City Council Regular Meeting
Tuesday, February 7, 2012, 6:00 p.m.
City Hall – Council Chambers

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

ROLL CALL

Mayor Scott Dudley
Six Members of the Council,
- Rick Almberg
- Jim Campbell
- Tara Hizon
- Beth Munns
- Danny Paggao
- Bob Severns

Steve Powers, Interim City Administrator
Bill Hawkins, City Attorney
Doug Merriman, Finance Director
Cathy Rosen, Public Works Director
Eric Johnston, City Engineer
Lt. Tim Sterkel, Oak Harbor Police Department
Mark Soptich, Fire Chief
Renée Recker, Executive Assistant to the Mayor
Karen Crouch, Executive Assistant to the City Administrator

MINUTES

MOTION: Councilmember Campbell moved to approve the minutes of the 1/3/12 regular meeting and the 1/23/12 special meeting. The motion was seconded by Councilmember Munns.

1/3/12
VOTE ON THE MOTION: Councilmembers Campbell, Hizon, Munns, Paggao, and Severns voted to approve the minutes of 1/3/12. Councilmember Almberg abstained from the vote since he did not attend and was formally excused from this meeting. The motion carried.

1/23/12
VOTE ON THE MOTION: The motion to approve the minutes of 1/23/12 carried unanimously.

NON-ACTION COUNCIL ITEMS

Employee Recognition – Tim Shelley, 25 Years, Public Works

Public Works Director Cathy Rosen introduced Mr. Shelley and talked about his qualifications and work in the department. Tim began working for the City's solid waste section in 1987 and moved to streets/water in 1990. Mr. Shelley rose through the ranks and certification process and in 2006 was promoted to a lead water specialist. He has many obligations in the department including after-hours call out duty, developing and publishing the consumer confidence report which is sent to all City utility customers, installation of emergency power generators, and assistance in the design and planning of the new water reservoir and its infrastructure. Tim is good-natured, well-organized, sits on the City's wellness committee, and is involved in community youth sports

programs, specifically baseball and football. Mr. Shelley introduced his wife and thanked Ms. Rosen, Mayor Dudley and the Council for this recognition saying he works with a great group of people at Public Works and throughout the City with specific thanks to Cathy Rosen, Rich Tyhuis, and Rhonda Severns. Mayor Dudley thanked Mr. Shelley for all that he does and his hard work.

Proclamations
Mayor Dudley explained that the two proclamations recognized national months in January but City Council's 1/17/12 meeting had been cancelled due to inclement weather. It is still important to recognize each of the organizations and their importance to the community.

Proclamation – Modern Day Slavery and Human Trafficking Prevention Month
Councilmember Hizon read and presented this proclamation to Soroptomist President Marta Page. The City applauds Soroptomist International of Oak Harbor and their effort to build public awareness and educate the community about this issue. Ms. Page thanked the Mayor and Council and talked about an event this spring as part of ongoing awareness of this problem and that student art work will be used to promote this event.

Proclamation – Big Brothers Big Sisters of Island County Mentor Appreciation Month
Councilmember Paggao read and presented this proclamation to Director Peggy Dyer who introduced "Bigs and Littles" in attendance this evening along with Board President Tamra Sipes, John Dyer, and Kerry Rietma. Ms. Dyer thanked the Mayor and Council for their support and encouraged the community to volunteer, assist with a fundraising event, or help the Board.

Public Comments
Shane Hoffmire, Oak Harbor. I want to remind everyone that our recent election voted for change. 57 percent voted for change. This is bigger than one person. We elected a Mayor that promised to bring change and keep his word. The review of department heads and change are what we are seeing. Some may disagree or not understand but the Mayor knocked on every door to understand the needs of Oak Harbor. It is not personal. Stand together with our Mayor and our City; a Mayor who will keep campaign promises and swiftly implement them, isn't that what we said we wanted? Thanks to our Mayor for keeping promises and not shying away from tough decisions.
Ron Hancock, Oak Harbor. It is interesting to me how we can have an attitude that we have a corner on the market. Thanks to the troops and veterans for our freedom of speech. I have been with the Oak Harbor Fire Department for 37 years. When I made Captain, I wondered what I had done and I think this (feeling) can extend to Council too. I am not a Mormon or politician or representative of the Fire Department; I am privileged to be the Department's chaplain now. Most importantly, I am a citizen of the United States and this community. Mayor and Council, you have a good team. Thanks for your service. It amazes me how different you can be and how similar you can be and

you all have a heart for this City. I would encourage you to seriously consider workshops to help work out your differences. I have some quotable quotes from the Fire Chief: Make us proud. You are an ambassador of this community; you are the Oak Harbor Fire Department. Chief Soptich would say, if you have to make a tough decision, is it good for the City. The fire service is a family and I feel like we have gone through a divorce or death. I've been told to not get involved in politics. I would say to you, it is how we relate to each other and the decisions we make. In closing, are you going to rule by law or by grace, compassion, kindness, or pulling together. There is not enough time to compliment Chief Soptich.

Helen Chatfield-Weeks, 1415 SE Ninth, Oak Harbor. I have a request to the Mayor and City Council to remember former Councilmember Mavis (Chick) Schulle who did a great job in 1975. It would be nice to have a minute's remembrance for her.

Jeremy Soptich, 565 NW Dory Drive, Oak Harbor. I am Chief Soptich's son and I have lived here for over 24 years. I am proud of my dad and the humble way he has handled himself over the last few weeks. I have a question for the Mayor: Do you know how many Police Department and Fire Department officers are on duty each day, their responses? What plans do you have in store, what changes do you think need to be made? I have worked in the fire service and in emergency response. You need to choose the new Fire Chief and Police Chief. Make the right decision and not what will make the Mayor happy. I hope this spree does not continue. He wanted change; follow that, and not those who will do whatever he says. We need to give the Mayor a chance? He did not extent that to the four.

Paul Brewer, Oak Harbor. I served on Council for 12 years. Each new mayor let people go. One mayor let go 3 City supervisors go, one let the police chief go. That is his prerogative. We cannot divide the City. We need to unite behind the Mayor. In four years, there is another vote. We have to support the people we elect. Support his decision even though we may not agree.

George Marin, 1292 Swantown Road, Oak Harbor. Mr. Marin read a statement in response to the dismissal of Chief Soptich. His complete statement is attached to these minutes as Exhibit A. He concluded this statement by saying, no one would think less of you for reversing your decision; it is a travesty. Mr. Marin also thanked Chief Soptich and Connie Soptich for watching over his daughter Jenna while he was in Afghanistan.

Dale Morton, 387 NE O'Leary Street, Oak Harbor. I was a member of the 57 percent (who voted for the Mayor) and we talked at the door and I agreed with what he said. Can he destroy the trust of the City and its citizens in the blink of an eye? Loyalty is the one thing that this Mayor and Council have to have. Trust is what is needed. Even before I knew the Fire Chief I had heard a lot of good things about the Department and have watched inside and out and Chief Soptich has molded the Department into a firm, tight, fighting group. Training costs for a new Police Chief will be exorbitant. A lot of people don't realize the training that has gone on and you need to pass on this excellence of service. Unfortunately, I have people tell me that someone wants the Chief's job; I've seen that in my professional work. The Mayor and City Council need to maintain the expertise that is there. I respect each one of you, but I'm going to lose trust and faith in City government.

