

Oak Harbor City Council
Regular Meeting Minutes
May 20, 2014

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 Beth Munns
Councilmember Tara Hizon
Councilmember Bob Severns
Councilmember Rick Almberg

Staff Present:

City Administrator Larry Cort
Finance Director Doug Merriman
City Attorney Nikki Esparza
Public Works Director Cathy Rosen
Chief of Police Ed Green
Chief of Fire Ray Merrill
City Clerk Anna Thompson
Exec. Assist. to the Mayor Kellye Mazzoli
Human Resources Director Sara Piccone

PLEDGE OF ALLEGIANCE/INVOCATION

David J. Johnson, Pastor of Oak Harbor First United Methodist Church, gave the invocation, and Mayor Scott Dudley lead the pledge of allegiance.

HONORS AND RECOGNITIONS

PRESENTATION

Summary of the 2014 Whidbey Island Marathon

Tamra Sipes, Executive Race Director of the 2014 Whidbey Island Marathon, presented the summary of the 2014 Whidbey Island Marathon on power point. The presentation included a detailed summary of the publicity, primary and secondary economic impacts of the Marathon on Oak Harbor.

Councilmember Hizon inquired about the importance of USA Track and Field Certification

Councilmember Almberg thanked Ms. Sipes for the representation and then requested the data to support her conclusions in the economic impact report.

Councilmember Severns asked whether the Marathon should be spread over a 2-day period. Ms. Sipes recommended a 1-day Marathon would likely be more successful. Councilmember Severns then mentioned that sponsorship donations had decreased in recent years. Ms. Sipes explained that because the contract for Race Director Services was executed in August of 2013, there was little time to procure a larger number of sponsors.

Councilmember Munns asked how Ms. Sipes was able to reserve the Deception Pass Bridge for the race. Ms. Sipes explained that she begins contacting Washington State Department of Transportation in September and then works with them on the details throughout the year. Councilmember Munns confirmed with Ms. Sipes that contracting with a Race Director early on is crucial in order to obtain the greatest number of sponsors possible.

Mayor Pro Tem Paggao thanked Tamra Sipes for the excellent presentation and the successful outcome of the 2014 Marathon. He commented on the user friendly website for the Marathon linked to the Oak Harbor Website.

Marina Advisory Committee Presentation – Project Priorities and Revenue Enhancement Recommendations

Ken Hewlett, Chairman of the Oak Harbor Marina Advisory Committee, presented the Marina Advisory Committee which entailed a summary of its purpose, functions, and history.

The Advisory Committee's Conclusions are determined in two phases:

Phase 1 – includes projects which are easily and quickly implemented

Phase 2 – includes projects that are farther reaching and which will include greater expenses, permit requirements and involvement with the Planning Department, and increased staff time.

Harbor Master Chris Sublet provided a power point presentation which informed the Council of the new projects implemented at the Oak Harbor Marina including upcoming events.

Ken Hewlett provided the Council with an Improvement Report for the Marina proposed by the Marina Advisory Board. Mr. Hewlett reminded the Council that new projects require preparation, various permits, and often times approval from several agencies.

The Marina Advisory Committee determined that their priorities and conclusions were very similar to the Marina Comprehensive Plan compiled in 2005 and noted that time is fast approaching to make improvements on the Marina in order to preserve its safety and utility.

Mr. Hewlett announced that Marina Advisory Board is ready to improve the aging Marina facility, built in the 1970s, and will work diligently with the Council.

Councilmember Munns suggested that the Marina Advisory Board come before a future City Council Workshop to explain what projects are needed and what moneys are available in the budget.

Mayor Dudley agreed that this issue should be presented on a future City Council Workshop soon.

Councilmember Almborg agreed with Councilmember Munns that hosting a Workshop regarding the Marina's needs is important and essential.

APPROVAL OF AGENDA

Motion: Councilmember Hizon moved to approve the Agenda as presented. Councilmember Servatius seconded the motion, and the motion carried unanimously.

CITIZEN COMMENT PERIOD

Mayor Scott Dudley opened the citizen comment period at 6:55 p.m., no comments, closed at 6:56 p.m.

CONSENT AGENDA

- a. Minutes of the Regular City Council meeting held May 6, 2014
- b. Approval of *Accounts Payable Voucher Numbers*:
 - Vouchers Numbers 158229 through 158421 in the amount of \$554,713.41Approval of *Payroll Check Numbers*:
 - Direct Deposit Numbers 31067 through 31194
 - EFT Numbers 613 through 615
 - Payroll Check Numbers 97185 through 97199
- c. Motion to approve Councilmember Beth Munns' Excused Absence Request for May 28, 2014 Workshop Meeting and June 3, 2014 Regular Council Meeting

Motion: Councilmember Campbell moved to approve the Consent Agenda Items as presented. Motion Seconded by Councilmember Servatius, unanimously carried.

