

**City Council Regular Meeting**  
**Tuesday, July 3, 2012, 6:00 p.m.**  
**City Hall – Council Chambers**

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**CALL TO ORDER** Mayor Dudley called the meeting to order at 6:00 p.m.

**INVOCATION** Councilmember Munns gave the Invocation.

**ROLL CALL**

Mayor Scott Dudley  
Six Members of the Council,  
Rick Almberg  
Jim Campbell  
Beth Munns  
Danny Paggao  
Joel Servatius  
Councilmember Hizon attended the meeting via telephone

Larry Cort, Interim City Administrator  
Grant Weed, Interim City Attorney  
Cathy Rosen, Public Works Director  
Steve Powers, Development Services Director  
Doug Merriman, Finance Director  
Lt. John Dyer, Police Department  
Eric Johnston, City Engineer  
Mike McIntyre, Senior Services Director

Renée Recker, Executive Assistant to the Mayor

Councilmember Severns was absent and formally excused from the meeting.

**The agenda was approved as presented.**

**MINUTES**

6/18/12 Special Meeting – (No quorum for the June 19, 2012 regular meeting date). The minutes were approved as presented.

6/14/12 Workshop – The minutes were approved as presented.

6/5/12 Regular Meeting – The corrections were approved as presented.

**NON-ACTION COUNCIL ITEMS**

**Proclamation** – City of Oak Harbor’s Wellness Committee  
Councilmember Almberg read the Proclamation which was presented to Wellness Committee members Dina Nichols and Kim Perrine.

**Proclamation** – Christmas in July  
Councilmember Munns read the Proclamation which was presented to Help House Executive Director Jean Weiman, Becky King, Cindy Noe and Tim Noe.

**Proclamation** – Riley Borden, National History Day Gold Medalist  
Councilmember Campbell read the Proclamation which was presented to Riley Borden.

## **Public Comments**

**Shane Hoffmire, Oak Harbor and Mel Vance, Oak Harbor** addressed the Mayor and Council.

There were no other public comments.

## **COUNCIL CONSIDERATION AND ACTION ON THE FOLLOWING MATTERS:**

### **Consent Agenda**

- A. Noise Permit – Fidalgo Merchant's Association.
- B. Noise Permit – Island Classic Mustang Club.
- C. Noise Permit – Sunrise Rotary – Challenge Series.
- D. Noise Permit – Phi Theta Kappa.
- E. Noise Permit – American Cancer Society – Bark for Life 2012.
- F. Excused Absence Request – Danny Paggao from the 8/8/12 meeting.
- G. Special Assistant City Attorney Agreement – Nikki Esparza.
- H. Approval of Accounts Payable Vouchers (Pay Bills)

**MOTION: Councilmember Campbell moved to approve the Consent Agenda as presented.**

Councilmembers AlMBERG and Hizon pulled Item G for discussion.

**Councilmember Campbell withdrew his motion.**

**MOTION: Councilmember Munns moved to approve Consent Agenda Items A, B, C, D, E, F and H with Item H paying Accounts Payable check numbers 150462-150592 in the amount of \$761,227.96, Payroll check numbers 95621-95652 in the amount of \$685,374.07 and Payroll check numbers 95653-95680 in the amount of \$91,308.52. The motion was seconded by Councilmember AlMBERG and carried unanimously.**

Councilmember AlMBERG requested clarification regarding work load, the term date and the scope of work associated with the agreement. Interim City Attorney Weed and Special Assistant City Attorney Esparza reviewed the work load and typical duties. Mr. Weed noted the application period for a permanent City Attorney will begin in August and prosecution services will be reviewed. It will be determined whether to include the position as a City employee or continue as a contract.

Councilmember Hizon noted an error in Section 3.3 of the agreement in the payment description. This was noted by staff and will be corrected.

**MOTION: Councilmember Munns moved to approve the Professional Services Agreement as corrected for Special Assistant City Attorney Nikki Esparza and authorize the Mayor to sign. The motion was seconded by Mayor Pro Tempore Paggao and carried unanimously.**

**Public Hearing – Discussion of Revenue Projects for the 2013-2014 Biennial Budget**  
Finance Director Merriman gave a powerpoint presentation regarding the 2013-2014 revenue projects, which are the basis for the initial financial structuring of the City's 2013-2014 biennial budget. Mr. Merriman noted the presentation is for informational purposes only and no action is required. The powerpoint information is attached as Exhibit A.

Mr. Merriman discussed the new sewer treatment plant location, the AT&T and Verizon claims, property, sales, utility and miscellaneous taxes, fees associated with licenses and permits, intergovernmental revenues, charges for services, fines and penalties and total general fund revenues. Mr. Merriman discussed sales tax trends, liquor excise tax reinstatement, trends in construction activity, fuel prices and storm drain revenues.

Mayor Dudley opened the public hearing. There were no public comments.

Councilmember Amberg asked when the Mayor's proposed budget would be available. Mr. Merriman advised the Council he would have it to Council in late September or early October.

Council discussion followed regarding the amount of data needed to accurately prepare the preliminary draft budget, upcoming funding needs, the liquor excise tax and restricted and unrestricted revenues.

**MOTION: Councilmember Almborg moved to request the Mayor to produce a preliminary budget by or before the September 4, 2012 meeting. The motion was seconded by Councilmember Servatius.**

Council discussion followed regarding the need to have the budget information as soon as possible, the four bargaining units, possible COLA increases, and the reluctance on the Council's part to rush Mr. Merriman in the timeline.

Mr. Merriman advised he could put together some preliminary figures for the Council, but may have to ask for more time if necessary.

**ACTION: The motion had a tie vote as follows:  
AYE: Councilmembers Almborg, Paggao and Servatius  
NO: Councilmembers Hizon, Campbell and Munns**

**As the motion was tied, Mayor Dudley noted no and the motion failed.**

Mayor Dudley noted Finance Director Merriman is on top of the preliminary budget and it will be brought forward in a timely manner.

**MOTION: Councilmember Alberg moved to request the Mayor to produce a preliminary budget at the September 18, 2012 meeting. The motion was seconded by Councilmember Servatius.**

Council discussion followed regarding state law provisions which establish the budget process, the associated timeline and the need to have the information as soon as possible.

Finance Director Merriman advised he will have the document ready by September 18<sup>th</sup> and would ask for additional time if necessary.