David Lemme, 859 NW Second Avenue, Oak Harbor. I have been here for 16 years and all my children have attended and graduated from Oak Harbor High School. This is a strong community and one of great values and we stayed here and sacrificed much of my Navy career to do so. Chief Soptich is a leader in the community and his church. The voters of the City were looking for a leader and elected our present Mayor to resolve issues. Many of us, including myself, are not willing to sacrifice values that have kept Oak Harbor a good place to live. Four were callously thrown to the curb and the slate was wiped clean. That manner hurts me to the core. Our Police Chief has been committed to do a job in a community that he loves has been allowed to retire. The Fire Chief wasn't even allowed that much along with how he was informed. A number of City employees are probably looking for jobs elsewhere and those out there may not apply for City positions. Mr. Mayor, please don't forget to serve at the pleasure of the citizens as well. Respect each other. I respectfully request that you reconsider your decision and allow the Chiefs to retire on their own terms.

Roxanne Dunn-Terry, 1501 SW Periwinkle Lane, Oak Harbor. I am the Program Coordinator for the Senior Center and have been so for 23 years, but I am here as a citizen to thank the Chiefs. This is a loss of two good men. Their contributions have made Oak Harbor a great place to live and their dedication is irreplaceable and I thank both of them for their commitment to our community. The Police Department and Fire Department have always been there for us – thank you, you will be missed.

Gordon Keyes, 751 SE Barrington, Oak Harbor. I am a Mormon. I know Mark personally and still endorse him as the wonderful man he is. We make changes in dentistry to do the right thing (Dr. Keyes is a dentist). I wouldn't think of being a Mayor or Council Member. May I ask a small favor? It is nice to know we have a fire system to keep the buildings we have. Maybe change the change a little bit.

Robert Wallin, 1234 NE O'Leary, Oak Harbor. I have been a resident since 1959. It has been a gut check for the last several weeks. Other departments are feeling waves with the dismissal of four people. Management has the right to make changes and has seen the results when changes are at a whim. I know what it does to families; it is difficult. I have worked for the Oak Harbor Fire Department for 23 years and there have been a lot of challenges. I don't understand how the changes were made, the way they were made, without talking to the Fire Department and knowing who we are and our protection of the community.

Martha Yount, Oak Harbor. I came here in 1967 with my husband's Navy career. He retired and we ran a business here for 15 years. The Fire Department does safety checks in our businesses which is a service to our community. I got to know Mark and have never heard anyone say a negative statement about him; only good, professional statements. Was this decision made on a campaign promise to clear the slate or on sound judgment? If it is the first, then it is wrong. I would like to say thank you to all the Fire Department and Police Department people and I hope you select (the Fire Chief and Police Chief) within the community and not bring in out of state (candidates). The Fire Department is a family and works closely together and supports each other. That is a valid point, and they have also supported the community as a whole. They don't ask who you are, are you a good person, a bad person. Examine yourselves, were the decisions made for the good of the community.

Corey Johnson, 2080 Boulder Meadow Lane, and C. Johnson Construction, Oak Harbor. I have known both Chiefs for quite some time, and this is about community. I wish them the best of luck. Tonight you are going to talk about sewers and the LID process. Mayor Dudley asked that Mr. Johnson wait for this agenda item to come forward and comment at that time.
Mike Lemme, 1290 E. Whidbey Avenue, Oak Harbor. I wanted to show support for Chief Soptich. I have worked closely with him at church and want to read this statement about Chief Soptich and how the Mayor has dismantled Oak Harbor City government. Dr. Lemme's complete statement is attached to these minutes as Exhibit B.
Kyle Soptich, 291 NW Columbia, Oak Harbor. You needed a larger venue tonight to allow everyone in the hall a chance to talk.
Layne Paul, 1651 NE Second Avenue, Oak Harbor. I have lived here since 1988. If something isn't broken, don't fix it. Mr. Paul presented a statement which is attached to these minutes as Exhibit C. The questions/statements made caused Councilmember Paggao to call for a point of order and a request for legal advice from City Attorney Hawkins – is it appropriate to make these kinds of statements about the Mayor. Mr. Hawkins felt that Mr. Paul was not out of order at this point, and Mayor Dudley also said that he did not have an issue with these comments.
Cecil Pierce, 871 NW Hazlo Place, Oak Harbor. Change is what people voted on. Good or bad, I don't know. As far as the Chiefs, I have the highest respect for them. The biggest thing that bothered me is the way it came out in the paper. It could have been done a little different. It is not easy letting someone go. You do have that prerogative; it comes with your (Mayor's) position. There have been a lot of attacks on the Mayor; we are watching you, too, City Council.
Jim Croft, 455 E. Crescent Harbor Road, Oak Harbor. I am a retired public works supervisor and I have worked with Mark from day one. He was one of the best people I've ever had to deal with. He put his life into this City. When he first came, the City was paying higher home insurance rates, and he helped lower them. I have also worked with Chief Wallace. Thanks to them both for their dedication and hard work. Their families came second with this dedication.
Leonard Smith, Oak Harbor. I have lived here for 40 years and I am a retired Oak Harbor businessman. I agree with everything that has been said. We owe the Mayor respect, but also as a person guiding the City as complex as this, prudence is required in performing this job. Look to your heart and find out the qualifications and skill levels of the people you are laying off. Mark saved my house and he always wanted to save the City a buck. He is a fine man; you need to get to know him. Rick Wallace, too. I know it is hard to go against what you have done, but I wish you good fortune.
Linda Bolpin, Oak Harbor. I came to talk about a zoning problem, but the reason Mayor Dudley was voted in was 57 percent wanted change. I have been disappointed, but I think change is good. I am glad you are sitting there, but I would suggest that you slow down. No one knows why you made these decisions. Take your time; we appreciate your (Mayor) and Council's service to the community.

James Croft, 206 NW Ninth Avenue, Oak Harbor. I run a business and have had the pleasure to meet Mark; he gives back to the community passionately and is an amazing man. We talk about change and sometimes it is not the right choice. As citizens, we need to support you, but at the same time you need to support us.
Curtis Sievert, 1431 NE Fourth, Oak Harbor. I have been a resident since 1989 and I am one of the 57 percent who voted for the Mayor. He came to my door, shook my hand, and he was going to do a bunch of wonderful things for the City. My family cautioned wariness, and I am ashamed, for the first time, to have cast this vote. The Fire Department and Police Department have been professional and are a wonderful bunch of guys; things were not done quite right. I came from Texas and there new mayors have faced recall petitions, but we'll have to wait for 4 years here. We have to make the best with what we have since we don't have a choice.
Joanne Hartley, 250 W. Crescent Harbor, Oak Harbor. I don't live in the City and couldn't have voted. I used to live here and would have voted for you. Change is important. You sat as a Council Member and had time to make opinions and gather information that we know nothing about. Don't think we don't watch what the City does. I am sure that the Chiefs are wonderful people. Change has happened before and will happen again because that is politics and life. Thank you for running.
George Holtrey, 633 SW Justin Drive, Oak Harbor. I am a Marine vet. I voted for you because I wanted change along with a lot of people. We are here tonight questioning that change again; we want to see what is right. Many have given their lives for this great nation and a lot are still fighting for these rights. We are having to fight again because of the corruption that dwells in our political system. This has been a travesty of justice. (Mr. Holtrey talked about past Dallas Cowboys coach Tom Landry and how he found out the new owner of the Cowboys had fired him.) There is a right and wrong way to do things. You have a chance to make corrections. We live in a great country but people are tired and fed up and want their country back.
Crystal Lemme, Oak Harbor. My dad is Mark. This is a disrespectful way to end the career of someone who has done so much for this community. How does this gain the trust and respect of the community? As a leader, it is important to trust the people who work around you.
Sara Weibling, 286 NW Seventh Court, Oak Harbor. I am Chief Soptich's daughter. Plenty has been said. I don't want to say anything negative; I'm sure he is mortified and humbled. I appreciate everyone that has spoken on his behalf. We moved here when I was 6 years old, he has given everything he had for this City. It was his job and he was happy to do it and we supported him. It was a wonderful example of service and pride in the City. I went away to college and came back to Oak Harbor. This was a disrespectful way to end his career. He would have had 25 years in August with the Department. Thanks for listening for the better part of the last hour and half.
Dustin Soptich, County resident. I do own a business in the City and I've tried to serve our community well in emergency service departments. Thanks to Chief Wallace for his 35 years and almost 25 years for Chief Soptich, congratulations to both. I have seen a lot of great things in this community. A lot of people serve the community well. Thanks for all your hard work.

