

GIG HARBOR CITY COUNCIL MEETING OF JULY 10, 2006

PRESENT: Councilmembers Young, Franich, Conan, Dick, Payne, Kadzik and Mayor Hunter. Councilmember Ekberg was absent.

CALL TO ORDER: 7:00 p.m.

PLEDGE OF ALLEGIANCE:

SWEARING IN CEREMONY: Officer Raquel Brunson, Officer Charles Dennis, and Reserve Officer Jeffrey Shepherd.

Chief Davis introduced the officers and presented a brief background on each. Mayor Hunter performed the Swearing In Ceremony. He then invited the families to come forward to place the badge on the newly sworn officers.

CONSENT AGENDA:

These consent agenda items are considered routine and may be adopted with one motion as per Gig Harbor Ordinance No. 799.

1. Approval of the Minutes of the City Council Meeting of June 26, 2006.
2. Resolution Setting Public Hearing – Bujacich Road NW and 54th Avenue NW Street Vacation Request – Harbor Reach Estates, LLC.
3. 2006 Summer Sounds at Skansie Contracts.
4. 2006 Summers Concert Series at Skansie Brothers Park – Sound System Contract.
5. Recommendation for 2006 Art Grant – Drawing You In Program.
6. Olympic Drive / 56th Roadway Improvement Project –Temporary Easement Agreements.
7. Integrated Permit Tracking Application Software Purchase / Contract Authorization.
8. Payment of Bills for July 10, 2006.
Checks #50785 through #50900 in the amount of \$270,768.49.
9. Payment of Payroll for the month of June:
Checks #4289 through # 4324 and direct deposit entries in the amount of \$276,383.62.

MOTION: Move to approve the Consent Agenda as presented.
Franich / Young – unanimously approved.

OLD BUSINESS:

1. Public Hearing and Second Reading of Ordinance – Comprehensive Plan Amendments, Authorizing Resolutions and Development Agreements. John Vodopich, Community Development Director, explained that this is the ordinance for the 2005 Comprehensive Plan Amendments, together with a public hearing on the corresponding development agreements. He then gave an overview of the four applications. He said that the packet includes development agreements for the three individually initiated applications drafted by the city attorney, adding that the agreements for HMT

Partnership and Don Huber have been signed by the applicants. The city has been in on-going discussions with Franciscan Health Systems over their development and construction agreements and that it is his belief that all are in agreement with the terms of the development agreement, but not on the construction agreement.

Mayor Hunter interjected that agreement had been met. Mr. Vodopich then asked Council to take action on each application separately, make motions to approve the resolutions for the development agreements, and then make a final motion to adopt the ordinance that embodies all the previous four actions.

Carol Morris, City Attorney, explained that one resolution in the packet authorizes two development agreements for Franciscan Health Systems; one grants the Comprehensive Plan Amendment and the second is a construction agreement that outlines the terms in which the city would construct transportation improvements. She said that this needs to be done with two separate motions rather than one, if Council approves them.

Ms. Morris continued to address the FHS agreements. She said that discussions were held today regarding the deadline to actually construct the improvements. She referred to the information she passed out to Council regarding changes to both agreements, adding that it was decided to make a recommendation to Council that the deadline be two years after the certificate of occupancy is issued, as long as certain conditions are met, such as the posting of a cash set-aside agreement in one and one-half times the amount of the estimated cost of the remaining improvements.

Ms. Morris then addressed changes to the construction agreement. She said that there is a dispute in regards to the indemnification provision. She said that the language proposed by Franciscan is in the memo she just passed out, and because it involves potential litigation, she offered to discuss this further in Executive Session.

Mayor Hunter voiced confusion as he believed that the hospital was in favor of dropping the underlined language in the memo that Ms. Morris was referring to. Ms. Morris said that in Section 13 of the indemnification agreement, the hospital had asked to add language to allow them to sue the city for the city's failure to reimburse the hospital for its expenditures as required by this agreement.

Mayor Hunter opened the public hearing on this item at 7:15 p.m. and asked if the representative from Franciscan could come forward to clarify this concern.

Laurie Nichols, Senior Vice President for Planning and Business Development at Franciscan Health System – 8223 Silverbow Road, Lakebay, WA. Ms. Nichols said that the two provisions mentioned by the city attorney regarding the one and one-half times set-aside and the two year completion are acceptable to FHS. She offered to read the indemnification language that she thought that they had agreed upon with the Mayor and City Attorney.