**ACTION: The motion carried unanimously.**

The Council took a brief recess.

**Public Hearing – An ordinance to limit the purchasing authority of the Mayor and City Administrator to \$10,000 and to have all contracts over \$10,000 approved by the City Council**

Finance Director Merriman presented the agenda bill, noting the amended draft ordinance at the dais.

Mayor Dudley opened the public hearing.

**Mel Vance, Oak Harbor and Martha Yount, Oak Harbor addressed the Mayor and Council.**

There being no further comment the hearing was closed.

Councilmember Alberg suggested a change to the wording of Section 2.310.050 to ensure contracts for professional services under \$10,000 would be reviewed by the Finance Director AND the City Attorney prior to signing. This change was noted by staff. Interim City Attorney Weed reviewed the amendments he proposed to the ordinance.

Council discussion followed regarding the current fiscal emergency and special meeting noticing requirements.

**MOTION: Councilmember Alberg moved to approve the ordinance as amended in the draft that was distributed at the meeting, incorporating the amendments made by Interim City Attorney Weed and the change in wording suggested by Councilmember Alberg. The motion was seconded by Councilmember Munns.**

Interim City Attorney Weed read the amendments into the record for Councilmember Hizon's benefit since she was not physically in attendance. He added it was allowable for Councilmember Hizon to vote on the motion as the changes were not substitutive – but clerical in nature.

**ACTION:** The motion carried 5:1 [Councilmember Campbell voted no].

The draft ordinance discussed is attached as Exhibit B.

**Public Hearing - An ordinance to create a Stabilization Fund setting the minimum fund balance of the General Fund at the greater of 25% or \$3,000,000**

Finance Director Merriman presented the agenda bill, noting the proposed Stabilization Fund would add more of a legislative process to the General Fund. He discussed the purpose and operation of the fund.

Mayor Dudley opened the public hearing.

**Martha Yount, Oak Harbor and Mel Vance, Oak Harbor addressed the Mayor and City Council.**

There being no further public comment, the public hearing was closed.

Councilmember AlMBERG discussed the reason for bringing this item forward and his belief the fund is a prudent fiscal policy.

**MOTION:** Councilmember AlMBERG moved to pass the ordinance creating Oak Harbor Municipal Code Chapter 3.09 General Fund Revenue Stabilization Fund. The motion was seconded by Councilmember Munns.

Council discussion followed regarding fund specifics and the fact the fund would be a positive sign to a bond analyst.

**ACTION:** The motion carried unanimously.

**Authorization to Advertise for Bids – Light Rescue Unit**

Fire Chief Merrill presented the agenda bill, noting the Fire Department is requesting authorization to begin the bidding process for a replacement rescue vehicle. He added there is funding available for the purchase in the equipment replacement fund. Chief Merrill gave a powerpoint presentation describing the history of the department's rescue vehicles and described the shortcomings of the current vehicle. A portion of the powerpoint is attached as Exhibit C [some photos removed].

Mayor Dudley opened the meeting to public comment.

There was no comment.

Council discussion followed regarding the timing of the proposal in light of the fact the budget process has not yet begun, the possibility of deferring the purchase, the possible consolidation of the department with North Whidbey Fire and Rescue, the vehicle replacement process and the benefit of purchasing a demo unit as opposed to a new unit.

**MOTION:** Councilmember Campbell moved to authorize staff to proceed with the advertisement to competitively bid on a light rescue vehicle. The motion was seconded by Councilmember Munns and carried unanimously.

### **Future City Council Pending Items**

The Council noted the upcoming items.

### **City Administrator's Comments**

Interim City Administrator Cort discussed the upcoming Fire Department Open House, upcoming City Council meetings and the annual City picnic. He gave a status report on the upcoming positions.

With regard to the City Administrator position, Mayor Dudley added due to action taken regarding the Mayor's reduction in purchasing authority, he will come back to City Council for direction on how to proceed in recruitment efforts. He noted he would like to continue with Interim City Administrator Cort for now.

Interim City Administrator Cort advised the Mayor and Council there is a sink hole on Highway 20 in the right turn lane on Whidbey Avenue. He added it has been covered with a steel plate pending further repairs after the 4<sup>th</sup> of July holiday.

### **Council Members' Comments**

Mayor Pro Tempore Paggao discussed the upcoming Public Works Standing Committee meeting and congratulated the City's Wellness Committee on their recent Well City Award.

Councilmember Campbell had no announcements.

Councilmember AlMBERG discussed the upcoming Finance Committee meeting, the recent AWC conference, fiscal responsibility and his desire to know what the Mayor's future plans are.

Councilmember Munns discussed the upcoming Public Safety Standing Committee meeting, the recent AWC conference and her re-election to the AWC Board of Directors.

Councilmember Hizon discussed the Youth Commission and the recent AWC conference. She thanked the Council for allowing her participation in the meeting by telephone.

Councilmember Servatius had no announcements.

### **Mayor's Comments**

Mayor Dudley asked Fire Chief Merrill to provide information regarding recent Fire Department accreditation accomplishments, acknowledged the new art in the Council Chambers and encouraged everyone's participation in the upcoming 4<sup>th</sup> of July festivities.

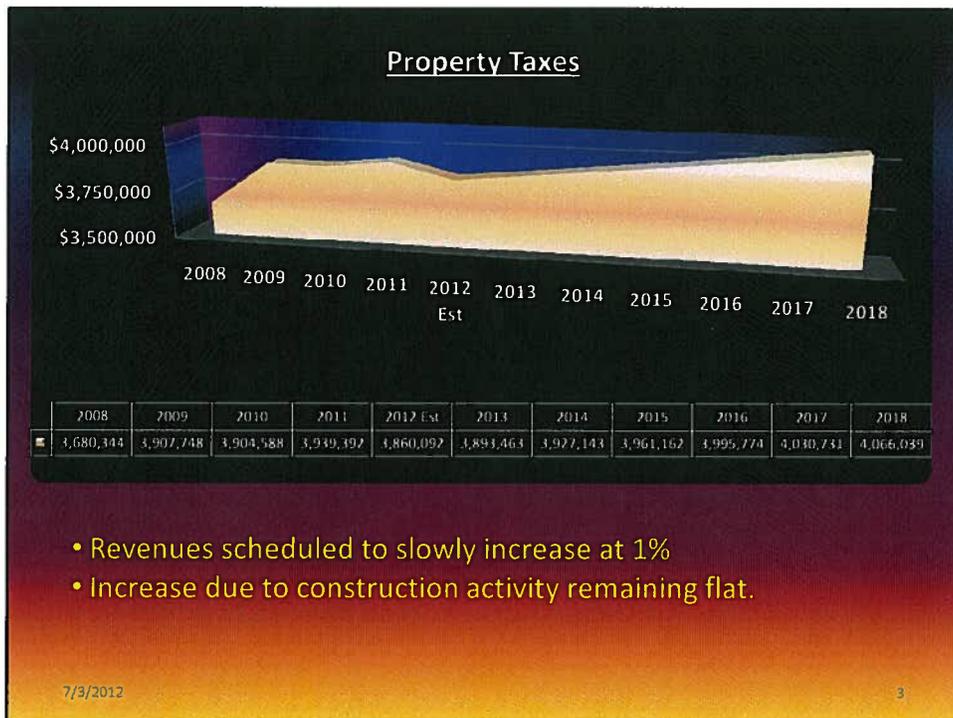
There being no further business to come before the Council, the meeting was adjourned at 8:50 p.m.