Jim Pace. Paraphrasing Shakespeare, I didn't come to praise or bury Chief Soptich. Can the Council do something so he can retire honorably? Reading an article in the paper might be unjust. If Council can, I respectfully ask that they do this. I do think he deserves justice.

With no other public comments coming forth, Mayor Dudley closed the comment period.

Break
Mayor Dudley called for a break at 7:30 p.m. and the meeting reconvened at 7:40 p.m.

COUNCIL CONSIDERATION AND ACTION ON THE FOLLOWING MATTERS
Consent Agenda

A. Island Transit Board Appointment – Jim Campbell
B. Resolution – Petty Cash
C. Approval of Accounts Payable Vouchers

MOTION: **Councilmember Munns moved to approve Consent Agenda Items A, B, and C with item C paying Accounts Payable check numbers 148608 – 148619 in the amount of $42,436.74, Accounts Payable check numbers 148829 – 148830 in the amount of $54,889.44, Accounts Payable check numbers 148846 – 149031 in the amount of $521,353.44, Payroll check numbers 95286 – 95315 in the amount of $623,918.31, and Payroll check numbers 95316 – 95335 in the amount of $30,466.20. The motion was seconded by Councilmember Severns and carried unanimously.**

Special Benefit Analysis – Dillard's Addition Sewer LID
City Engineer Eric Johnston presented this agenda bill and PowerPoint which included a City map (attached to these minutes as Exhibit D) showing existing septics within City limits. He also gave a summary of Council action in 2011 concerning this LID:

- 03/01/2011 – Council presented with a petition for a gravity sewer LID for the Driftwood Addition and surrounding sewer basin during Public Comments of the Council meeting. Motion carried to bring an update on where Dillard is today before Council on April 5, 2011.
- 04/05/2011 – Council discussion of petition and motion carried for Resolution to explore cost benefit analysis for an LID and cap money spent by staff at $25,000.
- 05/03/2011 – Motion carried to remand the resolution back to staff to include both the gravity and low pressure sewage systems in the resolution.
- 6/28/2011 – Motion carried for the City to proceed with the development of a preliminary special benefit report in phases - Phase 1: An RFQ to identify qualified firms. Phase 2: A Request for Proposals for Council consideration and award of contract.
- 11/15/2011 – Adopted Resolution 11-17 proceed with RFP for Special Benefit Analysis.

On November 15, 2011, the Council directed that a request for proposals (RFP) from qualified appraisers for a special benefit analysis be published. The RFP was published for the first time on December 1, 2011 in the Daily Journal of Commerce, and again on December 3 and 10, 2011 in the Whidbey News Times. The deadline for submittals was December 30, 2012.

The one and only proposal received was submitted by Macaulay & Associates. The proposal meets the requirements set forth in the RFP issued by the City. Macaulay & Associates has an extensive résumé for this type of work, is well qualified, and has previously completed work for the City of Oak Harbor on a similar project. In 2003, Macaulay completed a special benefit analysis for the Scenic Heights Sewer Local Improvement District (LID). While the Scenic Heights LID ultimately was not formed, the information provided by Macaulay was timely and well prepared. Macaulay is also listed as a contributor to the 6th edition of the Local Improvement District Manual published by the Washington Municipal Research Service Center (MRSC) further demonstrating their qualifications for this type of work. Mr. Johnston noted that Council may wish to consider citywide policies related to sewer connections. The waste water facility plan scope of work includes tasks to evaluate feasibility of providing sewer connections to unsewered areas within the City sewer service area. This work includes engineering recommendations on efficient methods of providing service and also a financial analysis of costs and rate impacts. Macaulay's proposal lists the cost for the work outline in the RFP at $31,500. Previous Council action authorized $25,000 for work on the formation of a local improvement district. As of January 20, 2012, $21,062 has been expended. In order to pay for the special benefit study, a budget amendment adding funding to the current waste water operating budget would be required. Funds would come from the waste water reserve funds.

Mr. Johnston introduced Steve DiJulio, Foster Pepper, PLLC. Mr. DiJulio has spoken at past Council meetings (most recently, 6/28/11 and 11/15/11 Council meetings) noting then the key point in an LID process – it is about financing not construction. Ultimately, an assessment is used to secure the financing for public infrastructure and the statutes regarding LIDs describe different methods for assessment; mathematical or special benefits analysis. Mr. DiJulio once again discussed the alternative methods for an LID – petition and resolution. Both result in a public hearing process. Mr. DiJulio reminded Council that this is a process for a city LID unlike ULIDs or LIDs used by other forms of public agencies (such as a PUD) which can be somewhat different. The City has the discretionary authority to proceed with the formation of an LID or not. The amount assessed against properties may not exceed the special benefit brought to those properties. A special benefit analysis is not a mandatory requirement to go forward and give notice of formation but it is a foundation upon which to build the project and is a defensible assessment. Mr. DiJulio talked about the boundary differences of this area and the larger undeveloped properties, lots 3, 4, and 5, and reiterated that Macaulay and Associates is well-recognized throughout the state.

Mayor Dudley called for public comments.

Paul Brewer, Oak Harbor. I fully support this agenda item. It is time to undo a wrong. A pressure system was put in against the will of the Dillard area. They did not want it. We need to move forward; let this LID move forward. The gentleman who was going to live in the house with the pressure system sold it thereafter.

Corey Johnson 2080 Boulder Meadow Lane, and C. Johnson Construction, Oak Harbor. As part of a recent annexation into the City, we hope to have sewer ourselves some day. I worked on the Dillard system and it will function in spite of people not wanting it. Barney Beeksma has expressed an interest in seeing sewers in their neighborhood. I am off of Goldie Road and would like to see sewer hookup. Having built a force main out Goldie Road, you are looking at a million dollars without engineering, bond, and legal costs. If you divide that by 27 or 28 lots, that is about $60,000 per home. That would buy a lot of grinder pumps for that community, not the prime thing, but there are options. There is a better use of City funds. You could look at some of the community areas that have a real desire or have failing systems and get them hooked up as well. Stop thinking like a City and think like a business. What is your stimulus package to get Dillard, Waterloo, and others hooked up: get creative, waive fees, do something. These are tough economic times right now; think about something new and different.

Duane Dillard, 2150 SW Dillard Lane, Oak Harbor. This issue started nearly six years ago. Our first notice came with construction crews tearing up the streets. After nine months, the Council gave us a five year ordinance. In those years, the four residents who hooked into the staff-recommended system have had problems. The last repair cost was $2,000. We have never been against sewer, just the type of sewer. A gravity sewer system would have been so much easier. It is time to move forward with our LID.

Pat Gardner, P.O. Box 2067, Oak Harbor. Think of the environment and the future of this City. I would like to see something move forward, as needed, but think of the environment and pollution control.

