

**City Council Regular Meeting
Tuesday, April 17, 2012, 6:00 p.m.
City Hall – Council Chambers**

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

INVOCATION Councilmember Campbell gave the Invocation.

ROLL CALL

Mayor Scott Dudley
Six Members of the Council,
Rick AlMBERG
Jim Campbell
Tara Hizon
Beth Munns
Joel Servatius
Bob Severns

Steve Powers, Interim City Administrator
Bill Hawkins, City Attorney
Cathy Rosen, Public Works Director
Eric Johnston, City Engineer
Jessica Neill-Hoyson, HR Manager
Mike McIntyre, Senior Services Director
Rick Wallace, Chief of Police
Renée Recker, Executive Assistant to the Mayor
Margery Hite, Special Counsel to the City

Mayor Pro Tempore Paggao was absent and formally excused from the meeting.

Mayor Dudley welcomed those present and encouraged members of the audience and Council to be respectful and courteous. He welcomed those viewing the meeting via television and live streaming through the City's website.

The agenda was approved as presented.

MINUTES

3/28/12 Special Meeting – Councilmembers Servatius and Campbell abstained as they were not in attendance at the meeting. The minutes were approved as presented.

4/3/12 Regular Meeting – Councilmember Campbell abstained as he was not in attendance at the meeting. The minutes were approved as presented.

NON-ACTION COUNCIL ITEMS

Proclamation – Earth Day

Councilmember Campbell presented the Proclamation to the City of Oak Harbor Environmental Educator, Maribeth Crandall. Ms. Crandell thanked the Mayor and Council and noted Earth Day will be celebrated on April 28th in conjunction with Holland Happening events. She added a movie regarding Arbor Day will be shown at the library on April 27th from 3:00 p.m. – 5:00 p.m.

Proclamation – Arbor Day

Councilmember Munns presented the Proclamation to Parks Manager Hank Nydam. Mr. Nydam thanked the Mayor and Council and noted a volunteer group will be planting over 100 trees and native plants at Ft. Nugent Park on May 5th. He added the City was recently recognized by the Arbor Day Foundation as a Tree City USA for the 9th consecutive year.

Public Comments

Paul Brewer, Oak Harbor. Mr. Brewer commended the City for the scheduled Earth Day activities and noted the partnership between the City and NAS for recycling efforts.

Mel Vance, Oak Harbor. Mr. Vance invited everyone to the east end of Windjammer Park the third Saturday of every month through October for kite flying activities.

There were no other public comments.

COUNCIL CONSIDERATION AND ACTION ON THE FOLLOWING MATTERS:

Consent Agenda

- A. Noise Permit – Ruck in Remembrance 14.8 mile hike.
- B. Reappointment – Arts Commission – K.C. Pohtilla.
- C. Excused Absence – Councilmember Beth Munns, 5/1/12 meeting.
- D. Agreements with North Whidbey Park and Recreation District: Recreational Services, Boat Rental Services, Water Recreational Protection Services.
- E. Approval of Accounts Payable Vouchers (Pay Bills).

MOTION: Councilmember Campbell moved to approve Consent Agenda Items A through E with Item E paying Accounts Payable check numbers 149623-149625 and 149627-149757 in the amount of \$148,670.28, Accounts Payable check number 149626 in the amount of \$114.30, Accounts Payable check numbers 149617-149622 in the amount of \$444.28 and Payroll check numbers 95471-95483 in the amount of \$398,971.79. The motion was seconded by Councilmember Munns and carried unanimously.

ERCI Contract Amendment – Archaeology Recovery, Phase II

City Engineer Johnston advised the Mayor and Council that the purpose of this agenda bill is to authorize the Mayor to sign an amendment to the existing Professional Services Agreement with Equinox Research and Consulting International (ERCI) for archaeology services related to the Archaeological Recovery Project. The proposed amendment would expand the scope of services to include the first eight weeks of field work once the Archaeological Excavation Permit is received (Phase 2).

Mr. Johnston added the permit is taking longer to acquire than was anticipated, but it should be issued within the next two weeks.

Mr. Johnston noted the eight week timeframe should be sufficient to field test the recovery protocols and gauge the pace of the recovery effort. In addition, information gathered from this period will be used to project a reliable estimate for how much time and money will be needed to complete the project. Mr. Johnston noted that estimate would then be built into a second contract amendment covering Phase 3 which would cover the balance of the required field work.

Mr. Johnston added funding for this phase of the archaeology recovery is available within the funding plan previously authorized by Resolution 10-16 for the SE Pioneer Project. He noted this is possible because the actual construction costs for the project were less than the budgeted costs.

Mayor Dudley opened the meeting for public comment.

There being none, the comment period was closed.

City Engineer Johnston addressed questions of Council regarding costs associated with the amendment, overall project costs and the source of the funding. Councilmember Munns expressed appreciation to staff for the recent tour of the Pit Road site, noting it was educational and helpful in the decision-making process.

MOTION: Councilmember Munns made a motion to authorize the Mayor to sign Amendment No. 1 to the Professional Services Agreement with Equinox Research and Consulting International (ERCI) to expand the scope of services to include Phase 2 of the Archaeological Recovery project and increasing the not to exceed contract amount by \$288,758.25 from \$30,000 to \$318,758.25. The motion was seconded by Councilmember Severns and carried unanimously.

The Council took a five minute recess at 6:25 p.m.

Three Council motions from 4/3/12 meetings:

- **Parliamentary Procedure, Conduct, State/End Times, Comments**
- **Voting, to include a show of hands in addition to a verbal vote**
- **A policy or procedure to ban the wearing of hats in Council Chambers**

Mayor Dudley advised Council and members of the audience that normally we turn to City staff to introduce an agenda bill, once that introduction is made, public comment is taken and then the item is brought back to the City Council for discussion and possible action. Mayor Dudley added that due to the fact the next three bullet items have been introduced by City Council members, the procedure will be to take each bullet item and turn to each City Council member for introduction, turn to the public for comment, then

to the City Council for discussion. Mayor Dudley turned to Councilmember Almborg to address the first bullet item.

Councilmember Hizon stated that due to the obvious level of interest in this item and the time it will take to discuss each one, she would like to make a **motion to table Agenda Item 6 all together for a future special meeting or workshop. The motion was seconded by Councilmember Almborg.**

Mayor Dudley noted this item had not been introduced yet and after introduction by the Councilmember responsible for the item and public comment, the item will be returned to the City Council for discussion. The item could then be tabled if the Council took such an action.