Ms. Morris responded that she did not believe that they had any agreement on the language that reads “or the failure of the City to reimburse FHS for its expenditures as required by this Agreement.” She said that she did not agree to the addition of this language.

Ms. Nichols clarified that at ten to five this afternoon, FHS said that told the Mayor that they wanted Council to go ahead and adopt the Comprehensive Plan Amendment tonight with the existing, final provision that was agreed to earlier.

Ms. Morris then said that based upon the discussions during the day, she recommended that Council add the following sentence to the indemnification language, “The provisions of this indemnification section shall survive the termination of this Agreement.”

Ms. Nichols and Mayor Hunter both said that this additional language was new to them. Ms. Morris said that she added this was added as a result of the additional changes suggested by FHS.

Councilmember Kadzik asked if Ms. Nichols had a copy of the memo passed out by the city attorney. Ms. Morris explained that the memo was not drafted to be distributed to the public.

Ms. Nichols asked for a brief moment to consult with her Legal Counsel.

Councilmember Kadzik asked Ms. Nichols to read her understanding of the final, agreed upon indemnification language. Ms. Nichols read the following: “The Developer (FHS) agrees to indemnify and save the City, its officials, officer, agents and representatives harmless from and against any and all liability damages, expenses, and judgments arising in connection with this Agreement, unless occasion by the negligence or intentional misconduct of the City, provided the defense of any such claim is tendered to Developer, or the expenditure of any funds deposited with the City by the Developer, FHS, other than is permitted by this agreement.”

Ms. Morris said that the only difference in what was just read and the language in her memo is the line “provided that defense of any such claim is tendered to the Developer” is in a different location. Mayor Hunter asked about the last sentence recommended to be added by Ms. Morris.

Ms. Morris said that this recommendation is so that the indemnification provision extends beyond termination of the agreement. Usually a construction contract would have a statute of limitations that would be longer than the actual agreement between the City and the Hospital.

Councilmember Young clarified that if the agreement terminates in 2008 because the road is completed and all the terms are met, but there is still a liability issue, this would cover the city for the remaining years.

Ms. Nichols asked again for a moment to speak to her legal counsel. Ms. Morris apologized that the recommended language was not included in the agreement earlier, explaining that it was due to the many versions that went back and forth during the negotiation process.

Ms. Nichols came back and said that they thought that they had reached consensus and had an agreement with the City. She said that they think it only fair for the City to uphold what had been agreed upon at the end of the day and not to add additional provisions at this time.

Councilmember Young stressed that the six Councilmembers present were not part of the negotiations, and they have to be careful to avoid allowing the city to be exposed to liability. He asked how long the statutes last beyond the term of the agreement. Ms. Morris responded that it depends on the type of cause of action brought against the city; there are different limitations for different types of claims.

Ms. Nichols said that they just don't feel like they have been dealt with in good faith. All parties bought off on an agreement, and the FHS attorney feels like they are exposed to a lot more risk to their organization that he is comfortable with. She said she would ask him to speak on behalf of FHS.

The attorney (did not identify himself) said that this is a new provision that was never presented to them before tonight. He said that a proposal was made to the city late in the day which was rejected because it was not presented earlier. And now the city is doing the same thing. The provision they are signing that says they are waiving many of their rights to sue the city if the city does not perform this agreement. The one thing they have in the agreement is that the city does not spend the funds that they have deposited with it, in the manner required by the agreement, then they can bring action against the city. However, if the city does not reimburse the funds that are committed to pay under this agreement, they have no recourse against the city. He said that FHS agreed to this provision against his recommendation, and now the city is asking for another provision; a most unusual provision that will survive the agreement, and he doesn't know for how long as there is no indication. He said that this provision has not been negotiated or discussed and they don't think it appropriate to bring up at this time.

Mayor Hunter voiced confusion and asked for a recess to discuss this further. Carol Morris said that in the Council Packet is contained another standard consultant agreement and on page four, the language reads "the provisions of this section shall survive the termination or expiration in this agreement." She added that this is standard language for any indemnification provision. She apologized again that it had been left out prior to today. She stated that negotiations with the staff are just recommendations to Council and Council can do whatever they chose.

MOTION: Move to adjourn to Executive Session at 7:30 p.m. for the purpose of discussing potential litigation for approximately fifteen minutes. Payne / Franich – unanimously approved.

The Mayor, Councilmembers, City Attorney, City Administrator and Community Development Director adjourned into the Community Rooms at this time. They returned at 7:42 and made the following motion.