Robyn Kolaitis, 2141 SW Dillard Lane, Oak Harbor. I think Corey Johnson is absolutely correct. He installed the sewer system in Dillard's but has not been around for some of the failures. I agree with incentivizing. We need a good quality system. I would like to see the City not spend so much money, too. The company that responded to the RFP is the same company that Marc Goetz recommended four years ago. We petitioned nearly a year ago, per the direction of the former City Council, when construction costs were at historic lows. Mr. DiJulio has provided Council direction on several different occasions. The Driftwood Addition LID is complex. We did not cause the problem. Continued delays have added insult to injury and residents are seeking to correct the City's past mistakes. I have heard City staff and some Council members not see the value in the LID. I don't know whether the benefit exists and will not know until we move forward with this analysis. The remaining signers on the LID petition still support the LID. I understand Mr. Freund's position but as of today, come December, unless the residents connect to the City system, we will be in violation of City code. A

$16,000 bill should be repealed. The cost benefit analysis is almost unavoidable even though I might not like the results but it is the best choice for the tax payers and residents.

There were no other public comments.

Council Discussion

Discussion followed about the 160 properties on septic within City limits, if other areas (such as Waterloo) have an LID process in place (no), and that Carollo Engineers is studying the entire City and potential for extension of services in the City. Macaulay's proposal would cost $31,500 and funds could be made available through a budget amendment pulling the funds from reserves. The City is currently working on a code revision which would address the $16,000 fee.

In response to Council, Mr. DiJulio discussed legally indefensible situations regarding LIDs, the use of a special benefit analysis to identify the highest and best use for property, examples of cities where a special benefit analysis was not successful: Bellingham – future development was seen as speculative; Everett – assertion that widening of SR-99 would make a property more amenable to redevelopment with road improvements in place; a new library was not receptive for special benefit, seen as a general benefit; Freeland – demonstrated that properties would not realize an increase and the project was abandoned but Freeland is now trying to design a less expensive system. More traditional problems with a special benefit analysis are problems with methodology. For a special benefit analysis, the appraiser will often create a master spreadsheet; a math calculation that applies cost numbers provided by local government to the special benefit. It is the City's function to spread costs to the LID area. Whether spreading $1 million or $600,000 - $700,000 is immaterial to the appraisal analysis. Council noted that going forward with a Macaulay and Associates special benefits analysis may become a $31,500 exercise. If Carollo Engineers can solve the problem citywide, the community will receive better value and the funding process could be a bonding mechanism with the wastewater treatment facility. Neighborhoods could be on separate funding schedules. Funding individual neighborhoods could occur through a rate and charge system; a differential rate to cover the costs of the system. An LID is only one of many financing tools available. If revenue bonds are issued, they have to be spent in a certain amount of time. Mr. DiJulio talked about the Anacortes water treatment plant outside of Mt. Vernon at a cost of $60 million but noted a city does not have to borrow the money all at once.

Council talked about finding a citywide funding mechanism, rate payer and additional assessments for individual neighborhoods, the Comprehensive Plan which identifies the Dillard area for a low pressure system instead of gravity (the Comp Plan is being reviewed), and how to best achieve sewer availability to individual properties citywide that are presently on septic systems. It was again emphasized that an LID is a funding mechanism, not a system. Engineering will come back with the most cost effective way to improve a system. The funding method rests with the Council.

Mr. DiJulio noted that LID participation is not voluntary. The City will make the determination and the statute states you have to include all of the properties or be legally challenged. Properties would need to be specially benefited by a sewer system; even the undeveloped property. The owner of a large piece of property could file a protest, which is another factor that could arise, but that will not be known until the calculation of a special benefit analysis is in place. This is one of the reasons to commission this report along with knowing whether to proceed with an LID.

Council discussion continued regarding remaining septics in the City, islands created between the City and County, whether to move toward a special benefit analysis for the Dillard area, removing the $16,000 fee from the Dillard Addition neighborhood, and looking at a plan for all City neighborhoods still on septic. Discussion continued about prior Council action regarding the Dillard Addition, the viable systems in the Dillard Addition, how an assessment can be made for a system when the neighborhood's septics are functioning systems and a property's value remains the same with a septic or sewer system, and potential for City exposure. The decision on a system remains a Council decision. Discussion returned to Carollo's recommendation for the whole City and the new waste water facility. Carollo is tasked with providing a recommendation to Council on the method for providing sewer to areas that may not have them today and provide policy discussion on the Council level. It is appropriate to think long-term. City Engineer Johnston talked about the Oak Harbor Church of Christ which has a failed septic system. The City cannot expect one church to pay a large amount to provide a system. Policy questions will come before Council. Council talked about older neighborhoods and residents who are on fixed incomes. There needs to be a citywide system that includes everyone, but the City has to have a waste water treatment facility in place by 2017. Discussion returned to this evening's special benefit analysis for Dillard's Addition, funding for a citywide solution and if the City's bonding capacity could qualify for enough financing to build the waste water facility and infrastructure for the City's enclaves, and if the funding process can be spread out. Mr. Merriman noted that talking about bonding capacity only applies to the general fund. Utility and sewer funds are based on the rate structure. This particular case does not impact the City's bonding capacity and an adopted sewer plan that involves the waste water treatment facility and City sewer plan is a positive to bond analysis. Mr. DiJulio added that three types of debt are being discussed: general fund, utility fund which is based on income, and thirdly, special debt. Adding enclave projects will increase the amount borrowed and coverage requirements in income for the debt service; financial markets will require that additional capacity. The third type of debt, special debt: An LID is not supported by taxing, utility rates/sewer system; the security is the value of the property as served by the improvements. LIDs are typically more expensive. The lender has a greater risk. It is good but not as good as a City pledging all of its revenue and borrowing costs are less than for an LID. Council talked about spending $31,500 for a special benefits analysis in one neighborhood, giving the Dillard neighborhood more time, and that their December 2012 is under consideration.

MOTION: **Councilmember Hizon made a motion to move forward with the Macaulay and Associates proposal for a special benefit analysis. The motion was seconded by Councilmember Campbell.**

Further Council discussion included the Dillard Addition neighborhood hooking into an available system with note from City Engineer Johnston that they cannot be required to hook in unless there is a failure of an existing septic system. Mr. Johnston felt there was no reason to not extend the December 2012 deadline for the Dillard Addition. Discussion followed about doing both a special benefit analysis and citywide plan with note that Carollo has been working toward a citywide plan for a long time and the preliminary engineering work has been underway for some time. Mr. Johnston also talked about assessments which will be based on the special benefit analysis for the Dillard Addition and the needed ratio of increase in value: market value increase above the total cost of the LID. Discussion continued about potential units in this neighborhood, development potential, and how the Freund property factors into this equation. These questions could not be answered this evening in terms of special benefit and number of uses. It was again noted that an LID is a financing mechanism, not the costs of physical improvements or construction.

VOTE ON THE MOTION: **Councilmembers Campbell, Hizon, and Paggao voted in favor of the motion. Councilmembers Almberg, Munns, and Severns opposed the motion.**

Council Rule – Voting, No. 17 (2) states that: The Mayor may vote in case of a tie except for the passage of any ordinance, grant or revocation of franchise or license and any resolution for the payment of money. These matters shall require the affirmative vote of at least a majority of the whole membership of the Council (four Councilmembers).

MAYOR DUDLEY'S VOTE: **Mayor Dudley voted in favor of moving forward with the special benefit analysis. The motion carried.**

Break

Mayor Dudley called for a break at 9:15 p.m. and the meeting reconvened at 9:30 p.m.

Agenda Items moved to a Future City Council Meeting

MOTION: **Councilmember Campbell made a motion to move the Island County Joint Tourism Contribution Agenda Bill to mid-March. The motion was seconded by Councilmember Almberg and carried unanimously.**

MOTION: **Councilmember Almberg made a motion to move the Adopt A Street Agenda Bill to mid-March. The motion was seconded by Councilmember Severns and carried unanimously.**

City Council's mid-March meeting is March 20, 2012.