Councilmember Hizon stated she was under the impression the item had been introduced.

City Attorney Hawkins advised that Councilmember Almborg can table his motion if he so chooses and noted he was not aware if Councilmember Almborg seconded Councilmember Hizon's motion.

Councilmember Hizon withdrew her motion, Councilmember Almborg withdrew his second.

MOTION: Councilmember Almborg stated that due to the complex issue, he would like to table his original motion to have it be deferred to a future special meeting to be determined by staff and the Council to discuss Item #6 in its entirety. The motion was seconded by Councilmember Campbell.

Mayor Dudley noted he did not recognize the motion or the second because the item had not been introduced as he previously described. He reiterated his position the item be introduced by the Councilmember responsible for the item, public comment be taken and then the item can be discussed by the City Council for action.

City Attorney Hawkins advised the Mayor and Council that Councilmember Almborg introduced the item in the manner he desired, he made a motion to table his own issue, it was seconded and is now a non-debatable item that receives no public comment. The item now needs to go for a Council vote.

Councilmember Campbell noted that according to the agenda bill on this issue, matters introduced by a councilmember which are seconded by another councilmember and not on the agenda shall be set over to another **full** council meeting for consideration and action, if any.

Councilmember Servatius called for a point of order and asked if Councilmember Campbell's discussion is considered debating on a non-debatable motion.

Councilmember Hizon stated she would like to hear what Councilmember Campbell has to say.

City Attorney Hawkins asked Councilmember Campbell if his discussion was making a point and not debating the motion.

Councilmember Campbell advised he is making a point that the agenda bill states the Council needs all seven members to continue and there are only six members present.

City Attorney Hawkins advised at this point there is a motion and second on the floor and it is non-debatable.

The motion carried unanimously.

The Council took a five minute recess at 6:40 p.m.

Public Hearing – Sewer Code Revision

City Engineer Johnston advised the Mayor and Council that the purpose of this agenda bill is to consider proposed changes to Chapter 14.03.061 of the Oak Harbor Municipal Code related to mandatory sewer connection. He added the proposed change extends the prohibition on requiring connection by grinder pump to December 31, 2017.

Mr. Johnston noted the draft ordinance was distributed for comment to those people who attended the LID special benefit workshop and added their email list to a contacts list. He noted two people responded with comments, one by email and one by telephone. Since the ordinance under consideration at this time is narrowly focused on grinder pump connection, it is recommended that the comments be addressed with the broader, citywide policy discussion on septic systems and conversion to sewers currently underway as part of the wastewater treatment facility plan process.

Mayor Dudley opened the meeting to public comment.

Joanna Hardy, Oak Harbor. Ms. Hardy asked what the average cost would be for property owners to hookup to the system and what the monthly cost would be thereafter.

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

In response to Ms. Hardy's question, City Engineer Johnston advised the flat rate monthly fee for the sewer connection will be approximately \$42. He added for a routine, non-complicated connection to the system the fee could be between \$10,000 and \$15,000. He added cost is one of the reasons why staff is looking at a citywide policy.

MOTION: Councilmember Alberg made a motion to adopt Ordinance No. 1623 as recommended. The motion was seconded by Councilmember Severns and carried unanimously.

Waste Water Treatment Plant – Site Resolution

City Engineer Johnston advised the Mayor and Council this agenda bill proposes the adoption of a resolution related to candidate sites for a new wastewater treatment facility. Mr. Johnston noted this is a significant project for the City and there is never going to be an absolute perfect site – he added all six sites have their pros and cons. Mr. Johnston discussed the fact the project is running up against scheduling deadlines and it is staff's recommendation the City Council adopt Resolution No. 12-10 as presented. He advised Council it is never too late to look at other sites however this would be at a cost in dollars and time. He added any other sites are not likely to outrank what is currently under consideration.

He reviewed a power point presentation, attached as Exhibit A. Included in the presentation was a proposed schedule of Council actions and deadlines, an overview of the 6th site (Crescent Harbor North), public input from the April 11, 2012 Council Workshop and an overview of the 2010 Wastewater Rate Study and Assumptions.

Included in the presentation was information regarding the six site alternatives such as the process to be used (AS or MBR), the number of triple bottom line and objectives met, how projects are “phased-in” over time, project cost summaries and recommended alternatives. Included in the site discussion, Mr. Johnston noted the site itself would not necessarily be the site that is pinpointed on the map – but in the general vicinity.

Mr. Johnston introduced Carollo Project Manager, Brian Matson, who provided a summary of the presentation and addressed questions of Council. Topics discussed included the new outfall into Oak Harbor Bay, project phasing and assumptions made in making the recommendation for the preferred two sites. Mr. Matson reviewed key points associated with the two recommended sites – Windjammer and Crescent Harbor North. He added both sites have opportunities and challenges and discussed ways to reduce up-front costs to control rates by phasing in the schedule. He concluded by reviewing the steps to be followed after the Council provides direction.

Mayor Dudley opened the meeting to public comment.

Teron Rice, Oak Harbor, discussed cost savings associated with the Windjammer Park site and the new technology associated with treatment facilities. He is in support of the Windjammer Park site.

Joanne Hardy, Oak Harbor, discussed costs associated with the project, funding sources and the relocation of the existing ball fields. She encouraged the Council to choose the Windjammer Park site.

Scott Richards, Oak Harbor, discussed the project from a “business” standpoint regarding cost savings and encouraged the Council to choose the Windjammer Park site.

Dee Harbour, Oak Harbor, advised the Mayor and Council she is a member of the Park Board and asked that should the Windjammer Park site be chosen, no additional park land be used.

Tricia Miller, Oak Harbor, lives by the Crescent Harbor North site and discussed water and drainage concerns. She expressed support for the Windjammer Park site.

Helen Chatfield-Weeks, Oak Harbor, complimented staff for their presentation and expressed her belief the Council will make the best decision.

John Koetje, Oak Harbor, read a letter from Corky Bridgeford regarding the benefits of the Crescent Harbor North site and encouraged the Council to consider a waiver of hook-up fees to property owners who choose to sell their land for the site.

Russell Hardy, Oak Harbor, noted he owns 1/3 of the well with the property owners who are offering to sell their land and he has not made up his mind if he would let them buy him out.