MOTION: Move to return to regular session at 7:42 p.m. Payne / Conan – unanimously approved.

MOTION: Move to adjourn back into to Executive Session to discuss potential litigation for an additional twenty minutes. Payne / Conan – unanimously approved.

The group again left the Chambers. They returned at 8:00 p.m. and made this motion.

MOTION: Move to return to regular session at 8:00 p.m. Conan / Franich – unanimously approved.

Mayor Hunter announced the continuation of the public hearing on the Comprehensive Plan Amendments and asked if anyone wished to speak.

Derek Kilmer – 7617 40th St. Ct. NW – Representative Kilmer thanked Council for considering these changes to the Comprehensive Plan and spoke in support of whatever changes are necessary to see this hospital project move forward. He highlighted three important points. He said that this is a project of regional significance. He then said that this project will be the largest private sector employer between the Narrows Bridge and the Pacific Ocean, which is a great employment opportunity for Gig Harbor. He finalized by telling two stories; the first of a woman who feared losing her husband to a heart attack due to traffic delays because he was being transported to the hospital during commute time. The second story was personal. He told of the night when his own newborn daughter had a temperature of 103° and they were told to go to the hospital in Tacoma. He said that this made his family realize the need for a hospital here. He encouraged the Council to make decisions to help this project move forward.

Lori Nichols. Ms. Nichols said that tonight Council is poised to take the first official action for St. Anthony's Hospital since this project was approved by the State of Washington in May of 2004. Franciscan Health System has expended approximately eight million dollars so far and have witnessed cost escalation on the project that takes it over 15 million over the original budget. She said that the Comp Plan Amendment and the accompanying development and construction agreement are the result of many hours of hard work and thanked the Mayor and city staff, adding that they are grateful for the time effort that went into these agreements. She restated that their objection to the last minute change, adding that she is disappointed in this provision. She

encouraged adoption of the comprehensive plan amendment, the development agreement and the construction agreement with all the provision agreed upon by the Mayor and the City Attorney at the end of today. With approval tonight, she said that they can move forward on submitting the Conditional Use Permit application, and they hope to obtain building permits by the end of the year to begin construction by early spring, 2007. This will hopefully allow them to begin providing care to the residents of this community by early 2009. She said that they are eager to bring medical / surgical services to this community and approximately 450 family-wage jobs. She said that after tonight, hopefully, the entire peninsula can celebrate this hospital moving forward.

No one else came forward to speak and the Mayor closed the public hearing at 9:05 p.m. The following motions were made.

MOTION: Move to accept Application #04-01Huber/Bingham Property.
Young / Payne – unanimously approved.

MOTION: Move to adopt Resolution No. 677 authorizing the Mayor to execute the development agreement for Huber/Bingham Property.
Young / Payne – unanimously approved.

MOTION: Move to accept Comp Plan Amendment #05-01 Franciscan Health Systems – West.
Young / Payne –

Councilmember Dick asked whether the development agreements should be passed before the Comp Plan Amendment, as he has concerns with the agreements. Ms. Morris explained that the Comp Plan Amendment is conditioned upon the passage of the development agreement.

RESTATED MOTION: Move to accept Comp Plan Amendment #05-01 Franciscan Health Systems – West.
Young / Payne – unanimously approved.

Carol Morris explained that the second resolution to adopt the construction agreement is not in the packet, but she would draft one for ratification at the next meeting.

MOTION: Move to adopt Resolution No. 678 authorizing the Mayor to execute the development agreement for Franciscan Health Systems West amended as follows: Section 7(C)(2) and Section 10 as set forth in the City Attorney's memorandum.
Young / Conan –

Carol Morris read the amendments into the record:

“Section 7(C)(2): This Agreement shall terminate upon the expiration of the term identified in this Section 7, when all of the provision

of this Agreement have been satisfied, or when the Subject Property has been fully developed, whichever first occurs and all of the Developer's obligations in connection therewith are satisfied as determined by the City.

Section 10: ... At the time a Certificate of Occupancy is requested by the Developer, it shall ensure that the transportation mitigation improvements are in place of that a financial commitment is in place to provide any facilities that are not complete, within two years of the request. The Developer shall demonstrate to the City at the time the Developer requests a Certificate of Occupancy, that it has set aside sufficient funds to construct the remaining transportation mitigation improvements (through execution of a cash set aside agreement in a form approved by the City Attorney). The cash set aside amount to be deposited by the Developer shall be determined by the City Engineer, who shall estimate the cost of the remaining improvements and this amount shall be one and one-half times the cost of the remaining improvements."

