUSINESS**

Authorize Mayor to sign a Professional Services Agreement with Cronin Forestry for consultant services regarding potential timber harvesting at Sleeper Road and NE 16th Avenue/Goldie Road

Public Works Director Cathy Rosen presented the staff report.

Mayor Dudley opened the meeting for public comment at 11:16 p.m., no comment, closed at 11:16 p.m.

Councilmember Almberg asked about taxes included in the agreement.

**Authorize Mayor to sign a Professional Services Agreement with Cronin Forestry for consultant services regarding potential timber harvesting at Sleeper Road and NE 16th Avenue/Goldie Road.**

**Motion:** Councilmember Servatius moved to approved to authorize the Mayor to sign the Professional Services Agreement with Cronin Forestry to provide the City with consultant services regarding providing timber crews to harvest timber at Sleeper Road and NE 16<sup>th</sup> Avenue/Goldie Road properties owned by the City not to exceed \$12,000.00, seconded by Councilmember Severns, unanimously approved.

Amend Island County Agreement for Road Maintenance

Public Works Director Cathy Rosen presented the staff report.

Mayor Dudley opened the meeting for public comment at 11:21 p.m., no comment, closed at 11:21 p.m.

**Amend Island County Agreement for Road Maintenance**

**Motion:** Councilmember Hizon moved to authorize the mayor to sign Amendment No. 1 to the Interlocal Agreement between Island County and City of Oak Harbor for Roadway Maintenance, seconded by Councilmember Munns, unanimously approved.

Second Quarter Financial Report

Finance Director Doug Merriman provided the staff report.

Mayor Dudley opened the meeting for public comment at 11:41 p.m., no comment, closed at 11:41 p.m.

Mayor Pro Tem Paggao asked questions on the report.

**EXECUTIVE SESSION**

Mayor Dudley called a recess at 11:45 p.m. for executive session to discuss Labor Negotiations for 12 minutes.

**ADJOURNMENT**

Mayor Dudley reconvened the meeting at 11:57 p.m.

Councilmember Hizon moved to adjourn, seconded by Councilmember Campbell, unanimously carried.

The meeting was adjourned at 11:58 a.m.

Anna M. Thompson, City Clerk