Shane Hoffmire, Oak Harbor, discussed increased rates associated with the project, the importance of not using more park land and expressed support for the Windjammer Park site.

Paul Brewer, Oak Harbor, expressed concern regarding the population figures used to compute the size of facility needed. He added Oak Harbor is not growing right now and a smaller facility could be built with possible expansion in the future. He would not want to see more park land used and encouraged the Council to look at available property in the area of Windjammer Park.

Mel Vance, Oak Harbor, expressed his belief that no one in the City has any idea of what the City Council is doing and the City should go back out to the people to see if they want the facility at Windjammer Park. He wants more public input.

Island County Commissioner Angie Homola advised the Mayor and Council she is not speaking on behalf of the full Board of Commissioners. She encouraged the City to work closely and proactively with the County and noted the County would help the City in any way they can.

Billy Cook, Oak Harbor, noted the cost savings associated with the Windjammer Park location and expressed support for that site.

Cecil Pierce, Oak Harbor, noted this meeting is one of the most professional meetings he has seen in a long time. He asked about the possible relocation of the ball fields and who would pay for the associated costs.

Hap Fakkema, Oak Harbor, thanked Council for the comment opportunity and staff for the informative presentation. He encouraged Council and staff to consider Beachview Farm as a third alternative. He discussed his farm in general, projected growth and the possibilities of more amenities in the vicinity of the facility should that site be chosen. He added that location would be the perfect opportunity for the City and County to work together.

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

The Council took a five minute recess at 7:55 p.m.

Mr. Johnston and Mr. Matson addressed questions regarding drainage, wetlands, the inclusion of activated sludge in the discussion as a means of cost reduction, the fact the facility would be sited within the vicinity of the designated site taking into consideration the sites particular pros and cons, phasing and what actions will take place once a decision has been made.

Councilmember Munns discussed the possibility of adding a third site for consideration as suggested by Mr. Fakkema and the costs associated with that decision as well as the timing issue. She added the Council would have to authorize more funding to study the additional site. She discussed the population numbers used and the need to plan for growth.

City Engineer Johnston addressed her comments and discussed the need to carefully choose the design capacity number – he added staff will reevaluate the number as no one wants to build a facility that is too big. He added once direction is given staff will proceed with further evaluation of the chosen sites. Mr. Matson added the the ecology regulatory agency requires a 20 year plan based on growth numbers, but not in the first year. He discussed project phasing.

Discussion continued regarding the lagoon, activated sludge, the fact the Beachview Farm is not in the City's UGA, the possibility of installing lift stations, the potential for growth in the Goldie Road Annexation area, costs associated with adding a third site (\$30,000), the possibility of adding to the list after the Resolution is adopted, the archeological assessment of the potential locations and changes to the existing utility rates.

MOTION: Councilmember Alberg made a motion to adopt Resolution No. 12-10 with the addition of the word “vicinity” after each location listed in 2(a)(b). Councilmember Munns seconded the proposed amendment.

The amendment to the motion carried unanimously.

MOTION: Councilmember Alberg made a motion to adopt Resolution No. 12-10 as amended. Councilmember Hizon seconded the motion.

Councilmember Servatius suggested the Council consider the addition of Beachview Farm as an additional site.

Councilmember Hizon noted this issue has been before Council for over a year and it is time to make a decision. She added there is some flexibility in the Resolution and the Council needs to demonstrate an effort to go forward with a site decision.

The motion was approved unanimously.

Introduction - Personnel Code Update and Handbook Repeal

Interim City Administrator Powers introduced Human Resources Manager Neill-Hoyson who will present this agenda bill. He added Ms. Margery Hite, Special Counsel to the City, is also in attendance to answer questions. Ms. Neill-Hoyson distributed the proposed new policy manual to the Mayor and Council. She advised the purpose of this item is to introduce one ordinance and a resolution concerning the personnel policies applicable to non-represented City Employees. She added a second housekeeping ordinance will follow to ensure the rest of the Code is consistent with the proposed changes. She noted the ordinance is needed to clarify the City Council's policies on wages, hours and conditions of employment. The resolution is necessary to repeal the Personnel Policies Manual since it will conflict with the new ordinance, if they are adopted.

Ms. Neill-Hoyson reviewed a powerpoint presentation attached as Exhibit B. She noted the Personnel Code sets legislative policy by topic and delegates the implementation to the Mayor. She added the Employee Policy Manual is what administers legislative policy as set by the Council. Topics discussed by Ms. Neill-Hoyson included the current personnel code, the history of the project, the need to set legislative policy on important personnel matters, recruitment and hiring practices, compensation, health insurance benefits, work hours, leave, employment discrimination, at-will employees, code of ethics, interactions with bargaining units, the upcoming housekeeping ordinance and supplemental resolution, the timeline for consideration and adoption and Council policies.

Mayor Dudley opened the meeting to public comment.

Mel Vance, Oak Harbor, suggested the proposed code of ethics include elected officials as well.

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

Staff addressed questions of Council regarding the definition of a work week and the City's current policies.

Councilmember Munns asked if once the City has a record of offering a certain level of health care benefits, could they be lowered to a lesser level.

Ms. Hite clarified that in terms of what the City can change, yes – they could be changed but it would have to be negotiated with the bargaining units. She added the status quo is what the City would begin with. She added the change in benefits would be a fairness issue and the City would also have to make it fair to those who are not represented.

Councilmember Hizon asked what the appropriate method would be to forward comments she has received from employees to staff for consideration.

Ms. Neill-Hoyson suggested she give them to her informally.

City Attorney Hawkins advised the Council of two separate informational sessions for employees scheduled for April 18th – one at City Hall and one at Public Works. This will be an opportunity for employees to ask questions and provide comment on the proposed new handbook, which will be incorporated into the final product.

Councilmember Almborg asked what motivation a non-represented employee would have to not join a union to protect themselves.

Ms. Neill-Hoyson advised the Council the new handbook does not take away any rights the employees currently have. She added it has been the history of the City to treat non-represented employees as if they are represented and that is how the City is intending to continue. She added, however, there are no guarantees and they would have no contract.

Councilmember Almborg expressed concern about that issue and noted the number of non-represented employees is smaller than represented.

Special Counsel Hite noted the Personnel Code would become the contract for the non-represented employees and the City is not changing those provisions.