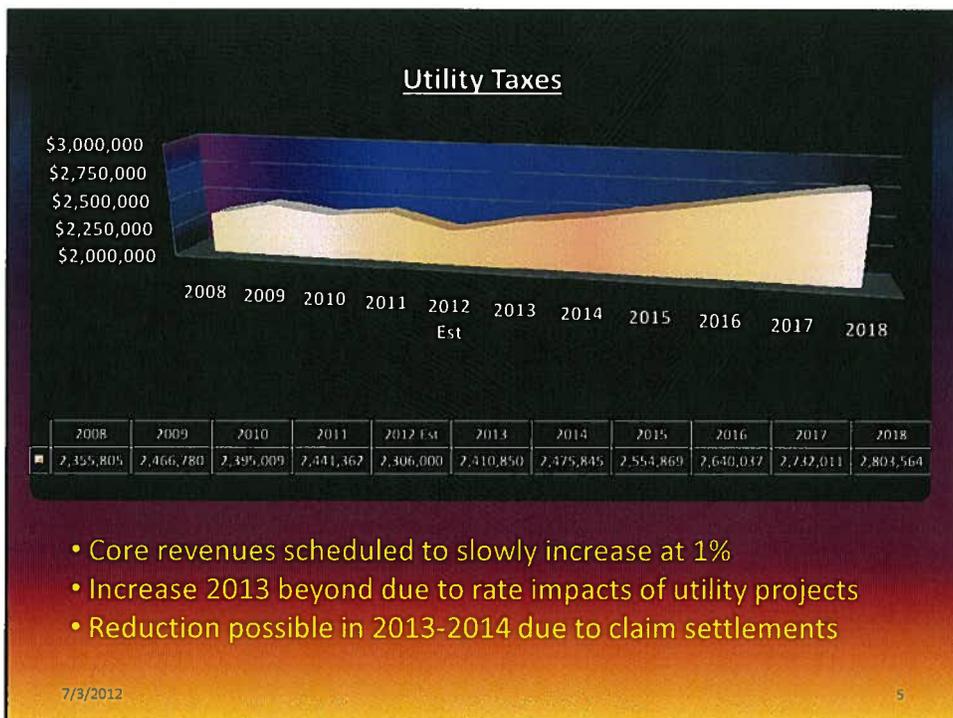
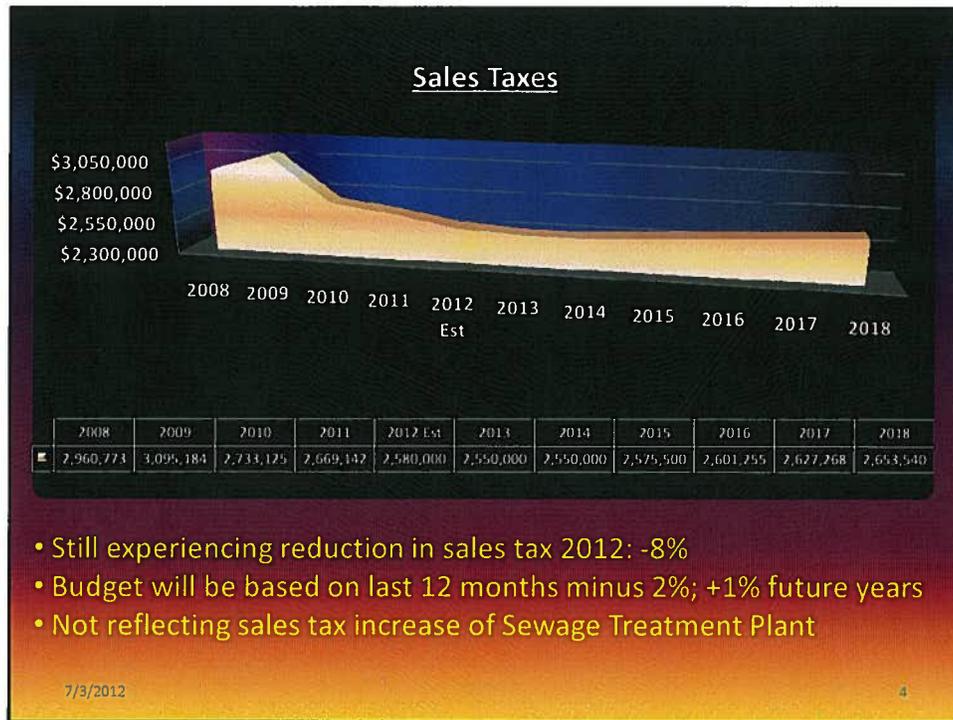
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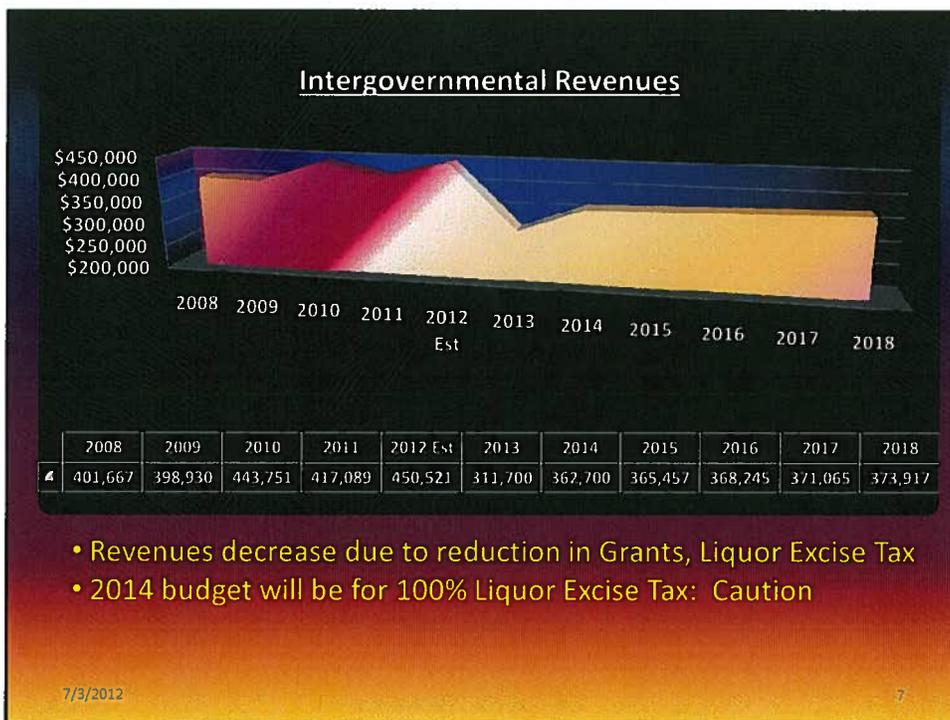
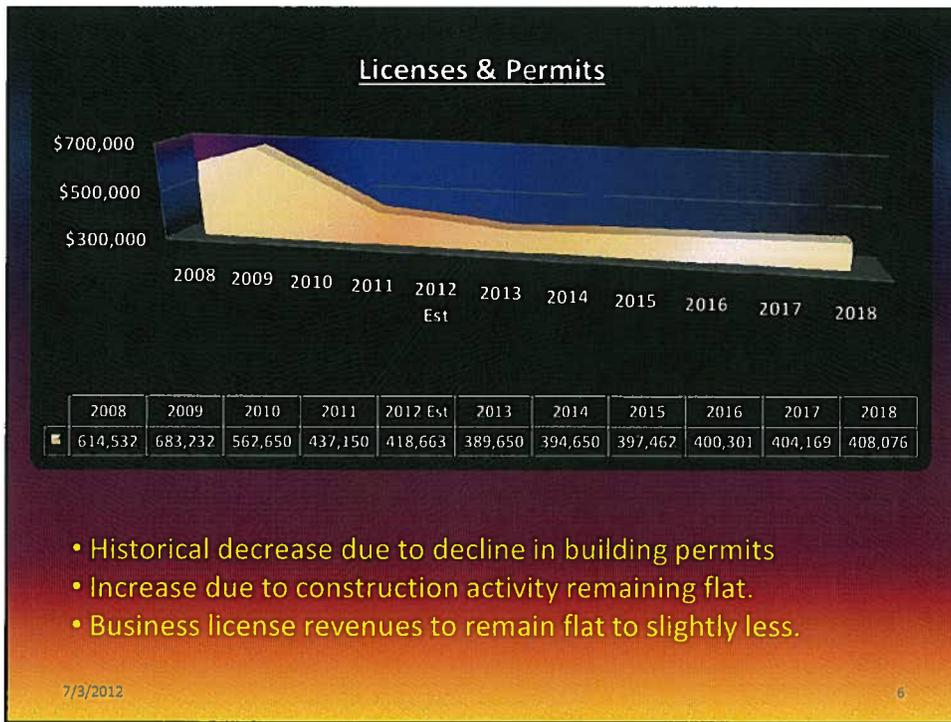
Karen Crouch, Executive Assistant