RESTATED MOTION: Move to adopt Resolution No. 678 authorizing the Mayor to execute the development agreement for Franciscan Health Systems West amended as follows: Section 7(C)(2) and Section 10 as set forth in the City Attorney's memorandum.
Young / Conan – five voted in favor. Councilmember Dick voted no.

Councilmember Young asked Ms. Morris if the underlined sentence in the amendment to Section 13 of the Construction Agreement was to be deleted. Ms. Morris responded that the language agreed to be withdrawn by the hospital is: "for the failure of the City to reimburse FHS for its expenditures as required by this Agreement." She then read the entire portion agreed to by the parties for recommendation to Council:

"Section 13. *Indemnification.* The Developer (FHS) agrees to indemnify and save the City, its officials, officer, agents and representatives harmless from and against any and all liability damages, expenses, and judgments arising in connection with this Agreement, provided that defense of any such claim is tendered to the Developer (FHS), unless occasioned by the negligence or intentional misconduct of the City, or the expenditure of any funds deposited with the City by the Developer (FHS) other than as permitted by this Agreement." Ms. Morris then added that the last sentence that she recommended, but not agreed to by the hospital is: "The provision of this indemnification section shall survive the termination of this Agreement."

Councilmember Kadzik asked if this last sentence is common contract terminology as has been used on public contracts with the city. Ms. Morris responded that this is standard language in every indemnification provision that she is aware of. She then read the other recommended amendments to the Construction Agreement in Sections 5 and Section 6(G)(3)(f).

“Section 5. Developer’s Obligation to Construct Transportation Mitigation Improvements. The Developer is obligated to install and complete the Transportation Mitigation Improvements identified in Exhibits A and B at its own cost, and to assure final completion prior to the time a Certificate of Occupancy is requested by the Developer. At the time a Certificate of Occupancy is requested by the Developer, it shall ensure that the transportation mitigation improvements are in place or that a financial commitment is in place to provide any facilities that are not complete, within two years of the request. The Developer shall demonstrate to the City at the time the Developer requests a Certificate of Occupancy, that it has set aside sufficient funds to construct the remaining transportation mitigation improvements (through execution of a cash set aside agreement in a form approved by the City Attorney). The cash set aside amount to be deposited by the Developer shall be determined by the City Engineer, who shall estimate the cost of the remaining improvements and this amount shall be one and one-half times the cost of the remaining improvements.”

“Section 6(G)(3)(f): Once FHS’s Portion of the Transportation Mitigation improvements are complete, FHS (together with the Project Manager and the contractor) shall have the responsibility to ensure acceptance for ownership, maintenance and operation by the agency with jurisdiction prior to the time a Certificate of Occupancy is issued for the FHS Project on the FHS Property, Subject to Section 5 herein.”

Ms. Morris reminded Council that although there is no resolution in the packet to execute the construction agreement, she would draft one up and it would come back for ratification at the next meeting.

MOTION: To approve Resolution No. 679 and authorize the Mayor to execute the Construction Agreement amended as stated by the City Attorney.
Young / Conan –

Councilmember Dick voiced concern with the provisions. He said that he wants the hospital and thinks a great deal of work has gone into these agreements, but he said that these provisions do not provide any consideration to the city for doing the work for the developer. He said that no one knows whether or not the work can be done in two years. He stressed that this agreement needs further negotiation to either let the developer do the work or if the city is to do the work, to have it fully secured. He said that he is aware that the developer is working in good faith and staff is doing what they can to get this accomplished, but this is beyond our ability. He stressed that this needs to be fixed before he would agree to a construction agreement of this sort. He said that this is the first opportunity to see this agreement and comment.

Councilmember Franich agreed that this has been the first opportunity to comment on the agreement. He said that the one and one-half extra could easily be eaten up in a cost overrun or unforeseen problem. He agreed that a great deal of time was put into the agreement, and he will have to rely that this is the right agreement for the city. He said that he will support it as amended.

Councilmember Young addressed the late amendment to the indemnification section. He said that knows that the Mayor, City Attorney and the Franciscan representatives all negotiated in good faith and he apologized on behalf of the city that the language was inadvertently left out. He said that although it was a mistake, he understands the time constraints. He said that cannot allow the city to be exposed to further liability that they would not accept from any other developer. He said that he hopes that FHS will decide to ratify the agreement so that we won't have to come back another time. He voiced appreciation for all the hard work that went into this, and thanked FHS for their patience.