Discussion followed regarding the upcoming employee meeting, the fact the employees got the proposed handbook last week, employee comments that are being received by some Council members, and the fact it looks like the Mayor will take on more responsibility (and liability) and the Council will have less. Council asked that staff provide them with the questions and answers that are generated from the employee meetings.

Discussion was held regarding Ordinance Section 2.34.055 and the provision the employees currently in the positions listed in Section (1) will have no later than six months from the date of adoption of the ordinance to enter into an employment contract.

Ms. Neill-Hoyson noted that if the employee on the list does not want to enter into an employment contract they would continue under their current contract, or if they don't currently have a contract, they would continue with their current employment status. They still could be for cause (a for cause employee). She added the employees on the list are currently at-will employees and none are for cause employees being changed to at-will.

Special Council Hite noted that in a Mayor-Council form of government, the City Council sets the legislative policies which are then carried out by the Mayor.

Councilmember Servatius advised he will provide comments via email and asked for clarification from the City Attorney as to whether it would violate open public meeting laws to copy the other Council Members on his email.

City Attorney Hawkins advised it would not be a good idea to copy the other Council Members and suggested all comments be forwarded to City staff for distribution.

Councilmember Hizon encouraged all City employees to attend the session and encouraged them to voice their concerns in detail. She added their comments will help the Council when they decide what is best with the employees.

MOTION: Councilmember Munns made a motion to set May 15, 2012 as the public hearing date to consider adoption of both the Ordinance and Resolution. The motion was seconded by Councilmember Hizon. The motion carried unanimously.

Future City Council Pending Items

As noted in the agenda packet.

Interim City Administrator Comments

Interim City Administrator Powers noted the City had a successful Whidbey Island Marathon weekend. With regard to recent discussion on parliamentary procedure, Mr. Powers advised the Mayor and Council staff has been in contact with Parliamentarian Ann McFarlane and is in the process of narrowing down dates for training. Mr. Powers

advised that staff will schedule a special meeting in late May or early June to discuss collective bargaining. Mr. Powers announced the City's Wellness Committee earned the AWC Well City Award for the 7th year in a row. He noted this award provides both tangible and intangible benefits to the City as the City receives a break on health care premiums as a result of the award. He thanked Committee members Lisa Bebee, Angela Braunstein, Dina Nichols, Kim Perrine, Janet Sabalausky and Tim Shelley. Mr. Powers noted the next City Council Retreat date is still tracking for December 8, 2012.

Councilmember Comments

Councilmember Campbell advised he had nothing to report at this meeting.

Councilmember AlMBERG noted as standing committee meetings are now being televised, he had nothing to report.

Councilmember Munns encouraged the Council to read a recent correspondence from the AWC Legislative Director.

Councilmember Severns announced the Island County Economic Development Committee will meet on June 15, 2012 from 11:00 a.m. to 1:30 p.m. at the Best Western Hotel. He added Senator Haugen will be in attendance as will Representatives Bailey and Smith.

Councilmember Hizon announced the Youth Services Board will meet April 18th at the United Way office at 5:15 p.m. She encouraged the public to continue with their good comments and is excited about the streaming of Council meetings and Facebook.

Councilmember Servatius advised he has received a surprising amount of feedback recently and continues to welcome people to contact him on his city email and phone.

Mayor's Comments

Mayor Dudley reiterated the Whidbey Island Marathon information and expressed appreciation to Race Director Tamra Sipes and Executive Assistant Karen Crouch for their efforts. He noted Holland Happening is fast approaching.

There being no further business to come before the Council, the meeting was adjourned at 9:40 pm

Karen Crouch, Executive Assistant

EXHIBIT A



Oak Harbor Facilities Plan

City Council Meeting

April 17, 2012



Tonight's Agenda

- Schedule
- Overview of 6th Site (Crescent Harbor North)
- Public Comments Summary
- Overview of 2010 Rate Study
- Briefly Summarize Workshop Presentation
- Questions?

Schedule



Schedule - Council Actions & Deadlines

- April 18 - Action on Resolution
- August 14 - Resolution on final, preferred site
- October 16 - Resolution on phasing plan
- December 18 - Resolution on facility plan for submittal to Department of Ecology
- December 31, 2012 - Required facility plan submittal deadline
- December 31, 2014 - Required engineering design plan submittal deadline

Overview of 6th Site



Six Sites Included in Resolution 12-05



Crescent Harbor North Site Map



Summary of Public Comment



Public Input from April 11, 2012

- Continue public involvement throughout process
- 4 written comments received
 - 2 in favor of Crescent Harbor North
 - 2 in favor of Windjammer
- Unwritten feedback:
 - Site-specific conditions at Crescent Harbor North must be addressed
 - Drainage, wet lowland areas
 - Aesthetics/screening are important
 - Be consistent with rural land use
 - Maintain affordability of sewer rates
 - Take a long-term view for the project

Overview of 2010 Rate Study



2010 Wastewater Rate Study

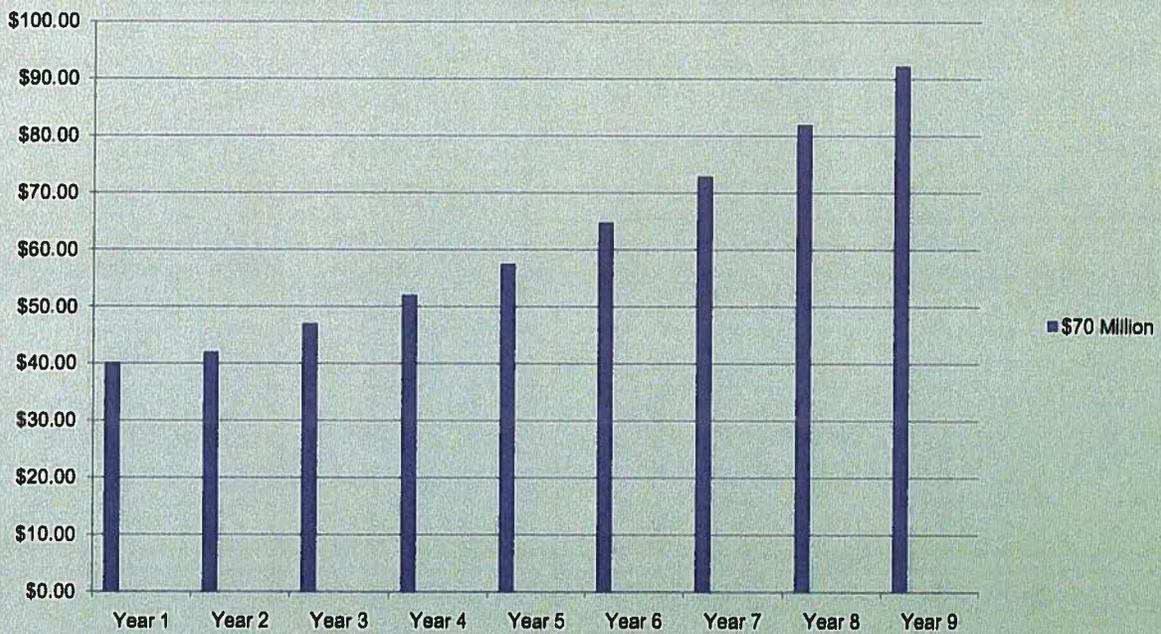
- Cost of Service Analysis
 - Differing costs for different customer classes
- Accounted for Capital projects listed in 20 year Comprehensive plan
- Includes an assumed \$70 million capital expense for wastewater plant
 - Now listed in CIP but was not listed during development of rate study
- Council adopted recommendations for progressive rate increases in water, sewer and storm drainage (Ord 1587)