Resolution – Wastewater Facility Plan
City Engineer Eric Johnston presented this agenda bill and led a PowerPoint regarding historic actions taken by Council related to candidate sites for a new waste water treatment facility. On September 20th, 2011 the agenda bill was moved to the November 15th, 2011 Council meeting by Council motion. On November 1st, 2011, recognizing that two council members had requested excused absences from the November 15th Council meeting, Council motioned for a special meeting on November 28th, 2011. This item was moved to the November 28th special Council meeting.
At the November 28th special council meeting a motion was made to delay further discussion to the January 17, 2012 regular council meeting which was then cancelled due to inclement weather.

On July 27, 2011, a workshop with the City Council was held to present and discuss the status of the wastewater facility planning process and to present three sites for further consideration. As discussed during the workshop, a resolution would be presented for consideration and adoption by the Council. The resolution considered authorizing and directing the project team to proceed with the three candidate sites. A public forum was held on August 24, 2011 at which the information presented at the Council workshop was presented and public input was sought. Information presented at both the public forum and Council workshop was made available to the public via the project website. Videos of both the forum and the workshop were broadcast on Channel 10. Following the August public forum, the resolution for the shortlisted three sites was then discussed at City Council meetings on September 20, November 1 and November 28, 2012. This topic was also discussed at multiple City Council committee meetings during the same time period. Several Council members were able to participate in educational tours of waste water facilities in Blaine, Carnation and King County. In contrast to the resolutions presented at previous council meetings to narrow the number of sites, this resolution proposes to add a new area for consideration. If the resolution is adopted, a new sixth site will be analyzed to the same level of detail and vetted through the public process in the same fashion as the previous five sites.

This sixth site is generally north of Crescent Harbor Road and east of Regatta Drive. The proposed resolution included a "whereas" sentence which stated:

> WHEREAS, the City Council has asked for evaluation of an additional candidate site generally located north of Crescent Harbor Road, east of Regatta Drive and south of the intersection of Torpedo Road and Regatta Drive.

In preparation for this meeting, a letter from the Mayor was mailed to property owners in this area notifying them that the Council would consider this area at this meeting. An

aerial figure showing the potentially affected properties and ownerships to whom letters were sent. It was noted that the resolution is not explicitly limited to the area in this figure and that, if additional areas warrant investigation, notification will be provided to the affected property owners. In addition, more detailed cost information will be provided by the project team. This cost information is expected to address cost responsibility between the City and Navy, cost impacts resulting from the phasing of improvements, and specific impacts to rate payers in comparison to the 2010 rate study. Following the analysis and public process, it is expected that the Council will discuss another resolution to narrow the candidate sites to a short list of two or three final sites.

Mayor Dudley called for public comments.

Joanne Hartley, 250 W. Crescent Harbor Road, Oak Harbor. We are next to the blue line (on the aerial map). We watched the Fakkema water line going through the County, then saw the Navy put in a sewer line, and then watched the owner of the triangled property sell his property to the City. The little square is owned by an older couple; they are now annexed into the City. No wonder I would have voted for someone else if I lived in town. The smaller properties aren't worth much but the larger property owners can benefit. We want to live our days out in our home. I'd send out a letter saying we are considering an issue that involves you. I would consider it a threat. Consider the other property on Crescent Harbor that you already have.
Bob Wojciechowski, Ms. Hartley's neighbor, 286 Crescent Harbor Road, Oak Harbor. I got a letter of intent back in 2008 to annex me. I was an enclave. How many do you have running around this City? I get a letter of intent that you will possibly put a sewage treatment plant in our backyard. My property is number 1 (on the aerial map).
Peggy Wojciechowski, 286 Crescent Harbor Road, Oak Harbor. I think I have been living there for 30-plus years. We have lived there a long time. I haven't been able to sleep since receiving the notice. We are 75 and 79 years old. Our house is 120 years old. It is not worth enough to relocate. The parsonage is still standing. I want to be left in peace for the rest of my life.

There were no other public comments.

Council Discussion
Discussion followed about this corner and why it was being considered. Mr. Johnston noted that, as potential candidate sites were discussed, there have been changes to the list. Crescent Harbor was added to the list of five back in March. There are no perfect sites and Council expressed concern about placing a treatment plant on Navy property. Clearly, it is not our intent to portray a threatening demeanor.

This area seemed like a logical place for consideration and it met the general criteria, but the Crescent Harbor site has wetlands and cultural resources and we just now learned that it includes a 120 year old house. Mr. Powers addressed the statements made regarding annexation and a parcel purchased by the City. These statements are not accurate; the aerial map is accurate. The City has not acquired property 1 or property 3. There have been annexation initiatives but they did not come to fruition. It is not a true statement to say the City owns property 3 and the City has no such intentions of doing so at this time.

Discussion followed about the original 13 potential locations, the property referred to as the Boyer property (APZ zone), and that early on, the City looked at 30 potential sites and the technical team said that number had to be narrowed down. Council was presented with 13 sites, narrowed that to 8, then down to 3 with the process then slowed to identify other sites. A particular site or individual property is not being identified at this time. When a final selection is reached, then that will be identified. Is there value in looking at the Boyer property (APZ zone) or going back in time to review sites eliminated by the technical team; that is a reversal and not money well-spent. Discussion followed about the size needed for a waste water facility, the difference in size for an MBR and AS plant – the treatment chain – and the need for solids handling as well. Carollo will absorb the inclusion of this sixth site but staff will be involved with some of the scope to keep the management reserve already established. Discussion continued about the stage which will include an archaeological survey (cultural resources are being considered now with a survey of one or two sites), and Council was again walked through the schedule for this project. A facility plan must be in place by December 2012. That deadline is established by the City's permit to operate the treatment plant. If the City is moving forward and making progress, the Department of Ecology may give that some consideration. The extreme case: If the City does not have an adequate treatment capacity to serve the City's needs, the City cannot issue building permits which would be catastrophic. The plant's operation date has not yet been established by the Department of Ecology. Establishment of the facility plan will move the City toward that date's selection. A failure in the lagoon or the City's existing plant would create a moratorium – this is urgent. It was noted that any of the potential sites will require property acquisition and this sixth site will be vetted through the same criteria process. Discussion followed about the Navy site, with hope for that site along with concern for that site since the City would have to prove to the Navy that no other viable sites exist. There was Council concern with adding another site when sites need to be narrowed, and concern with potential impact to the project schedule. Mr. Johnston noted that work is being done regarding financial input for other sites, work on multiple aspects of this project, and it is important to move forward.

MOTION: **Councilmember Almberg moved to adopt Resolution 12-05. The motion was seconded by Councilmember Campbell and carried unanimously.**

City Council Vacancy
City Attorney Bill Hawkins presented this agenda bill. During the January 23, 2012 special meeting, the Council adjourned to executive session as permitted by RCW 42.30.110(1)(h) to discuss the candidates' qualifications. Returning to open session, the Council announced they had selected four candidates to move forward in the process. Staff's review of the matter concluded that the Council's discussion went beyond that permitted by RCW 42.30.110(1)(h). While it is clear that the discussion went outside of the permitted boundaries, it is also clear that this was an inadvertent error and not an intentional act. Actions taken at a meeting failing to comply with the open meeting requirements are null and void per RCW 42.60.060(1). The statute does not, however, require that subsequent actions taken in compliance with the act are also invalidated. Staff recommended that the City Council take an independent final action to evaluate the qualifications of all ten applicants and that Council do so in an open public session. As before, it was recommended that public comment not be taken with regard to candidate applications to allow review of the materials submitted by the applicants only and ensure compliance with public disclosure laws restricting use of public funds to promote a particular political campaign. Mr. Powers added that it was Council's prerogative on how to choose the candidates with an interview goal during Council's February 21, 2012 meeting. Council discussion followed on a methodology to review and rank candidates.