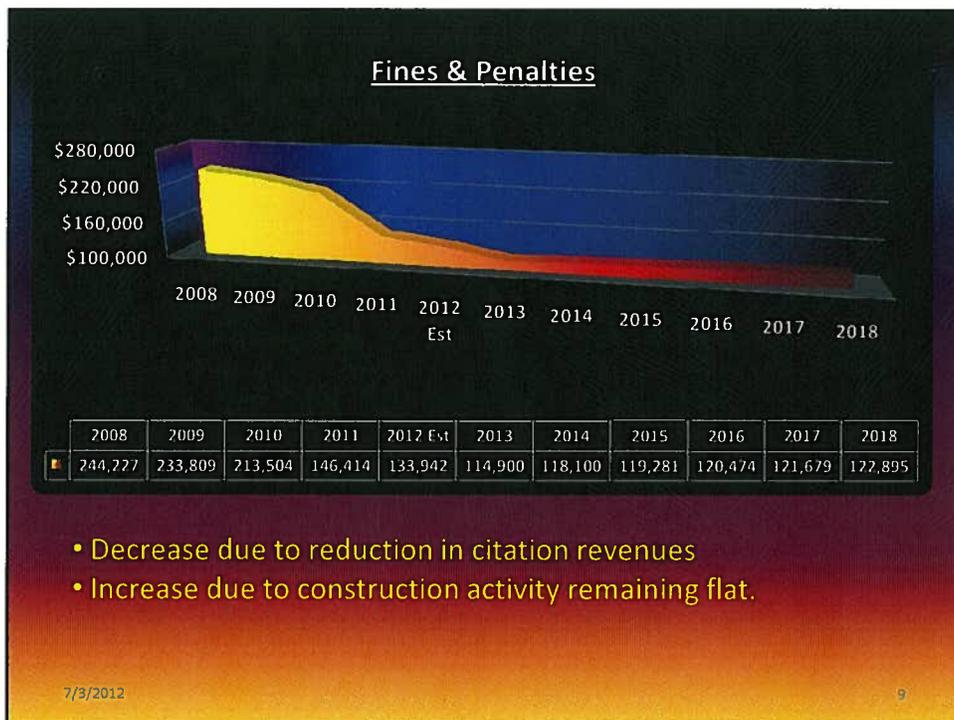
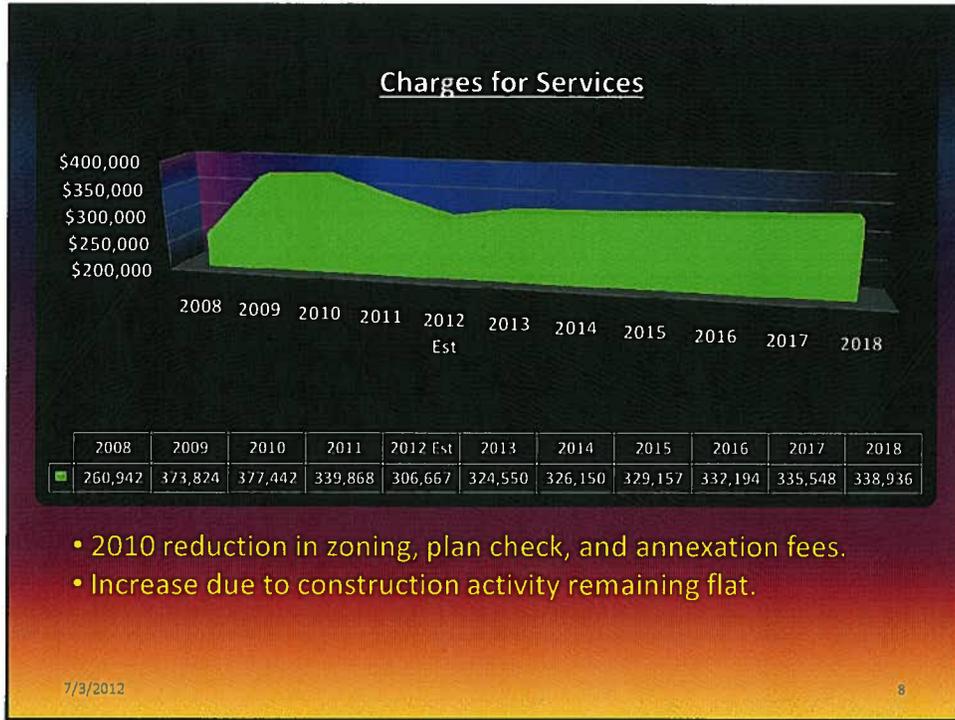
# City of Oak Harbor Revenue Projections For Biennial Period 2013-2014