2010 Wastewater Rate Study- Assumptions

- 6% Interest rate on standard revenue bond
- Standard 20 year payback period on bond
- No adjustment to connection/capacity charges
- Assumes full \$70million expenditure between 2016 and 2017 for plant construction
- Assumes no contribution from outside sources or funding partners (US Navy, grants etc)

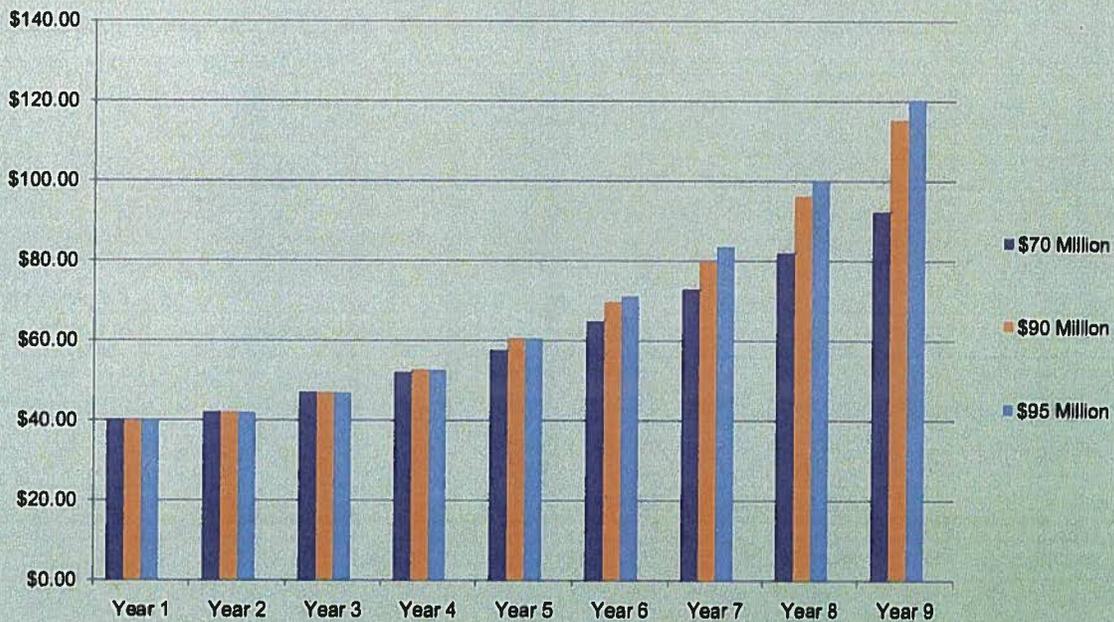
2010 Wastewater Rate Study

Average Single-Family Monthly Bill - Projected Rate Increases									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
\$70 Million	\$40.00	\$42.00	\$47.00	\$52.00	\$57.50	\$64.75	\$72.85	\$81.95	\$92.20



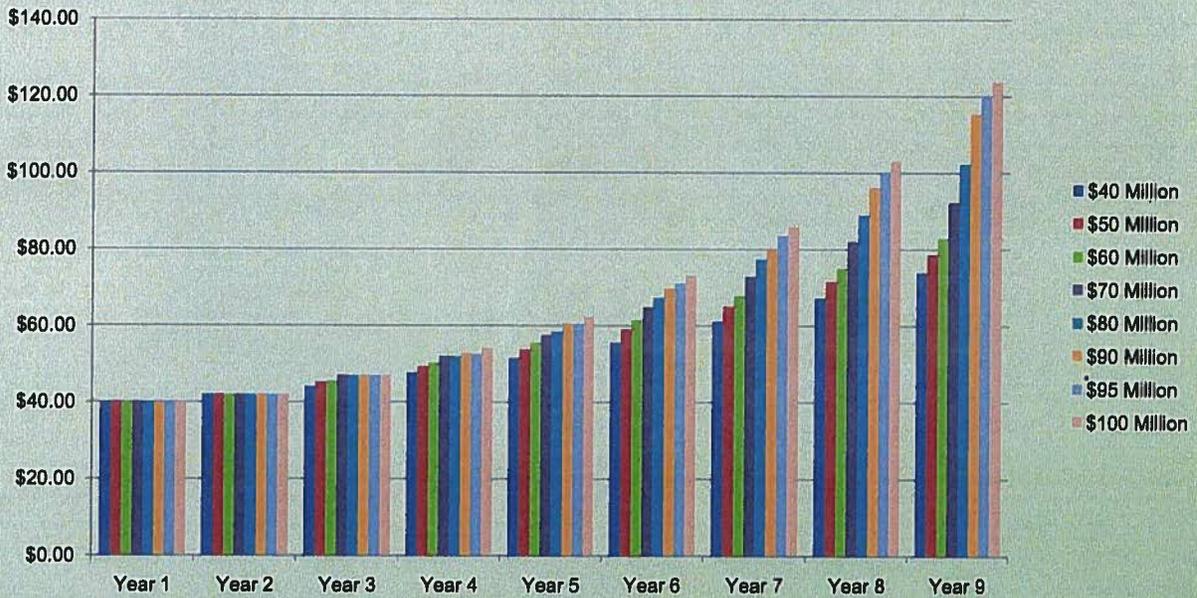
2010 Wastewater Rate Study

Average Single-Family Monthly Bill - Projected Rate Increases									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
\$70 Million	\$40.00	\$42.00	\$47.00	\$52.00	\$57.60	\$64.75	\$72.85	\$81.95	\$92.20
\$90 Million	\$40.00	\$42.00	\$47.00	\$52.65	\$60.55	\$69.65	\$80.10	\$96.10	\$115.30
\$95 Million	\$40.00	\$42.00	\$47.00	\$52.65	\$60.55	\$71.15	\$83.60	\$100.30	\$120.35



