

Oak Harbor City Council
Regular Meeting Minutes
January 7, 2014

CALL TO ORDER

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

INVOCATION/PLEDGE OF ALLEGIANCE

Pastor Randy Beumer of Oak Harbor Christian Reformed Church, gave the Invocation, and Mayor Dudley led the Pledge of Allegiance.

ELECTION OF MAYOR PRO TEM

Motion: Councilmember Munns moved to elect Danny Paggao to another two-year term as Mayor Pro Tempore. The motion was seconded by Councilmember Campbell and carried unanimously.

ROLL CALL

Present:

Mayor Scott Dudley
Mayor Pro Tempore Danny Paggao
Councilmember Rick Almberg
Councilmember Jim Campbell
Councilmember Tara Hizon
Councilmember Joel Servatius

Staff Present:

City Administrator Larry Cort
Finance Director Doug Merriman
Development Service Director Steve Powers
Public Works Director Cathy Rosen
Fire Chief Ray Merrill
Police Chief Ed Green
City Attorney Nikki Esparza
Interim City Clerk Anna Thompson

Councilmember Bob Severns was excused.

HONORS AND RECOGNITIONS

Councilmember Danny Paggao – 20 Years of Service Recognition

Councilmember Campbell nominated Councilmember Danny Paggao for his 20 years of dedicated service to the City of Oak Harbor and presented him with a fleece jacket embroidered with the City logo and 20-year pin in recognition. Staff also provided a Powerpoint Presentation of photos reflecting Mr. Paggao's service over the years as well as early council trivia with Mr. Paggao.

Councilmember Hizon seconded the motion and requested Councilmember Danny Paggao's acceptance of nomination and Mr. Paggao accepted and carried unanimously.

APPROVAL OF AGENDA

Motion: Councilmember Hizon moved to approve the agenda as presented. The motion was seconded by Councilmember Almberg and carried unanimously.

CONSENT AGENDA

- a. Minutes of the Regular City Council meeting held December 17, 2013
 - b. Approval of Accounts Payable Vouchers
 - c. Motion to authorize the Mayor to sign the agreement with AA Sports LTD for marathon timing support as outlined in the Scope of Work in the amount of \$10,560.00
 - d. Motion to confirm the Mayor's appointment of Otto Haffner to the Youth Commission for a three year term to expire January 2017
 - e. Motion to authorize the Mayor to sign the Interlocal Agreement with Whatcom County Sheriff's Office for Mini-Chain Use
 - f. Motion to authorize the Engineering Department to advertise for consultants for professional engineering services for the Lyszak Outfall Project

Motion: Councilmember Campbell moved to adopt the consent agenda as presented. Council Member Munns asked to pole consent agenda item a. f.

Motion: Councilmember Munns moved to adopt the consent agenda as presented, and opposed unanimously.

Councilmember Munns moved to discuss consent agenda item a. f. regarding time limits on the engineering advertising services. Staff explained that consent agenda item a. f. authorized the City to advertise for qualifications and during the selection process the department can determine whether it has the budget available for the design.

Motion: Councilmember Munns moved to adopt consent agenda as presented. The motion was seconded by Councilmember Hizon, and carried unanimously.

STAFF AND COUNCIL COMMENTS

City Administrator Dr. Larry Cort introduced Anna Thompson as Interim City Clerk. Dr. Cort then discussed upcoming agenda items of some interest regarding an ordinance to address panhandling and the purchase of the art piece entitled "The Cracker" for Pioneer Way.

The City Administrator updated Councilmembers that the City of Oak Harbor has received over 2000 applicants for the annual marathon.

Dr. Cort presented an update on the Wellness Program. So far, twenty-six employees have met the required number of points to earn one day off – with the highest score obtained by Renee Hammer.

The Mayor expressed appreciation for the new art hanging in Council Chambers, loaned to City Hall by Shirley Taft, a resident of Oak Harbor.

The Mayor then showed his support for the Sea Hawks.

Councilmember Paggao also rooted for the Sea Hawks.