MOTION: **Councilmember Campbell moved to abide by the standards established and eliminate the two candidates who do not live in the City limits. The motion was seconded by Councilmember Almberg and carried unanimously.**

Candidates Michelle Dowell and Raynette Parks do not live in the City limits.

MOTION: **Councilmember Hizon moved to begin the process with each Council member naming their top four candidates after Council review and consensus. The motion was seconded by Councilmember Almberg.**

Discussion followed about how best to discuss and choose four candidates and City Attorney Hawkins suggested that Council describe the criteria used for their choices. Discussion continued about the use of names or numbers and the need to keep the process open.

VOTE ON THE MOTION: **Councilmembers Almberg, Hizon, Munns, Paggao, and Severns voted in favor of the motion. Councilmember Campbell opposed. The motion carried.**

Councilmember Hizon
Richard Devlin: He is qualified and has dedicated his life to the service of this community.
James Reynolds: Also very qualified, a Command Master Chief; an ethical person.
Jeffery Wallin: Qualified, and a history of community service.
Joel Servatius: Qualified and I appreciate his political philosophy; unique.

Councilmember Munns
I looked at their qualifications, community service, expertise, what would be a good fit and a new or another voice, and what the candidates saw as their goals for the City.
Ms. Munns' candidate choices:
Richard Devlin
James Reynolds
Jeffery Wallin
Joel Servatius

Councilmember Campbell
James Reynolds: I am impressed by the way he conducts himself, recently retired from the Navy, and he brings a wealth of background and organizational skills.
Jeffery Wallin: An extensive background in the City, knows the City, and has a good background in construction as does Mr. Almberg.
Joel Servatius: An extensive background in finance and we deal with money all the time; a good talent.
Ana Schlecht: Ms. Schlecht has an extensive education (B.A. and Master Degrees from Harvard), has lived all over the world, and would bring a world view – somewhere else besides Oak Harbor which would also bring a great maturity and be beneficial to Oak Harbor.

Councilmember Paggao
All of the candidates' credentials are very impressive. I narrowed their experience to three criteria: strengths, priorities, and vision.
Larry Eaton: His strength is his knowledge of City government; his priorities were well-listed in the supplemental questionnaire including the business community, environment, and animal shelter issues. His vision is to keep the City creatively uncrowded but capitalize on those who pass through Oak Harbor as a source of customers and tourists.
William Pohtilla: His strength is his background in management, priorities include the waste water treatment facility, infrastructure, and attracting new businesses; his vision is to keep Oak Harbor a wonderful community to live in.
Jeffery Wallin: Strength as a strong businessman and he is open-minded; his priorities are the waste water treatment facility, economic development, and the growing senior population; and his vision is to keep Oak Harbor a premiere waterfront community and destination city.

Joel Servatius: His strength is he is level-headed, logical, and can make good decisions; his priorities include a balance in diversity, synergy between the City and local businesses, and keeping the community vibrant; his vision is to keep Oak Harbor a premiere family and business destination.

Councilmember Almberg
Mr. Almberg looked at the candidates' qualifications, résumé presentation, how they articulated their ideas, their response to the supplemental questionnaire, and education. Most have extensive educations and community involvement. I considered non-alignment in the last election and neutral minds. And finally, how to keep a balance between youthful and mature candidates.
Mr. Almberg's candidate choices:
Richard Devlin
James Reynolds
Jeffery Wallin
Joel Servatius

Councilmember Severns
Mr. Severns was looking for a candidate who will enhance Council's ability to make a decision for the majority of Oak Harbor's citizens, is connected to Oak Harbor with service to the community, family involvement, and extra credit for decision-making in an organization, actual experience in contracting or budgeting, and payroll for a competitive for-profit business. Budgeting and finance; this is a special area.
Mr. Severns' candidate choices:
Joel Servatius
Jeffery Wallin
Ron Apgar
Richard Devlin

MOTION: **Councilmember Hizon moved to accept Richard Devlin, James Reynolds, Jeffery Wallin, and Joel Servatius as the applicant shortlist for City Council Position No. 5. The motion was seconded by Councilmember Severns. Councilmembers Almberg, Hizon, Munns, Paggao, and Severns voted in favor of the motion. Councilmember Campbell opposed. The motion carried.**

Break
Mayor Dudley called for a break at 10:50 p.m. and the meeting reconvened at 11:00 p.m.

Discussion – Costs of Staffing Changes
Finance Director Doug Merriman presented this agenda bill. During Council's January 23, 2012 special meeting, a Council motion was made and seconded to add this discussion of the direct and indirect costs connected to staffing changes for the positions of City Administrator, City Attorney, Fire Chief, and Police Chief.

City of Oak Harbor
Summary - Costs of Employment Changes
2/7/2012

1) All known costs of severance, including but not limited to, all benefits, costs of transition, and costs related to interim appointments and training, if any;

Estimated Severance costs (including related benefits):	$414,161.16
Estimated Costs of transition (hiring, recruitment, training):	$46,006.76
Estimated Costs of interim appointments	$20,307.66
	$480,475.58

2) Costs for release of liability from said terminated employees if anticipated

No costs of release of liability are anticipated at this time.

3) Anticipated sources of funds for the above costs if more than one source exists

Funding Source	
Acc Vacation/Sick Leave Reserve	$189,170.61
Covered under existing budget	$16,363.18
General Fund Reserves	$274,941.78
	$480,475.58

4) An Illustration of how these expenses will effect our existing budget.

1) Reserves Impact - Reduction in Projected Reserve from 30.33% to 28.11%

Pre-change Reserve Status

General Fund Reserves (12/31/2011)	$3,762,751.00
2012 Adopted budget net of Beginning Fund Balance	$12,407,826.00
1/1/2012 Reserve Balance Percentage	30.33%

Post-change Reserve Status

General Fund Reserves (12/31/2011) less:	$3,487,809.22
2012 adopted budget net of Beginning Fund Balance	$12,407,826.00
1/1/2012 Reserve Balance Percentage	28.11%

2) Residual Impacts

Will require a replenishment of the Acc Vacation/Sick Leave Reserve

Mayor Dudley called for public comments.

Paul Brewer, Oak Harbor. Each mayor who took office let people go. We had one mayor who let three City supervisors go; another mayor let a police chief go. This is not new, and yes it hurt, but change was needed. If we are trying to make an issue out of the money, every mayor has changed personnel.
Shane Hoffmire, Oak Harbor. What are we doing? Was this put on the agenda to learn facts or is this more political posturing? Let the record show, if this Council is going to point fingers, than there will be more pointing back. Council hired these people with lofty severance packages. The people want accountability; the Council is to blame and there are mistakes by City staff. It is still the fault of the Council for approving such contracts. At last we have a Mayor who will take a stand and is willing to put his name on decisions.

Council Discussion
Councilmember Severns, who had brought the motion forward on January 23rd wanted to address accountability: $480,475 is excessive. We are tasked to keep with a budget plan. You talk about previous mayors and I don't think there is a situation where in two weeks this kind of money was spent. The general fund reserve amount, if you reduce that, then what has happened is our reserve amount is reduced by 7.3%. Unless we talk about these numbers and know them as a Council, then we are not doing our job. I do respect the fact that we have a general fund reserve account that is still higher than 16%.