2010 Wastewater Rate Study

Average Single-Family Monthly Bill - Projected Rate Increases									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
\$40 Million	\$40.00	\$42.00	\$44.10	\$47.65	\$51.45	\$55.55	\$61.10	\$67.20	\$73.90
\$50 Million	\$40.00	\$42.00	\$45.15	\$49.20	\$53.65	\$59.00	\$64.90	\$71.40	\$78.55
\$60 Million	\$40.00	\$42.00	\$45.55	\$50.35	\$55.65	\$61.50	\$67.95	\$75.10	\$83.00
\$70 Million	\$40.00	\$42.00	\$47.00	\$52.00	\$57.50	\$64.75	\$72.85	\$81.95	\$92.20
\$80 Million	\$40.00	\$42.00	\$47.00	\$52.00	\$58.50	\$67.25	\$77.35	\$88.95	\$102.30
\$90 Million	\$40.00	\$42.00	\$47.00	\$52.65	\$60.55	\$69.65	\$80.10	\$96.10	\$115.30
\$95 Million	\$40.00	\$42.00	\$47.00	\$52.65	\$60.55	\$71.15	\$83.60	\$100.30	\$120.35
\$100 Million	\$40.00	\$42.00	\$47.00	\$54.05	\$62.15	\$73.05	\$85.85	\$103.00	\$123.60



April 11 Workshop Summary



Alternatives Presented on April 11, 2012

Site	Process	Discharge
Crescent Harbor North	MBR ⁽¹⁾	Oak Harbor
Crescent Harbor	MBR ⁽¹⁾	Oak Harbor
Windjammer	MBR	Oak Harbor
Old City Shops	MBR	Oak Harbor
Beachview Farm	MBR ⁽¹⁾	Oak Harbor
Marina/Seaplane Base	MBR	Oak Harbor

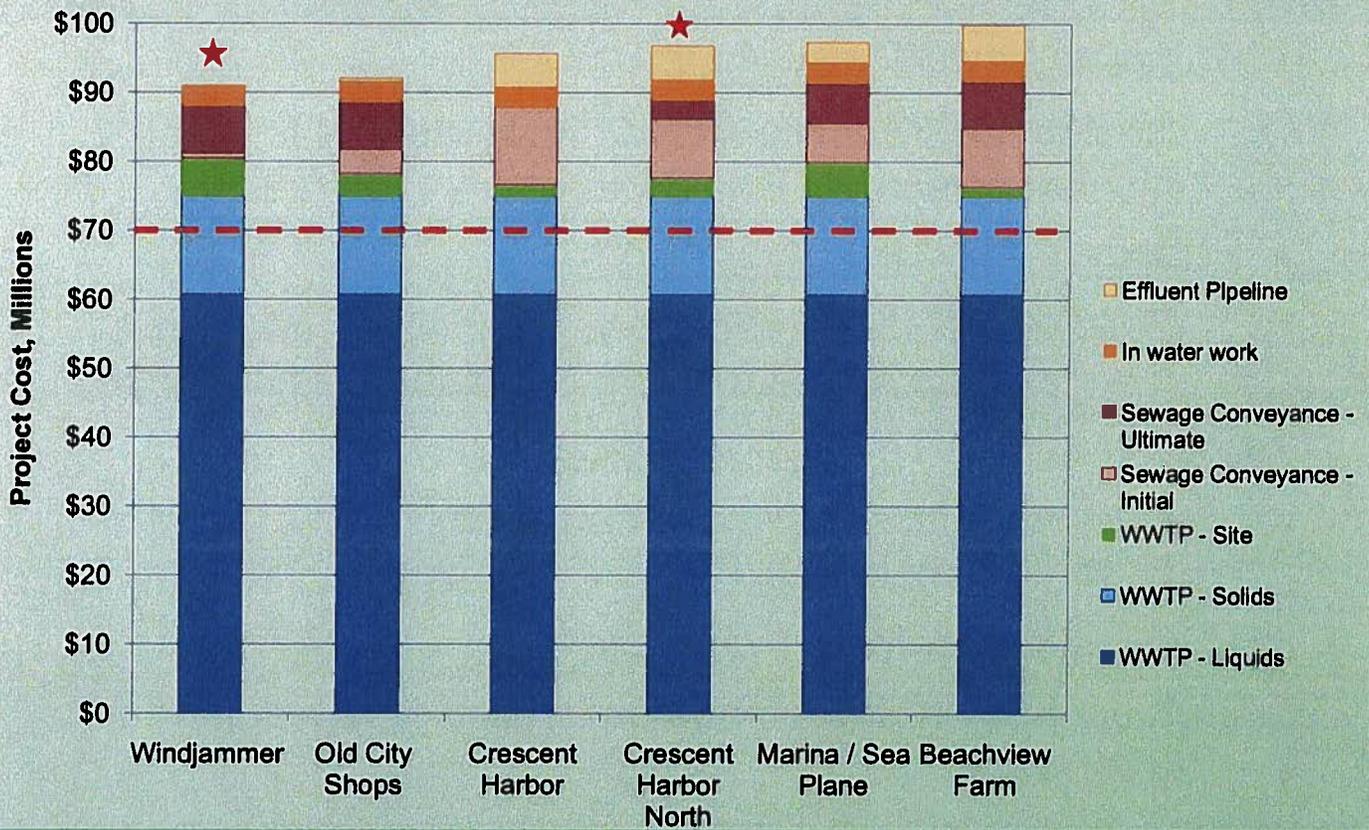
(1) Activated Sludge (AS) possible to reduce cost of initial phase.