Councilmember Campbell suggested placing signs underneath our City Banners located on our streetlamps that states “we support the veterans.” He also suggested adding a photograph of our local veterans on the sign.

In anticipation of the eight new Navy squadrons relocating to NAS Whidbey, Councilmember Campbell advised the Council that the City of Oak Harbor has a lack of housing with only 56 houses available.

Councilmember Almberg welcomed Anna Thompson as Interim City Clerk.

Councilmember Munns reports on the high school scholarship election and should have the results this month.

Councilmember Hizon congratulated Councilmember Paggao on his recognition of 20 years service to the City. Councilmember Hizon also commended Flyers restaurant and Chamber of Commerce for a fantastic turn out at the 5 k Race on New Year’s Day and thanked the Fire Department for their attendance.

Councilmember Servatius discovered through the Island County Health Department clerk that there is a grant opportunity and hopes Oak Harbor can take advantage of the offer. Dr. Cort commented that he is aware of the grant and is currently looking into its restrictions and opportunities to spend the money in a way beneficial to Oak Harbor.

ORDINANCES AND RESOLUTIONS

Resolution 14-03: Lodging Tax Grant Awards for 2014

Finance Director Doug Merriman provided the staff report

Public comments:

Michelle Curry, owner of Mac Events and Promotions and Director of Hydroplane Races for August of 2014. Ms. Curry requested that the Council increase the current grant of \$25,000.00 to adequately promote fund and advertise for the event.

Councilmember Munns asked Staff whether there are studies available to analyze the economic effectiveness of such events. Staff explained the studies available.

Councilmember Almberg asked Ms. Curry about the number and size of boats, Ms. Curry provided details.

Councilmember Paggao asked that Council consider raising the grant award next year.

Staff explained that there were no more funds available from the source of the grant money and that \$25,000.00 is the highest grant the City of Oak Harbor has awarded.

Councilmembers Campbell and Munns agree with the current allocation of grant moneys.

Councilmember Servatius motioned to adopt Resolution 14-03.

Resolution 14-03 Lodging Tax Grant Awards for 2014

Motion: Councilmember Servatius moved to adopt Resolution 14-03. The motion was seconded by Councilmember Munns and carried unanimously.

Resolution 14-02: Providing a Market Rate Salary Adjustment to Certain Non-Represented Classifications

Finance Director Doug Merriman provided the staff report and handed out Market Rate Salary materials to Councilmembers.

No public comment.

Councilmember Munns asked whether positions listed on the material would see an increase in salary and whether all positions listed were filled or authorized to be filled. Staff answered that all positions listed would receive a salary increase to match the market studies of other similarly situated positions.

Councilmember Campbell asked whether all would receive a pay raise and staff responded that only employees not represented and with positions determined to be under market as listed in the materials provided. Staff added that the proposed salary changes were available in the budget.

Councilmember Paggao asked whether the economic coordinator would become a permanent position. The City Administrator explained that currently the Senior Planner will undertake the economic coordinator responsibilities at this time. Councilmember Paggao added that he hopes this job title can become a fulltime position in the future.

Councilmember Almborg questioned Staff regarding the budget and pay increases.

Resolution 14-02: Providing a Market Rate Salary Adjustment to Certain Non-Represented Classifications

Motion: Councilmember Hizon moved to adopt Resolution 14-02. The motion was seconded by Councilmember Campbell and carried unanimously.

PUBLIC HEARINGS/PUBLIC MEETINGS

Quasi Judicial Hearing Regarding Nightclub License for the Hookah Lounge
Police Chief Ed Green provided the staff report.

Mayor Dudley opened to public hearing at 6:48 p.m.

Before Chief Green presented the report, City Attorney Nikki Esparza explained that per Council Rule 19, the appearance of fairness must be ensued before a quasi-judicial hearing.

Councilmember Hizon recused herself and left the Council Chambers.

Speaking in opposition to the nightclub license was:
Camille Brighten

Speaking in support of the nightclub license was James Ryan, accompanied by co-owner Charles Morgan, owners of the Hookah Lounge. The owner explained that they are not changing their business model and have been in operation since April of 2013 with minimal issues. They had to apply for a nightclub license in order to serve alcohol. Chief Green confirmed that there were very few complaints amount the Lounge.