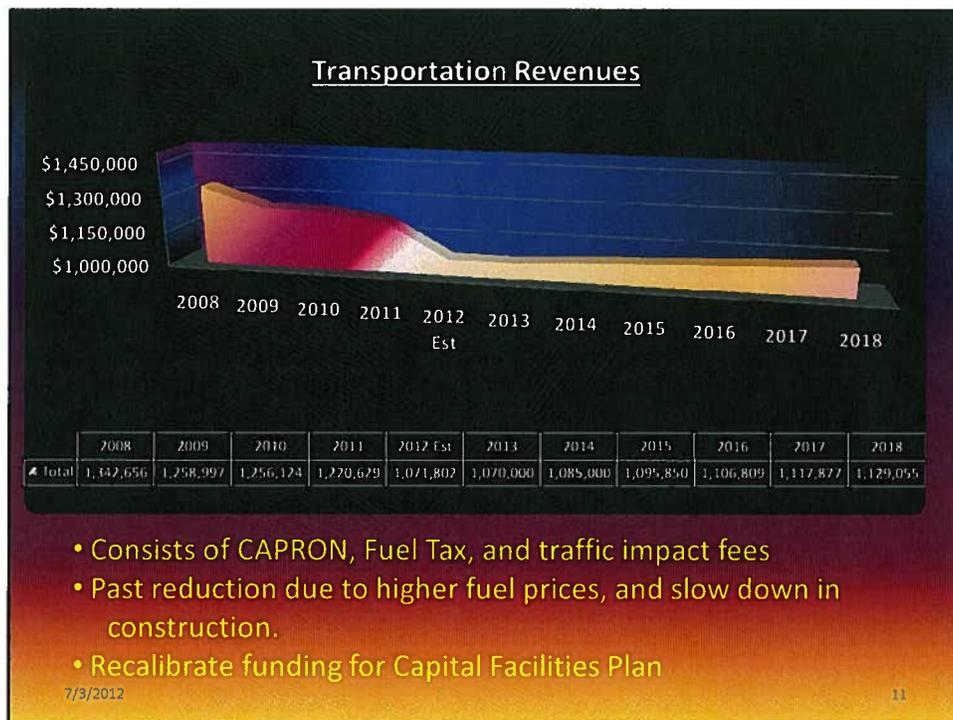
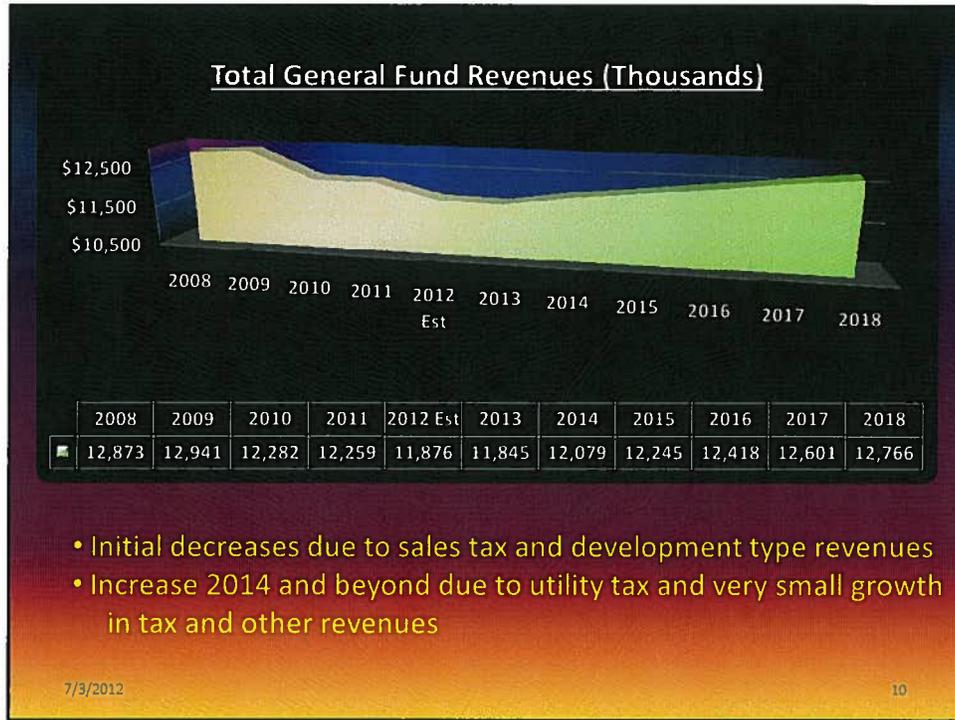