MAYOR, STAFF AND COUNCIL COMMENTS

City Administrator

City Administrator Dr. Cort reminded City Council that the Special Meeting Tour of the former Whidbey Island Bank property will take place Wednesday, May 21st at 10:00 a.m.

The May workshop is set for May 28th and among the items to be discussed includes: establishing an ad hoc committee for use of the Post Office Oak Tree wood, and how Council would like to participate in the 2015 Oak Harbor Centennial.

On July 3rd at 6:00 p.m. at Windjammer Park, the Arts Commission has scheduled to dedicate the art piece Conical Etude created by Rick Nash, and donated by Wally Funk, to the City of Oak Harbor.

Mayor

Councilmembers

Councilmember Almberg confirmed that the AWC conference is scheduled for 14th and 15th of August.

Councilmember Munns announced that Deanna Emery received HR Certification and congratulated her on behalf of the City Council.

Councilmember Hizon suggested making Park Events publicized on the Oak Harbor website. She also inquired from staff on the status of the Council's request to allow vendors and beer gardens at Windjammer Park. Dr. Cort responded that he would check on the progress.

Councilmember Hizon then asked Chief Green about a recent credit card scam. Chief Green acknowledged that the Police Department has been informed of the scam and are in the process of gathering data to open an investigation. The public may simply contact ICOM in order to make a police report.

Councilmember Servatius commented on the progress of the Waste Water Treatment Plant.

Mayor Dudley announced a five (5) minute recess at 7:06 p.m.

Mayor Dudley reconvened the meeting at 7:13 p.m.

ORDINANCES AND RESOLUTIONS

Resolution 14-16: Human Resources Department Reorganization

Human Resources Director Sara Piccone provided the staff report.

Ms. Piccone explained staff's proposed restructuring of the HR department. She directed the Council to review the relevant Agenda Bill for the financial advantages of this restructure.

Mayor Scott Dudley opened the meeting for public comment at 7:16 p.m., no comment. Mayor Dudley closed the public comment period at 7:16 p.m.

Councilmember Hizon asked when the proposed changes would be implemented. Ms. Piccone responded that the changes would become effective June 1st.

Resolution 14-16: Human Resources Department Reorganization

Motion: Councilmember Servatius moved to adopt Resolution 14-16, seconded by Councilmember AlMBERG, unanimously carried.

Ordinance 1691: Park Facility Reservation System

Public Works Director Cathy Rosen provided the staff report.

Mayor Scott Dudley opened the meeting for public comment at 7:21 p.m., no comment, closed the public comment period at 7:21 p.m.

Councilmember Servatius suggested monitoring the \$75 after-hours fee for key pick-up after Utility hours to determine whether the fee amount is effective.

Councilmember Munns strongly encouraged staff to inform the citizens of the \$75 after-hours key pick-up fee.

Councilmember AlMBERG asked whether there is an ongoing problem obtaining keys after-hours. Ms. Rosen answered that in general there is not an ongoing problem.

Councilmember Hizon asked Ms. Rosen to explain the process to obtain the RV keys for the public watching via live stream.

Ordinance 1691: Park Facility Reservation System

Motion: Councilmember Hizon moved to adopt Ordinance 1691, seconded by Councilmember Severns, unanimously carried.

PUBLIC HEARINGS/PUBLIC MEETINGS

Resolution 14-18: Surplus of Two Swap Loader Trucks and One Ten-Yard Dump Truck
Public Works Director Cathy Rosen provided the staff report.

Mayor Scott Dudley opened the public hearing at 7:26 p.m., no comment, closed at 7:26 p.m.

Resolution 14-18: Surplus of Two Swap Loader Trucks and One Ten-Yard Dump Truck

Motion: Councilmember Servatius moved to adopt Resolution 14-18, seconded by Councilmember Campbell, unanimously carried.

Nightclub License Application for the Haze Lounge

City Attorney Nikki Esparza announced that this item is a quasi-judicial hearing and asked that any interested Councilmembers recuse themselves.

Councilmembers Hizon, Almberg and Severns recused themselves and left the Council chambers.

Ms. Esparza stated that Council Rule 19 requires us to determine whether the Councilmembers have any interest in this proceeding which requires a recusal. Ms. Esparza asked the following questions of the Council:

Does any Councilmember:

- a) have knowledge of any member conducting business or have conducted business with the parties?
- b) have a pecuniary or nonpecuniary interest in the outcome of the proceeding?
- c) have knowledge that his or her employer has a financial interest in the property or area which will be impacted by this decision tonight?
- d) live or own property within 300 feet of the area which will be impacted by this decision tonight?
- e) have any special knowledge about the substance of the merits of this proceeding which would or could cause the member to prejudge the outcome of this proceeding?
- f) believe that he or she cannot sit and hear this matter fairly and impartially both as to the respected positions of the proponents and opponents in this proceeding?
- g) Has any Councilmember had any ex parte contacts concerning this matter?
- h) Is there any member of the audience, who because of the appearance of fairness doctrine, wishes to disqualify any member of the Council from hearing this matter?