RESTATED MOTION: To approve Resolution No. 679 and authorize the Mayor to execute the Construction Agreement amended as stated by the City Attorney.
Young / Conan – five voted in favor. Councilmember Dick voted no.

MOTION: Move to approve Comp Plan Amendment #05-03 – HMT Partnership.
Franich / Conan – unanimously approved.

MOTION: Move to adopt Resolution No. 680 authorizing the Mayor to execute the development agreement for HMT Partnership.
Kadzik / Franich – unanimously approved.

MOTION: Move to approve the transportation element revisions of the Comp Plan.
Franich / Young – unanimously approved.

MOTION: Move to adopt Ordinance No. 1051 adopting amendments to the City of Gig Harbor Comprehensive Land Use Plan.
Young / Kadzik – unanimously approved.

NEW BUSINESS:

1. First Reading of Ordinance – Ordering the Formation of a Hospital Benefit Zone.
David Rodenbach, Finance Director, presented this ordinance establishing a hospital benefit zone in order to provide funding for improvements within the established zone. He said that Cynthia Weed, Bond Counsel, would be present at the public hearing on July 24th to answer any questions that may come up. He explained that the northerly point of the zone had been modified to end at city limits rather than at 144th due to the difficulty in obtaining an agreement with Pierce County by August 1st.

Mark Hoppen explained that the southerly boundary of the zone ends at Rosedale because the material portion of the traffic that empties through a corridor that is bounded northerly at 144th and southerly by Rosedale Street.

Councilmember Dick asked the effect of modifying the boundaries in terms of cost. Mr. Rodenbach explained that the 144th Interchange was not reflected in the figures, but another adjustment would have to be made to exclude the portion of the Skansie Avenue corridor that is south of Rosedale. All other projects are pro-rated for the portion directly affected by the hospital benefit zone. The remainder of the cost would be funded by other sources.

Mr. Rodenbach then noted that 100% of these improvements would be funded by the TIF Financing which may or may not be feasible. Some projects may have an LID; others may have developer contributions. He explained that the city's estimated 30 year schedule for tax revenues in this zone had not yet been estimated, but this would be included in the ordinance at the public hearing on the 24th.

Councilmember Franich asked if the boundaries or project list could be amended once adopted. Mr. Rodenbach explained that the Department of Revenue has an October 15th deadline to determine which businesses are located within this zone. In order to qualify for state funding, we are pushing for an early, August 1st submittal. Mark Hoppen explained that the Comprehensive Plan would have to be amended in order to add a project to the list.

Councilmember Franich then voiced concern that the inclination to keep this going would be to zone more property as commercial. Councilmember Young responded that this could only be done within the first three years after the base year is established in 2007. Mr. Hoppen stressed that there is a relationship between different types of uses in the Comprehensive Plan, making it difficult to rezone property to commercial. He continued to explain that the three-year period will create a retail history that will make the funding device attractive to investors. He continued to explain that sales tax generated from this zone may come from many different sources such as retail sales and construction.

David Rodenbach said that the Department of Revenue is allowing other sources to be considered such as the General Fund, developer pledges, and grants. The city has leeway on how much it wants to commit. To make the bonds more marketable, there may need to be a pledge of general funds by the city. Mark Hoppen clarified that this does not mean the expenditure of dollars, but the pledge is for the stability of the general fund revenues in order to back the bonds, adding that this may be a good option for the County.

Councilmember Kadzik restated his understanding of the process. He said that in 2007, the sales tax generated in the hospital benefit zone would create a benchmark number. He then asked how any increases in the years 2008, 2009, and 2010 would be calculated. Mr. Rodenbach responded that the legislation only requires a one year

base, but the bond writer recommends a three-year history for the bond market. Of the 8.4% being collected, the city will receive .85% and will continue to receive this same amount. The state will contribute a portion of their sales tax revenue to qualified projects within the zone. This will not result in an increase in the sales tax charged to the consumer.

Councilmember Payne asked if there was a strategy to approach Pierce County regarding expansion of the boundary. Mark Hoppen responded that we are going to approach Pierce County, but it is difficult to anticipate the future and how an amended boundary could benefit the city. In the county's residential area there is sporadic construction, but that may not be the kind of increase in sales tax that will build confidence for the potential buyers of the bonds. In the event of a streamline sales tax, the revenue from the residential areas becomes significantly greater. That is a good reason to seek the county's participation.

Mayor Hunter asked if anyone from the public would like to comment.