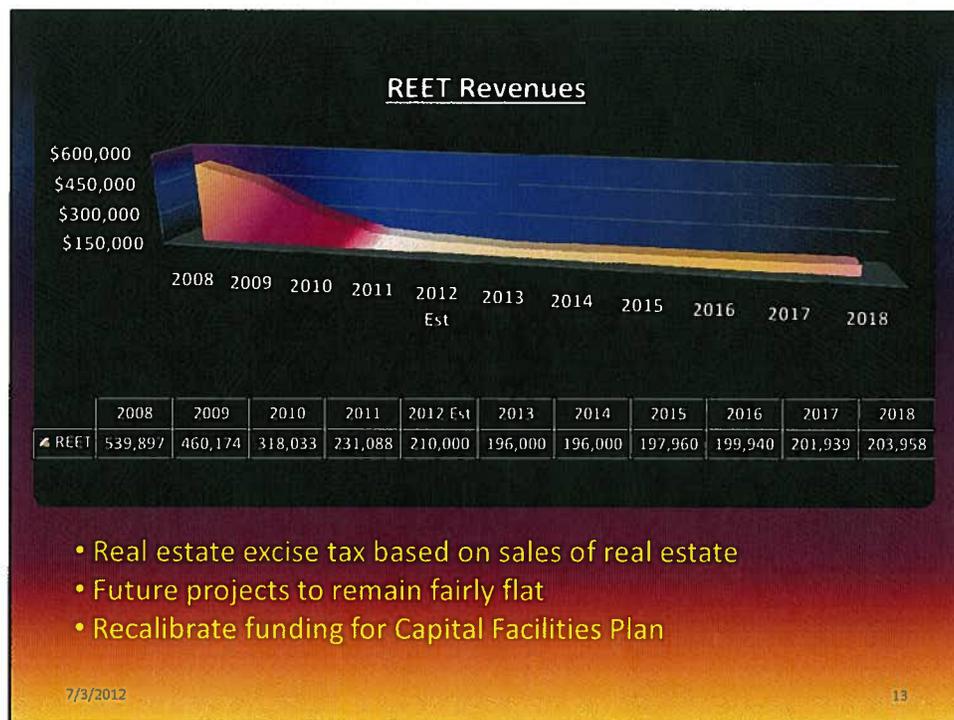
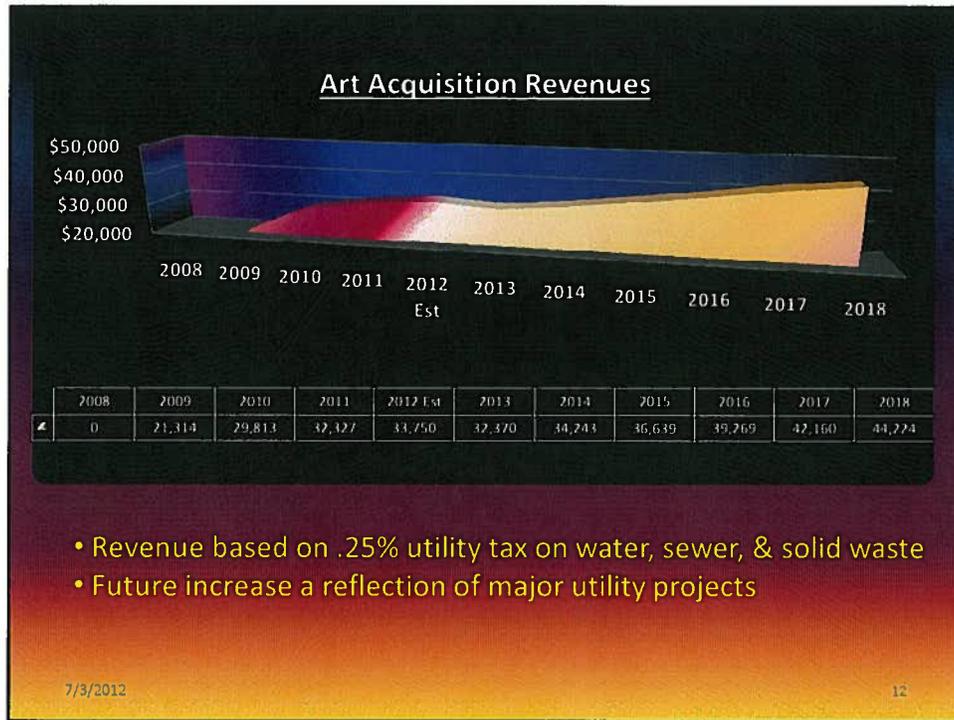












## Enterprise Funds:

Water, sewer, solid waste  
Storm drain, Marina



- 1) HDR review during July
- 2) Anacortes water treatment plant rate impact
- 3) Marina: Vacancy ratio and fuel pricing impacts
- 4) Storm Drain revenues: Archeological impacts

7/3/2012

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## Looking Ahead:



- 1) Sales tax trends
- 2) Liquor excise tax reinstatement
- 3) Trends in construction activity
- 4) Fuel prices
- 5) Storm Drain revenues



7/3/2012

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## Discussion

Exhibit B

ADDENDUM

AND AMENDMENTS  
OEMC, Section 2,310.050

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AMENDING THE OAK HARBOR MUNICIPAL CODE SECTIONS 2.390.010, 2.390.020, 2.390.030, ~~AND~~ A NEW SECTION 2.390.070 TO REQUIRE ALL CONTRACTS OVER \$10,000 TO HAVE CITY COUNCIL APPROVAL, AND TO REDUCE THE CONTRACTING AUTHORITY OF THE MAYOR AND CITY ADMINISTRATOR TO \$10,000.