Full TBL+ Summary of Sites/Alternatives Project Through Year 2030 MBR at all Site



Project Cost Summary for Year 2030

MBR Process at All Sites

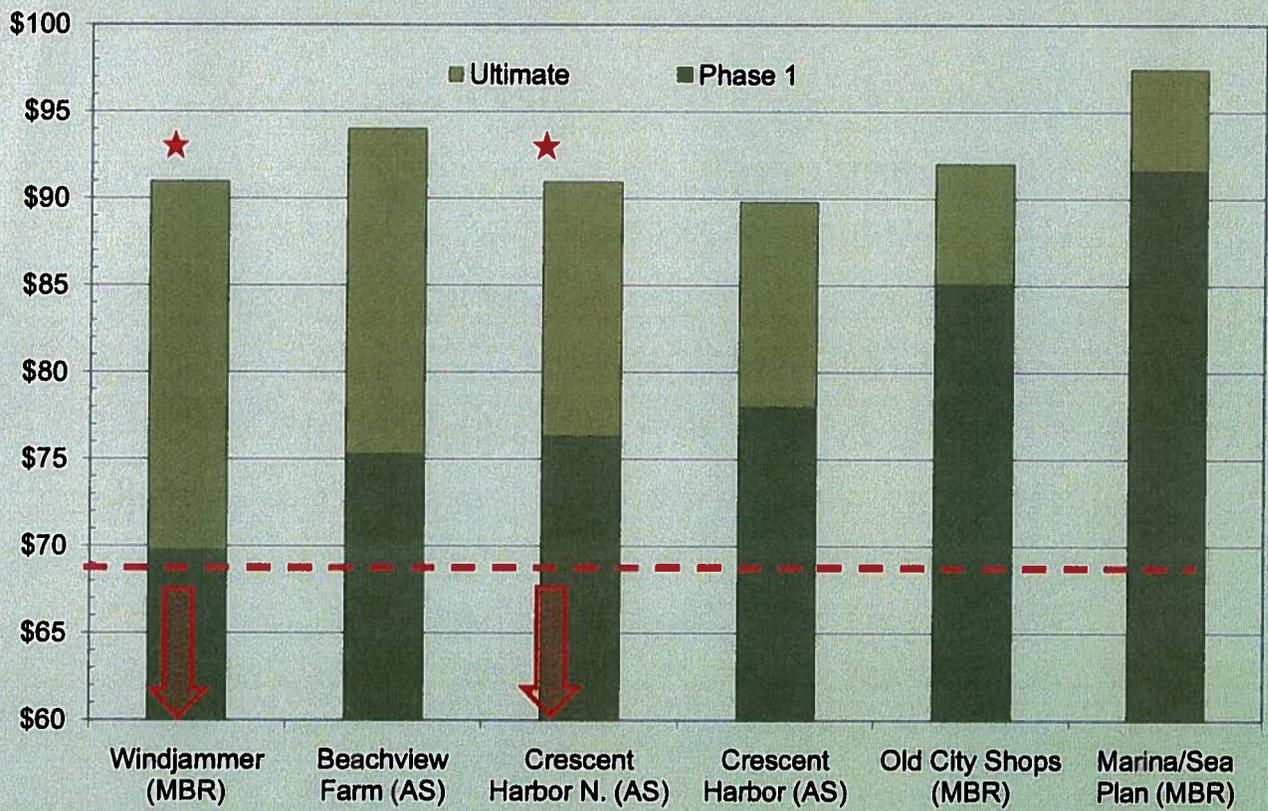


Projects are “phased-in” over time in several ways...

- Phase-in WWTP capacity
 - Design for lower flows/loads now; expand to meet higher flows/loads in the future
- Phase-in WWTP components
 - Build new liquid stream now; defer solids treatment (i.e. continue to use existing Seaplane Base Lagoon)
- Phase-in WWTP “performance”
 - Design for less restrictive permit limits now; expand to meet more restrictive limits in the future
- Phase-in wastewater conveyance
 - “Just-in-time” installation/expansion of pipes/pumps for wastewater

Project Cost Summary

Potential Phase 1 and Year 2030



Recommended Alternatives

1. Consider two sites for further evaluation:
 - Windjammer Park
 - Crescent Harbor North
2. Develop final alternatives around membrane bioreactor (MBR) process
 - Consider AS at Crescent Harbor North
3. Discharge treated effluent through new outfall into Oak Harbor Bay
 - Evaluate opportunities for beneficial reuse

Final Thoughts

Our recommendation is based on the following key points:

- **Windjammer MBR**
 - Best opportunity to complete an initial phase below \$70M target while controlling long-term cost
 - Highest quality treated water for current and future environmental protection
 - Required to justify decision to use more expensive alternative
- **Crescent Harbor North AS**
 - Meets defined “Social” objectives for the Project
 - Very close to the lowest Phase 1 / Ultimate cost
 - Defined site acquisition and permitting process

Next Steps Following Council Direction

- Develop information to directly compare and differentiate sites
 - “Master Plan” concepts at each location:
 - Where on the site could the facility go?
 - How would/could adjacent property fit in?
 - Added detail for the community:
 - What might the facility look like?
 - What kind of neighbor would this facility be?
 - Updated cost information:
 - Finalize estimated costs for “engineering” elements
 - Fine-tune “site-specific” costs
 - Compare Phase 1, long-term rate impacts

Questions?



PERSONNEL CODE UPDATE AND
HANDBOOK REPEAL

Purpose

Agenda bill introduces one ordinance and a resolution concerning the personnel policies applicable to non-represented employees.

The Ordinance is needed to clarify Council's policies on wages, hours and conditions of employment.

The resolution is necessary to repeal the Personnel Policies Manual, as it will conflict with the new ordinance, if adopted.

Definitions

- Personnel Code
 - Sets legislative policy by topic and delegates implementation to the mayor
 - Example **Employment Discrimination**
 - *"Employment discrimination complaints shall be expedited for prompt and fair resolution and shall be confidential to the extent practicable, consistent with public disclosure laws and due process"*

Definitions continued

- Employee Policy Manual
 - Administers legislative policy set by council
 - Example **EEO Discrimination Complaint Procedure**
 - “The Purpose of the EEO Discrimination Complaint procedure...is to promote equal employment opportunities for City employees by providing a means for internal resolution of sexual harassment complaints, and/or discrimination complaints which are based on age, marital status, or the presence of any sensory, mental, or physical disability or the use of a trained guide dog or service animal by a person with a disability.”