Jim Pasin – 2710 39th Street. Mr. Pasin encouraged Council to obtain a copy of the House Bill and the Final Bill Report which explains how it works. He addressed the comment regarding how this will impact the rest of the city long term. He said that it is imperative to have an economic model before any assumptions are made. He said it is also imperative to ask Pierce and Kitsap Counties to participate. He also encouraged the inclusion of the economic area at the Purdy Bridge, which lies within the Urban Growth Area and may have significant sales revenue.

Mr. Pasin went on to say that if you assume that other resources can pay half of the estimated \$136 million; it still leaves a large amount that the city is responsible for. This has a huge economic impact on the city. Every body wants this hospital and we need to do everything possible to make it happen, but on the other hand, we have to protect the rest of the city. He offered to discuss any details with Council if they wished to call after reviewing the House Bill.

Councilmember Franich said that he hopes that this Council and future Councils make it a high priority to fund the public traffic improvements in the Gig Harbor North area.

Councilmember Young said that Mr. Pasin is right that the city has to be careful on the portion it commits over the next 20 years, but the decision does not have to be made at this time. What this does is gives the city an opportunity to obtain matching funding from the state when the decision is made. Some of this project list is to demonstrate the need that may be impacted by the hospital, but the reality is that not all the projects are expected to be paid by this benefit zone. He stressed that the Westside and downtown will not be left out.

Mark Hoppen pointed out that these projects are in the Comprehensive Plan, and if this area generates enough sales tax, then all the projects would be half-price to the local

government, as the state will be funding the other half. This is an amazing potential to fund these projects.

Councilmember Young explained that he worked on the bill quite a bit and offered to answer any questions that may come up. Councilmember Kadzik asked that Councilmembers be given a copy of the house bill.

2. First Reading of two Ordinances – Revisions to Chapter 12.18 – Telecommunications and Cable Television Service and a Proposed Franchise with Comcast. Mark Hoppen introduced Scott Snyder, attorney with Ogden Murphy Wallace, and explained that Scott supplements the city's legal services providing labor and personnel counsel as well as an occasional negotiation issue. Mr. Hoppen said that Mr. Snyder had been retained to negotiate the cable franchise agreement, as well as make the necessary amendments to the city code regarding right of way use.

Mr. Snyder presented the background information on the renewal of the cable franchise. He explained that the changes being recommended are to bring the current right-of-way use regulations up to date to reflect current state and federal regulations. He said that the franchise agreement is crafted similar to others recently adopted, and has a 5-year option to renew. He introduced Hans Hechtman, representative from Comcast Cable, and said that Hans had been very helpful in reaching an agreement.

Mr. Snyder addressed Council's questions regarding the city's control over pricing and relocation of the utilities. These two ordinances will return at the next meeting for a second reading.

PUBLIC COMMENT: No one came forward to speak.

STAFF REPORT: None scheduled.

COUNCIL COMMENTS / MAYOR'S REPORT:

Mayor Hunter announced that he had handed out information on the Historical Society Museum regarding a request to partner with the city which will be on the next meeting agenda for discussion. He asked Council to look over the information and let him know if there are any comments.

Councilmember Young encouraged that any comments should be given to staff as quickly as possible to address the grant deadline that the Historical Society is trying to meet. Mayor Hunter responded that there may not be as big of a hurry as originally thought.

Councilmember Franich asked if a financial amount needed to be stated or just a general letter of support. Councilmember Young replied that there has to be a statement, in order to satisfy the grant requirements, but he is unsure of the amount. A separate issue is the sale of the property. He said that we have to be careful before

committing any funds before entering the budget cycle, but some contribution had been anticipated. He added that they may have to wait another two years if the Historical Society misses this grant cycle.

ANNOUNCEMENT OF OTHER MEETINGS:

John Vodopich announced that the Planning Commission may begin meeting again the second meeting of August. He clarified that the reason for the lengthy hiatus was due to the vacancies in the Planning Department. This has taken longer than anticipated.

Councilmember Young announced that the Inter-governmental Committee needs to meet and asked that the members send him an e-mail with available dates.

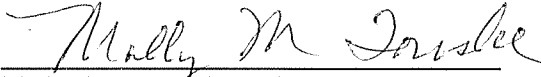
ADJOURN:

MOTION: Move to adjourn at 9: 25 p.m.
Franich / Young – unanimously approved.

CD recorder utilized:
Disk #1 Tracks 1- 27
Disk #2 Tracks 1- 9



Charles L. Hunter, Mayor



Molly M. Toyslee, City Clerk