WHEREAS, prudent budget planning is to ensure that a sound, logical, and responsible approach is taken to ensure budgetary compliance during times of financial hardship; and

WHEREAS, a revenue shortfall is defined as any event or condition where revenues are reduced in an amount greater than \$50,000 of the operating budget of any division, program, or fund; and

WHEREAS, with the economic downturn having impacted the revenues of the City, City Council desires to establish stronger controls and approval authority over the purchasing of materials, supplies, equipment and services, and contracts for public works; and

WHEREAS, the City Council directs that any contracts in excess of \$10,000 shall not be let without specific prior Council approval even if mentioned directly in the budget or notes thereto and even if funds are authorized therefore;

WHEREAS, it is the desire of the City Council that no contract shall be authorized by more than one person nor shall the spending authority of more than one person be aggregated to exceed \$10,000.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAK HARBOR DO ORDAIN as follows:

Section 1. ~~Chapter 2.390~~ of the Oak Harbor Municipal Code is amended to read as follows:

**Chapter 2.390  
CONTRACT AUTHORITY**

Sections:

- 2.390.010 Council approval.
- 2.390.020 Mayor's authority to contract.
- 2.390.030 City administrator's authority to contract.
- 2.390.040 Departmental authority to contract.
- 2.390.050 Contracts exceeding one year or the limit of the ~~biannual~~ biennial budget.
- 2.390.060 Records and reporting of contracts.
- 2.390.070 Aggregation of purchase authority.

**2.390.010 Council approval.**

Unless otherwise authorized or directed by law, ordinance or council resolution (for example, responding to an emergency), all contracts over ~~\$30,000~~ \$10,000 require council approval. (Ord. 1470 § 8, 2006).

**2.390.020 Mayor's authority to contract.**

The mayor shall, subject to budgetary restrictions, and the conditions and exceptions stated in Chapters 2.310 through 2.390 OHMC, regulation, procedures adopted by the mayor and state law, make purchases of materials, supplies, equipment and services and contract for public works and enter into contracts or purchase orders for the same in amounts up to ~~\$30,000~~ \$10,000 without prior council approval so long as the same is within the fund budget; provided, that this restriction does not apply to emergencies or market conditions as defined by state law so long as the conditions and procedures therein imposed are followed for exercise of these powers. (Ord. 1470 § 8, 2006).

**2.390.030 City administrator's authority to contract.**

The city administrator shall, subject to the mayor's direction, control, budgetary restrictions, and the conditions and exceptions stated in Chapters 2.310 through 2.390 OHMC, regulation, procedures promulgated by the mayor and state law, make purchases of materials, supplies, equipment and services and enter into contracts or purchase orders for the same in amounts up to ~~\$20,000~~ \$10,000 without prior council approval so long as the same is within the fund budget. (Ord. 1470 § 8, 2006).

**2.390.040 Departmental authority to contract.**

Each department director shall, subject to the mayor's direction, control, budgetary restrictions, and the conditions and exceptions stated in Chapters 2.310 through 2.390 OHMC, regulation, procedures adopted by the mayor and state law, make purchases of materials, supplies and equipment and enter into contracts or purchase orders for the same in amounts up to ~~\$10,000~~ without prior council approval. (Ord. 1470 § 8, 2006).

**2.390.050 Contracts extending one year or the limit of the biannual biennial budget.**

Authorizations under this chapter shall not authorize contracts to be made by the mayor, city administrator or department director which exceed one year in length or exceed the end of the term of the biannual biennial budget in which contract is made, whichever is longer, unless the same is terminable by 30 days' notice without penalty and payments are prorated monthly or based on effort expended or goods supplied. (Ord. 1470 § 8, 2006).

**2.390.060 Records and reporting of contracts.**

The department director, city administrator or mayor making a contract made without specific prior council approval pursuant to the authorizations in this chapter or under other law, ordinance or resolution shall immediately document the same and advise the finance director. In addition, a report of the contracting shall be made to the city council. The report can be by agenda item or separate report in a form determined appropriate to provide information to the council. This provision does not apply to purchase of supplies, materials and equipment since these are normally reported through the accounts payable system. (Ord. 1470 § 8, 2006).

**2.390.070 Aggregation of purchase authority.**

No contract shall be authorized by more than one person such that individual spending authorities are aggregated to exceed the \$10,000 amount requiring City Council approval.

*Section*  
Section 2. ~~Chapter~~ 2.310.050 of the Oak Harbor Municipal Code is, to read as follows:

**2.310.050 Professional service contracts.**

Contracts for professional services, including contracts for legal and consulting services, are not subject to the bidding requirements of Chapters 2.310 through 2.390 OHMC. The mayor or his/her

*amended*

designee shall promulgate procedures and standards for the approval of such contracts. Contracts for architectural and engineering services shall be awarded in accordance with Chapter 2.350 OHMC and Chapter 39.80 RCW. For purposes of this section, "professional services" are those services involving skill, education and special knowledge and where the work is predominately mental and intellectual, rather than physical and mechanical. The mayor shall establish guidelines and procedures for obtaining professional services. Professional service contracts in excess of ~~\$30,000~~ \$10,000 shall require approval by the city council. <sup>And</sup> Contracts for professional services under ~~\$30,000~~ \$10,000 shall be reviewed by the finance director ~~of~~ the city attorney prior to signing to assure compliance with the Oak Harbor ~~biannual~~ biennial budget, provisions of Chapter 2.350 OHMC and purchasing policies promulgated by the mayor. (Ord. 1470 § 2, 2006).

Section 3. Effective Date. This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

PASSED and approved by the City Council this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