The public hearing closed at 7:28 p.m.

Councilmember AlMBERG supported this license subject to conditions recommended by the Police Chief.

Councilmember Paggao opined that the wooden building is not suitable for this type of activity and lends itself to noise issues. Mr. Paggao was also concerned about loitering, trash on the streets and loud music.

Councilmember Campbell was concerned about the maximum amount of people allowed inside, security, ventilation systems and safety procedures in place.

Councilmember Munns spoke in support of the license indicating that the business encourages economic growth and that the owners have been good stewards thus far.

Councilmember Servatius spoke in favor of the license and had never witnessed any issues with the Hookah lounge and supports the license subject to the Police Chief's recommendations.

Motion: Councilmember AlMBERG moved to amend the nightclub license to specifically include the Police Chief's recommended conditions from letter dated January 7, 2014. Councilmember Servatius noted that the conditions were originally set forth in the November 13, 2013 letter and the January letter was just a summary of the same conditions. The motion was seconded by Councilmember Servatius and opposed unanimously.

Quasi Judicial Hearing Regarding Nightclub License for the Hookah Lounge

Motion: Councilmember AlMBERG moved to approve a Nightclub License for the Hookah Lounge Subject to Conditions of Approval as set forth in Police Chief Green's letter dated November 13, 2013. The motion was seconded by Councilmember Servatius and carried unanimously.

Councilmember Hizon rejoined the Council.

Ordinance 1657: Relating to the Binding Site Plan

Planning Director Steve Powers provided the staff report including Power Point Presentation.

Mayor Dudley opened the public hearing at 7:30 p.m.

Speaking in opposition to the Binding Site Plan was:
Sue Karahalios, President of Pier Point
Christon C. Skinner, Attorney for Pier Point

Councilmember Servatius referred to the letter from Judge Hancock and stated that the letter implies no further building shall commence and that if any site plan existed, it expired along with the construction site expiration. He stated that the Council should be focused on general concerns for policy purposes and specifically mentioned the Pier Point issue.

Steve Powers handed out a summary of Judge Hancock's decision from 2011 regarding the pier point issue to Councilmembers and then read Judge Hancock's order aloud.

Councilmember Munns opined that based on the letter the site plan shrunk in size and no longer includes the other undeveloped parcels. However, if construction is to resume, the builders must start the process over anyway. She reminded the Council to be forward-looking on this issue in the best interests of the City, not just the Pier Point issue in isolation.

Councilmember Campbell relayed a summary of the Pier Point facts as he understood them. He felt that the Pier Point owners have an expectation of reliance on the fact that they purchased property with nearby vacant land that would not be developed.

Councilmember Paggao spoke in support of the planning commission's recommendation. He also pointed out the City could face possible litigation initiated by the Pier Point owners and proposed adopting Mr. Skinner's proposed language to the ordinance.

Councilmember Almberg spoke in support of following the court order and the recommendation of the planning commission as presented. He did have some concerns that the requirement to obtain directly affected owners' signatures in order to pass a new binding site plan could become problematic and too far reaching. He expressed concern for the general good of the community,

Councilmember Hizon asked Mr. Powers whether legal was aware of the Pier Point issue and the Planning Director confirmed that legal has had extensive involvement. .

Attorney Christon Skinner clarified for the Councilmembers that both parties are in agreement with the interpretation of Judge Hancock's decision but that he proposed that 100% of the directly affected owners (i.e. Pier Point) approve of an amended binding site plan if such plan affects their property.

Councilmember Hizon discussed the pros and cons with retrieving 100% of the owner's approval of an amended site plan in detail between Steve Powers and Chris Skinner. She then asked the other Councilmembers to weigh in on their opinion to require all owners' consent of an amended plan.

Councilmember Almberg then asked follow-up questions regarding Judge Hancock's letter to Chris Skinner and Steve Powers on the issues of whether policy should favor requiring only directly affected owners to consent or all owners' consent of a new site plan. Councilmember Almberg supported the policy to require 100% of owners' consent because the directly affected could prove to be too open-ended.