No other Elected Officials were disqualified from the proceedings and the quasi-judicial hearing proceeded without further delay.

Nightclub License Application for the Haze Lounge

Police Chief Ed Green presented the staff report.

Chief Green explained his duties to investigate the applicant for secondary impacts on the surrounding areas such as noise, traffic, and parking, and provided the Council with a summary of his findings.

Mayor Scott Dudley opened the public hearing at 7:42 p.m.

Citizen Comments

Ariel Morgan
Melissa Stewart, Mark Stewart's wife

Mayor Dudley closed the public hearing at 7:43 p.m.

Councilmember Servatius was concerned with the noise and cleaning enforcements created the by the Lounge in terms of unwanted impacts on neighboring businesses.

Councilmember Munns inquired about the status of the former owners' Liquor License. Chief Green explained that the Stewarts (current owners of the Haze Lounge) had an option to purchase the Liquor License but chose not to.

Councilmember Paggao was concerned with the safety of the Haze Lounge with only one door accessible for ingress and egress with a maximum capacity of 49 individuals.

Chief Merrill explained the building and fire codes dictate that there is no need for additional exits for 49 guests.

Nightclub License Application for the Haze Lounge

Motion: Councilmember Servatius moved to adopt the Nightclub License Application for the Haze Lounge pursuant to the nine (9) stipulated conditions. Seconded by Councilmember Munns, unanimously carried.

Councilmembers Hizon, Severns and Almberg returned to the Council meeting at 7:49 p.m.

Resolution 14-22: LGIP Investment Resolution

Finance Director Doug Merriman provided the staff report.

Mayor Scott Dudley opened the public hearing at 7:52 p.m., no comment, closed at 7:52 p.m.

Councilmember Almberg sought clarification for the underlying protection of the funds. Mr. Merriman explained that the Full Faith of the State of Washington provides protection. Councilmember Almberg asked specifically how the funds are provided protection by the State. Mr. Merriman explained there is a separate account for the City's investment within the State. Mr. Almberg then asked whether one fund can be a drain on another fund and Mr. Merriman answered that such a result is not likely since the separate investments are kept in individuals accounts.

Resolution 14-22: LGIP Investment Resolution

Motion: Councilmember Servatius moved to adopt Resolution 14-22. Motion seconded by Councilmember Campbell, unanimously carried.

UNFINISHED BUSINESS

NEW BUSINESS

Discussion regarding the Professional Services Agreement for the 2015 Whidbey Island Marathon Race Director.

City Administrator Dr. Cort announced that this item was requested to be added by Councilmember Munns at the May 6, 2014 Council Meeting.

Councilmember Munns stated that it is not wise to allow the contract approval to be delayed so that the City can adequately prepare for the 2015 Whidbey Island Marathon. For future contracts, she suggested entering into a Race Director Agreement for the next year's contract before the annual race actually takes place. Councilmember Munns encouraged staff and Council to re-evaluate the goals within the Race Director Contract. She also challenged the Council to consider whether the goal is to make money for the City or bring in Revenue and suggested raising admission fees. Councilmember Munns congratulated Tamra Sipes for her services and suggested hiring her for next year.

Councilmember Almberg suggested entering into a 2-year contract with the Race Director so that there is no delay for the following annual event and to avoid loss of momentum. Councilmember Almberg suggested entering into a 2-year contract with Ms. Sipes with an option to terminate for nonperformance by Council.

Councilmember Servatius added that he would prefer the Marathon to raise both income and Revenue for the City. He asked whether this contract must go to bid.

City Attorney Nikki Esparza explained that the Mayor has the authority to appoint personal services contracts per Oak Harbor Municipal Code and so no bids need be solicited.

Councilmember Severns spoke in support of entering into a 2-year contract with a Race Director as soon as possible. In turn, entering into the contract earlier will produce more sponsors and support.

Councilmember Paggao spoke in support to enter into a 2-year contract with Ms. Sipes as soon as possible.

Councilmember Campbell added that the goal for the Marathon should be to at least break even.

Councilmember Hizon asked what staff needs from the Council to start the Race Director Agreement process.

Dr. Cort explained the appointment of the Race Director rests with the Mayor's office.

Councilmember Alberg asked about the time limitations. Dr. Cort stated that historically the Race Director contract has been signed in June.

Motion: Councilmember Alberg moved that a two-year contract [for the Race Director of the 2015 Whidbey Island Marathon] be presented to the Council no later than July 1st, 2014. Motion seconded by Councilmember Campbell, unanimously passed.

ADJOURNMENT

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

The meeting adjourned at 8:12 p.m.

Anna M. Thompson, City Clerk