THE CITY OF OAK HARBOR

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form by \_\_\_\_\_

\_\_\_\_\_  
City Attorney

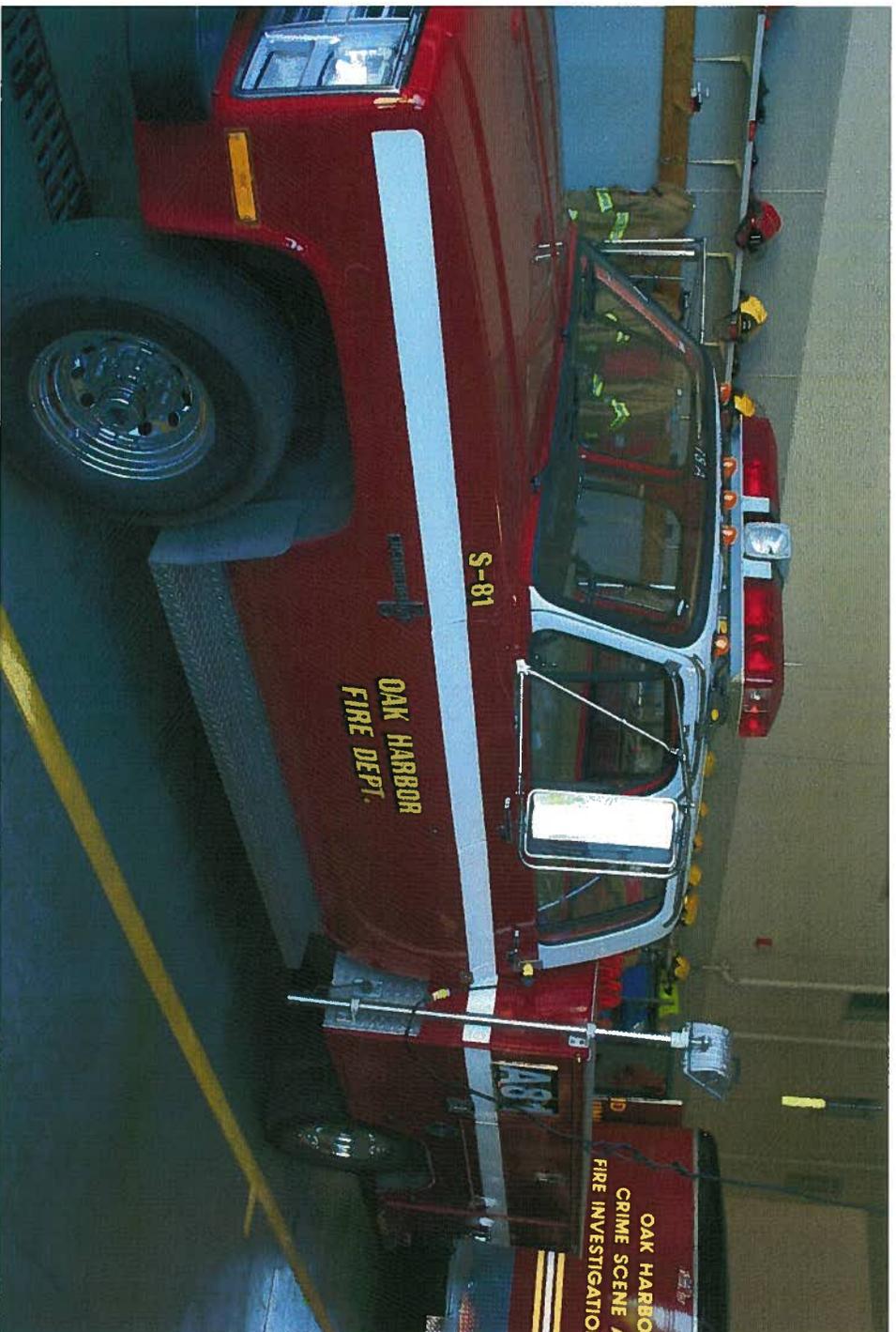
# Authorization to Bid

- ▶ The Fire Department is requesting authorization to begin the bidding process for a replacement rescue vehicle.

Exhibit C



# Current A-81 (S-5, S-81)



# History

- ▶ 1980 Ford / Marion R-5 and R-81



# 1991 - 1993 W-4 / W-6

- ▶ Old Whidbey General Ambulance used for BLS transports



**1997 - 2008: Aid - 81**

- ▶ **1986 Ford / Wheeled Coach Ambulance**



# Time line

- ▶ 1980: purchase R-5 (R-81)
- ▶ 1986: purchased 4X4 Chevy pick-up - primary use to tow boat, and moving equipment
- ▶ 1991 - 1993 W-4 / W-6 BLS Unit
- ▶ 1991: 4X4 Chevy - Removed pick-up bed - installed Servus Box. Intent to carry equipment - Mobile SCBA refilling station (cascade system)
- ▶ 1997: Sold R-81 to NWFR - Moved equipment to S-81 (4X4 Chevy) - Placed A-81 (wheeled coach) in service



## Time Line Continued

- ▶ A-81 not BLS Certified - turned into glorified rescue - carried extrication tools, SCBA bottles and aid equipment
- ▶ 2008: A-81 wheeled coach out of service - S-81 in service as A-81 - removed cascade system
- ▶ Placed SCBA / Air trailer in service
- ▶ 2008 - present 1986 Chevy in service as A-81



# Current A-81 1986 Chevy 4X4

- ▶ Mileage: 29,100
- ▶ Cost to operate: 2000 - 2011 \$7,244.00  
2009 - 2011 \$3,731.00\*
- \* Not including winch costs \$2,000.00



# Rational

- ▶ Vehicle is over loaded – potential for personnel injuries, Compartments full, method for carrying equipment in the ‘basket’ unsafe
- ▶ Emergency lighting is marginal – fails to meet current NFPA 1901 standards
- ▶ Vehicle is 26 years old, repairs are going to become expensive



# Funding Source

- ▶ Equipment Replacement Fund
- ▶ 09 Blazer Trailer: \$3,023.00
- ▶ 97 Seagraves \$ 659.00
- ▶ 97 Seagraves \$ 979.00
- ▶ 88 E-1 Engine \$12,500.00
- ▶ 92 Seagraves \$121,114.00
- ▶ Rough Total \$138,273.00



# Equipment Replacement – Leaving

- ▶ 04 Tahoe \$24,947
- ▶ 04 Tahoe \$25,112
- ▶ SCBA's / Mobile air \$96,000
- ▶ Pagers \$ 5,100
- ▶ Radios \$ 5,000
- ▶ Thermal Imagers \$ 9,996



# OPTIONS

- ▶ Replace 1986 Chevy A-81 with Rescue
- ▶ Take A-81 OOS and place equipment on engines - purchase additional equipment
- ▶ S-81 w/rescue equipment only
- ▶ Respond an engine on all calls \$\$\$\$
- ▶ Do nothing



# Projected Costs

Bidding	\$500.00 – \$1,000.00
Road Trip	\$1,000.00 – \$1,500.00
Vehicle Cost	92,000.00 – 121,000.00
Plus tax and transportation)	





# Timeline:

- ▶ Call for Bid: 30 days notice
- ▶ Opening August 7<sup>th</sup>
- ▶ Bring forth to PSSC August 19<sup>th</sup>
- ▶ Present to Council Sept 4<sup>th</sup> meeting
- ▶ Demo unit - immediate pick-up or as agreed
- ▶ Custom Built - 200 / 270 days from date of award.



# Recommendation

- ▶ Begin the bid process –authorize the calling for bids.
- ▶ New or Demo Unit.
- ▶ Questions / Comments