Councilmember Almberg asked Mr. Merriman to describe the process for establishing the salary and severance packages in the past when these employees were hired and what we would do going into the future. Describe the process for "at will" employees going back ten years and how we will move forward. Human Resources Director Jessica Neill Hoyson addressed this question: It is a lengthy process. When a city is looking at compensations, we have a salary schedule. We look at comparable cities' population range, assessed valuation, income from taxes, and then compare Oak Harbor to these cities (six cities) and place Oak Harbor at the average of the comparables. Our salary range has seven steps and starts at a comparable average. The same is done with "at will" employees. If it is a competitive job market, a higher schedule may be considered to attract candidates. A person may negotiate on their own, if chosen, for a higher range. Severance is also considered in relation to comparable cities for like positions. Mr. Almberg asked if severance packages, to protect an employee and allow them time to find other employment, are normal for "at will" employees and Ms. Hoyson said, yes, for a majority of cities. Mr. Almberg talked about his motion in December to freeze hiring and firing and why he had brought it forward. Discussion continued about the budget process and how this money will have to be recovered, if a smoother transition of these employees could have been made, and that Ms. Hite had been fired and then re-hired on-contract at 160% of her salary which did not make sense. Councilmember Paggao asked if the 7.3% reduction would affect the City's bonding capacity. Mr. Merriman responded that it would not affect

utilities, but when you are looking at general obligation bonds, the bonding capacity is based on assessed valuation and property taxes. You want to ensure that your reserve levels are not strained, and this reduction won't impair, but you want to keep an eye on it. Mr. Paggao asked how long it would take to recover the 7.3% ($274,941.78) but that isn't answerable. Mr. Merriman noted that, at the end of each year, what has not been spent rolls into the reserves; this year has been tight. Councilmember Campbell had no questions. Councilmember Munns talked about revenue being down and that she has always held the City's reserves as sacred. We have been lucky in trimming budgets and tightening belts but are we now in danger of cuts. These contracts were not outrageous; we haven't replaced people and have been very careful. Mr. Merriman noted that it is difficult to know what will be down the road. Keep in mind what reserves are for and I would be the first to hold them for desperate circumstances. The fund balance is used for ebbs and flows. $274,941.78 is significant and we will have to be careful in the future, but I cannot tell you what this will mean four to six years from now. Councilmember Hizon asked about the competitive pay scale and severance packages: Who is "we"? Ms. Hoyson responded that in 2004 the City had contracted out a salary study but Ms. Hoyson has a background in compensation analysis which is now in place on a two-year cycle for the City. Ms. Hizon asked about Council approval and Ms. Hoyson responded, that yes, it does require Council's approval. Ms. Hizon expressed concern with the estimated cost of $480,475.58 being a best case scenario and Mr. Merriman concurred and talked about his analysis to reach this figure. Councilmember Almberg asked if additional costs could be incurred and if releases have been requested from the four employees. Discussion continued about the transition time frame (90 days is interim time period), the cost in human time, the City's options, and if Human Resources is available to do all of the associated work – assessment center and hiring process ($6,000 in internal costs, but an outside firm could cost $15,000 - $20,000). City Attorney Hawkins noted that releases have not been offered and there is some liability without a release, and a contract's severance clause speaks to damages. With severance clauses, typically nothing is said. All terminations bring the potential for claims and litigation. Mr. Almberg asked the Mayor what his plan or strategy is for compensating this shortfall; how do we backfill this hole.

City Administrator's Comments

Interim City Administrator Powers invited City Engineer Johnston to speak. Mr. Johnston talked about the Pioneer Way utility pole conversion (scheduled for 2/13/12 now) and the anticipated art work prior to Holland Happening. Morning coffees are still being held at Angelo's Café. Mr. Johnston also talked about a prestigious award which was received for Pioneer Way and its Greenroad sustainability. There were 50 candidates and Pioneer Way was one of five to receive a golden award.

Council Members' Comments

Council Members gave their standing committee and board reports. Councilmember Campbell talked about the letter from Mr. Beeksma and Mr. Powers will get back to Mr. Campbell and the entire Council regarding this letter.

MOTION: **Councilmember Almberg moved that the standing committee agenda item be placed on the regular Council meeting agenda scheduled for February 21, 2012, to direct the Mayor and staff to provide a cost impact analysis to the budget to change the times, locations, and videotaping of the standing committee meetings. The motion was seconded by Councilmember Munns.**

No vote was necessary.

Councilmember Munns: I really am a team player. I voted against something, but it is still my duty to make sure it works, regardless if I like it or not. The Council retreat date of 3/312 – over a year ago I noted that I had plans in place and would be gone between 2/22/12 and 3/3/12. It is a Council retreat and I'm asking that it be rescheduled. I let this be known early on and from the very beginning. Mr. Powers responded that we are aware of this concern and it is also an excellent point that the new Council Member will be very new to Council. There is only one other Saturday that will work which is 3/24/12. Councilmember Campbell responded that he will be attending his son's wedding in Napa, CA on 3/24/12. Councilmember Severns noted that he had been approached by the condominium owners who live across from Element Nightclub to see if he would continue on the Public Safety Standing Committee until there is a replacement (currently, there are only two members on this committee). Mayor Dudley noted that would be only one meeting. Consensus was to have Councilmember Severns attend the February Public Safety Standing Committee meeting.
Councilmember Hizon: I knew that tonight was going to be an emotional night, but I was unprepared for the onslaught of public comment. It takes guts to make public statements. I know Chief Wallace but not Chief Soptich who seems impressive. I heard concerns about morale among City staff. Thank you to staff for their help and patience.

Mayor's Comments
With the lateness of the hour, Mayor Dudley had no comments this evening.

ADJOURN
The meeting adjourned at 11:55 p.m.

_____
Connie T. Wheeler
City Clerk

Exhibit A

My name is George Marin. I live at 1292 Swantown Road, Oak Harbor, WA.

Mayor Dudley and city council members, thank you for this opportunity to address you in this public forum.

I am here this evening in response to the recent dismissal of Oak Harbor Fire Chief Mark Soptich. When I first heard of this action, quite frankly, I was outraged. I hope in my few words here this night to express my thoughts and feelings on this matter.

Our family has been in Oak Harbor for 52 years. Though I left Oak Harbor after high school graduation I returned 17 years ago, at which time I met Chief Soptich and his family.

In 1996, on Halloween night, actually the early morning hours of 1 November, my wife and I were awakened to discover the Whidbey Golf & Country Club clubhouse (across the street from our house) completely engulfed in flames. We arose, and in those early morning hours watched as the Oak Harbor Fire Department battled the conflagration. The clubhouse in those days was actually the old barn of what used to be the Loerland Dairy Farm. It was a large traditional barn and built of large beams, and in consequence the fire spread very quickly and burned very hot. Prior to this Chief Soptich had been instrumental in purchasing a large ladder truck for the department. He had been criticized by some for having made what they believed to be an extravagant and frivolous purchase, as Oak Harbor certainly didn't have any skyscrapers. But on that night I saw firsthand the value of this piece of equipment. With it they were able to position a nozzle above the flames leaping from the building. Without it they would have been relegated to fighting the fire from below at ground level. I am thankful we have a fire chief who loves his profession and makes intelligent decisions that directly and positively affect the safety and well being of our city.

The next morning as we surveyed what remained of the structure and noted a nearby light green propane tank, we learned that Chief Soptich, at risk of his own personal safety, had positioned himself in proximity to the tank to ensure the area never got hot enough to pose a threat to anyone else.

Chief Soptich was the first person to arrive at our home three years ago when my father (a retired Navy Senior Chief and an Oak Harbor mail carrier for many years) passed away at the age of 93. My siblings and I were grateful for Chief Soptich's assistance and words of comfort and solace.

Chief Soptich was instrumental in getting the fire station on Whidbey Avenue constructed. As related to me by my sister, my mother and father had watched the progress of the fire station's construction with keen interest. On the night before the open house (24 April 1992) my mother died. Though my father was grieving at the loss of his wife of 42 years, after tending to funeral arrangements, he went to the open house (accompanied by my sister). He was specifically paying tribute to this singular accomplishment by our Fire Chief.