Attorney Chris Skinner suggested drafting the 100% requirement for residential owners and a different standard for commercial properties.

Councilmember Munns opposed the proposal to draft different standards of approval for various property zones.

Councilmember Hizon asked staff to explain the definition of “directly affected” and was concerned that this phrase could be a slippery slope. Staff assured her that the definition would have objective criteria and added that Public hearings are not required for amending site plans but that if there are interested parties, they can make public comments at Council Meetings.

Steve Powers stressed the fact that there are problems with obtaining 100% of signatures from directly affected owners, for example if Wal-Mart were directly affected in a future proceeding, it would be very difficult to track down the owner for signature in a timely manner.

The public hearing closed at 8:50 p.m.

Ordinance 1657 Relating to the Binding Site Plan (Public Hearing)

Motion: Councilmember Hizon moved to adopt Ordinance 1657 as presented. The motion was seconded by Councilmember AlMBERG and carried unanimously.

At 9:00 p.m. Mayor Dudley asked Councilmember Servatius extend the Council meeting to 9:30 p.m. and for a five-minute recess.

Motion: Councilmember Servatius moved to extend the Council meeting to 9:30 p.m. The motion was seconded by Councilmember Hizon and carried unanimously.

The meeting reconvened at 9:05 p.m.

Resolution 14-01: Declaring Surplus and Authorizing Disposal of Refuse Trucks
Public Works Director Cathy Rosen provided the staff report.

Mayor Dudley opened the public hearing at 9:07 p.m.

No public comment, public hearing closed at 9:08 p.m.

Resolution 14-01: Declaring Surplus and Authorizing Disposal of Refuse Trucks (Public Hearing)

Motion: Councilmember Servatius moved to adopt Resolution 14-01. The motion was seconded by Councilmember Munns and carried unanimously.

Ordinance 1681: Relating to Recreational Camping in City Parks and Amending Sections 6.14.010, 6.14.020, 6.13.025, 6.13.090 and 6.13.100 of the OHMC
Public Works Director Cathy Rosen provided the staff report

Cathy Rosen indicated that the effective date will be April 1, 2014.

Mayor Dudley opened the public hearing at 9:10 p.m.

No public comment, public hearing closed at 9:10 p.m.

Councilmember Munns stated that the Ordinance must be amended so that the effective date is April 1, 2014.

Councilmember Campbell added that he had never heard of a cancellation fee at a dump station. Ms. Rosen informed him that the \$25 fee is to cover the City's fees for cancellation with the dump.

Councilmember Paggao mentioned some citizens in the past had used the dump for free, which was an honor system set up for noncitizens as noncitizens were not charged. Ms. Rosen stated that there will no longer be an honor system and that all users must pay the dump fee.

Ordinance 1681: Relating to Recreational Camping in City Parks and Amending Sections 6.14.010, 6.14.020, 6.13.025, 6.13.090 and 6.13.100 of the OHMC (Public Hearing)

Motion: Councilmember Hizon moved to amend the draft ordinance to reflect the effective date to April 1, 2014. The motion was seconded by Councilmember Servatius and carried unanimously.

Motion: Councilmember Hizon moved to adopt Ordinance 1681 as amended. The motion was seconded by Councilmember Campbell and carried unanimously.

UNFINISHED BUSINESS

NEW BUSINESS

Mayor Dudley informed the Council to set workshop meetings as discussed in the previous workshop.

Dr. Cort provided the monthly workshop dates, which will now be held on the fourth Wednesday of each month at 3:00 p.m., with the exception that the November and December 2014 workshops be moved to the third Wednesday to avoid holiday conflicts.

No public comment.

Motion: Councilmember Servatius moved to set regular workshop meetings as presented. The motion was seconded by Councilmember Campbell and carried unanimously.

ADJOURNMENT

Motion: Councilmember Servatius moved to adjourn the meeting. The motion was seconded by Councilmember Campbell and carried unanimously.

The meeting adjourned at 9:20 p.m.

Anna M. Thompson, Interim City Clerk