Background

- Current personnel code does not clearly outline Council policy
- Employee Handbook (Manual) was not written to administer Council policy
- Current personnel code has delegation to Mayor to administer Council policy
- Employee Handbook (Manual) adopted via council resolution causing updating difficulties

History

- Staff began work on this project in January of 2011
- Project had been on the HR “to do” list for many years
- Rough drafts were complete in November of 2011
- Informally introduced to Council at the March 3rd retreat

Need to Set Policy

Code revision seeks to set legislative policy on important personnel matters.

Council can and should discuss proposed policy being set and consider whether these are the right policies.

Recruitment and Hiring

It is the policy of the City of Oak Harbor that employees shall be selected on the basis of merit and fitness to perform the duties of the position for which the employee is hired.

Compensation

1. It is the policy of the City of Oak Harbor to pay adequate levels of compensation to city employees. Providing adequate compensation to city employees promotes productivity, reduces turnover, and improves the city's ability to attract and retain qualified personnel to carry out the functions of city government. **Compensation should reflect the market for such personnel in the region.**

Compensation continued

2. The human resources manager is directed to develop a **wage and salary schedule** for all regular positions within city government. The human resources manager shall prepare a current wage and salary schedule for presentation to the city council **for consideration and adoption at the time of the adoption of the biennial budget**. The wage and salary schedule, together with the current description of all regular positions within city employment to be known as "**the classification plan**", shall be adopted as part of the biennial salary ordinance.
4. At the time of adoption of the wage and salary schedule, the city council shall decide whether to set a cost of living adjustment (COLA) for regular employees not subject to collective bargaining agreement.

Health Insurance Benefits

1. It is the policy of the City of Oak Harbor to provide health insurance benefits to its employees at a level which is comparable to benefits provided by other local municipal government entities in the state of Washington. Health insurance benefits for city employees promote the health and well-being of city employees, reduce the use of sick leave, and promote employee retention.

Health Insurance Benefits continued

2. The level of benefits offered to city employees shall be established by the city council through the biennial salary ordinance. Part-time employees working less than twenty (20) hours per week shall not be entitled to health care benefits unless otherwise provided in an employment contract. The human resources manager shall prepare the benefit plan for city council approval.
3. Because an active wellness program has been shown to reduce employee use of sick leave, improve productivity and reduce the need for health care services, the city council authorizes the participation of the city of Oak Harbor in the wellness program offered by the city's health care administrator.

Hours of Work

1. For purposes of the Fair Labor Standards Act and the Washington Minimum Wage Act, the City of Oak Harbor declares the work period to be forty (40) hours, Monday through Sunday, for all regular employees, except police and fire department employees. The work period for police and fire employees shall be established by the mayor or his/her designee and set out in their respective collective bargaining agreements.
2. The human resources manager and the finance director are directed to establish work hour recording and compensation procedures to comply with state and federal law.

Leave

1. It is the policy of the City of Oak Harbor to comply with all state and federal leave laws. The human resources manager is directed to establish procedures and practices to ensure that the city complies with such laws and can demonstrate compliance.
2. It is the city's policy to coordinate leave granted to city employees with leave requirements of state and federal law so that city-granted leave is counted towards fulfillment of any state and federal requirements. The human resources manager is directed to establish procedures and practices to coordinate city-granted leave with state and federal requirements; to minimize conflicts; and to maximize credit of city-granted leave towards state and federal requirements.

Employment Discrimination

1. The City of Oak Harbor shall not discriminate against any employee on the basis of being a member of any class protected under state or federal law nor shall the city retaliate against any employee for asserting any rights to be protected from discrimination as prohibited by state or federal law. Allegations of sexual or racial harassment are employment discrimination claims. Employee complaints of prohibited employment discrimination shall be subject to an employment discrimination grievance process. The human resources manager shall develop and publish the procedures for the employment discrimination grievance process and post those procedures for ready employee access.
2. **Employment discrimination complaints shall be expedited for prompt and fair resolution and shall be confidential to the extent practicable, consistent with public disclosure laws and due process.**

“At-will” Employees

The code presently lists employees “not covered” by the personnel rules and later states that, “Positions listed in OHMC 2.34.030(7)(c) through (j) shall be at-will employees of the city...” The current personnel handbook, provides a conflicting list.

“At-will” Employees continued

A new list is proposed in the personnel code to clarify “At-will” positions.

- City Administrator;
- Finance Director;
- City Attorney and any assistant city attorneys’
- Chief of Police;
- Fire Chief;
- Development Services Director;
- Public Works Director;
- Executive Assistant to the Mayor.

“At-will” Employees continued

Employment Contracts

The conditions of employment for “at-will” employees are set by individual employment contract, approved by city council. This allows for negotiation on an individual basis, while seeking standard contract terms for the most part.

“At-will” Employees continued

Employment Contracts

3. Employees holding the above-listed positions at the time of adoption of this ordinance who do not already have employment contracts with the city or whose contracts have not been revised in the previous five years **shall be offered employment contracts providing the terms of service and compensation as approved by the city council.** Such contracts shall be prepared for city council approval no later than six (6) months from the date of adoption of this ordinance. **Employees who decline to enter into contracts of employment offered to them pursuant to this subsection shall continue in their status at the time of adoption of this ordinance** until separation from city service and shall not be entitled to any of the rights or benefits conferred upon the above-listed positions by contracts established pursuant to subsection 2 above.

Code of Ethics

1. Highest standards of professionalism and customer service are expected of city of Oak Harbor employees. The human resources manager is directed to incorporate a code of ethics in public service in the standards of conduct that reflect these values.
2. The code of ethics shall describe and prohibit nepotism, conflicts of interest, and official misconduct by city employees.

Interactions with Bargaining

- Any changes to the Code or Policy Manual that affect wages, hours and working conditions will need to be bargained
- Four contracts open for bargaining in 202
 - Public Works
 - Marina
 - Police
 - Fire

Housekeeping Ordinance and Supplemental Resolution

- Ordinance addressing language cleanup for other areas of the code necessary to make all code consistent.
- Resolution addressing continuation of the Shared Leave Program and the Opt-out Program until both programs are evaluated.

Timeline

- April 17th
 - Introduction of Personnel Code update and Handbook Repeal
- May 1st
 - Introduction of Housekeeping Ordinance and Resolution for Shared Leave and Opt-out
- May 15th
 - Presentation for adoption of all items above

Council Policies

Council should consider if there are matters not covered here that the city council would like to make legislative policies in the personnel code.

QUESTIONS?