I know Chief Soptich to be of the finest character, and ethics. He is honest and charitable. He has a kind and loving sense of humor. But most important of all, he has a sense of loyalty, duty, and devotion to the citizens of Oak Harbor that is unmatched. I know of no finer man in the whole city of Oak Harbor than Chief Soptich. I could tell you so much more, but my time is up.

I can only hope that you reconsider this gross miscalculation in judgment, and recant your dismissal of Chief Soptich. It is to our city's great detriment if you do not.

Thank you for your time.

Exhibit B

February 7, 2012

Mayor and City Council

This is about Chief Mark Soptich and how the mayor has dismantled Oak Harbor city government. As a business owner in Oak Harbor and a long time resident, I have known Mark Soptich for sixteen years. I have worked closely with him at church, and know him well personally. In every aspect of his life he exemplifies integrity, diligence and humility.

He has lived and worked in Oak Harbor for over 24 years. He has sacrificed and worked hard for our city. He was instrumental in directing the building of our state of the art fire station. He has left his family unexpectedly in the middle of the night, at the dinner table, to respond to the call of duty.

He deserves more respect than you gave him. I am severely disappointed in your judgment in this matter. In light of other decisions you have made in your first two weeks in office, I question, along with a great majority of people in Oak Harbor, your decision making ability, and your motives. You have said you are "not done." I hope for the sake of the city and it's workers that you are. This is no way to show gratitude for a job well done. So many people in city hall give everything they have and do a great job, they shouldn't have to work under the cloud of fear that they also may be randomly fired.

I hope you look around tonight and see the frustration and the disappointment, and then make a change. Not a change in city employees, but a change in the mayor's office. A change of heart and a change in leadership.

Michael Lemme

1290 E Whidbey Ave
Oak Harbor, WA

Exhibit C

I have a few questions I would like to ask. I will read my entire statement which contains these questions. When I am done, I would appreciate the answers from the staff.

Question # 1 is to the new city attorney Bill Hawkins. I understand that Marjorie Hite, Oak Harbor's previous city attorney recently fired by the mayor, was awarded all her severance pay and benefits and then rehired by the mayor at approximately 160% of her pre-firing salary for performing approximately 60% of the work. Mr. Hawkins, is that accurate? Why would the mayor fire somebody and then, a few days later after appointing a new city attorney, rehire the previously fired city attorney, paying them far more money for less work?

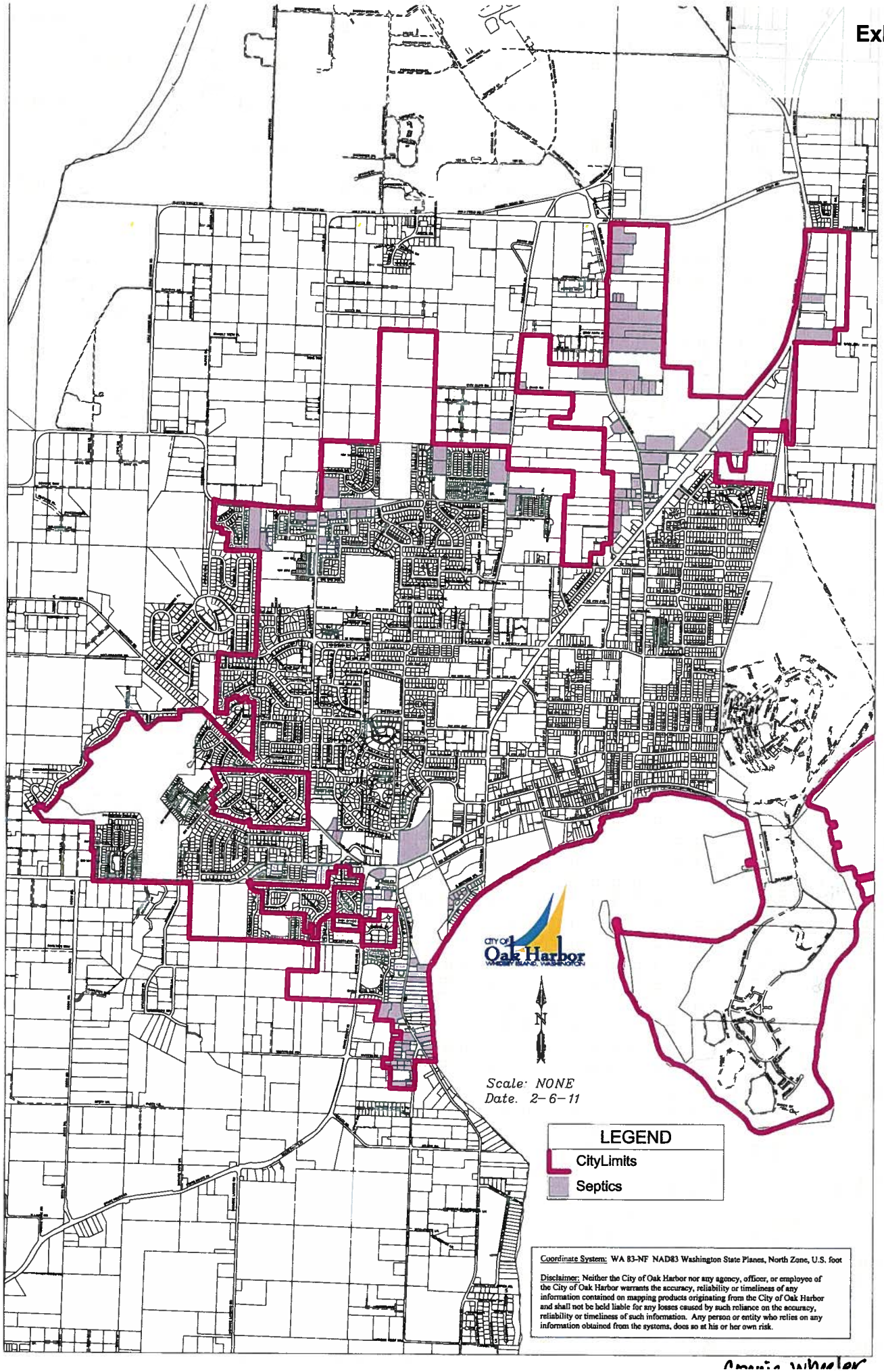
Question #2 is to Doug Merriman, Oak Harbor's Finance Director. Is it true that Mayor Dudley cannot sign any city checks? Is this because Mr. Dudley has an unfavorable credit history and the bonding company considers him a credit risk?

Because I doubt that anybody in this room knows how many bankruptcies Mr. Dudley has been through, I would like to ask Doug Merriman this question. Does the bonding company reference bankruptcy or bankruptcies (signifying more than one) when declaring Mr. Dudley a credit risk? And if Mr. Merriman can't answer this next question, can Mr. Dudley answer it. Exactly how many bankruptcies has Mr. Dudley incurred? In asking that last question, I recognize that most people come into hard times but they manage to keep their word and pay their bills even if it takes years.

Judging from the nearly half a million dollars Mr. Dudley has already spent to fire city workers in his first two weeks in office, and his at least one known bankruptcy with possibly more, it is clear to me that Mr. Dudley has not been forthcoming about his bankruptcies and is the last person Oak Harbor would want spending the city's money.

So, I would like to ask these two final questions to the city council. The 4 people recently fired by the city are all nearing retirement ages, which is the one major element these employees have in common. Is not the mayor setting the city up for a law suit on age discrimination? And if so, could Mr. Dudley's actions possibly lead to additional claims against the city?

Exhibit D



Connie Wheeler