

## MINUTES OF GIG HARBOR CITY COUNCIL MEETING – MAY 10, 2010

**PRESENT:** Councilmembers Ekberg, Young, Franich, Conan, Malich, Payne, Kadzik and Mayor Hunter.

**CALL TO ORDER:** 5:34 p.m.

**PLEDGE OF ALLEGIANCE:**

### **CONSENT AGENDA:**

1. Approval of the Minutes of City Council Meeting of April 26, 2010.
2. Receive and File: a) Jerisich / Skansie Parks Worksession Minutes of April 19, 2010; b) Boards and Candidate Review Committee Minutes of April 26, 2010; c) Finance Committee Minutes March 22, 2010; d) GH Police Department - First Quarter Report.
3. Correspondence / Proclamations: Kinship Caregiver Day.
4. Liquor License Action: a) Application – Bartell Drug; b) Assumption – Kinza Teriyaki; c) Discontinued – Gourmet Essentials; d) Withdrawal – Harbor Spirits; e) New Beer/Wine Tastings Endorsement.
5. Resolution No. 833 - Personnel Policy Amendment - Calculation of Overtime and Compensatory time.
6. Appointment to Gig Harbor Arts Commission.
7. Appointment to Gig Harbor Parks Commission.
8. Appointment to the Salary Commission.
9. Appointment to the Lodging Tax Advisory Committee.
10. Appointment to Planning Commission.
11. Resolution – Authorizing an Interfund Loan from Civic Center Debt Reserve Fund.
12. McCormick Creek Easement – Phase I Assessment.
13. 2010 Roadway Maintenance Project – Construction Contract and Materials Testing Contract Award.
14. Temporary Construction Easement Agreement – Conan Service Station LLC.
15. Approval of Payment of Bills for May 10, 2010: Checks #63552 through #63665 in the amount of \$85,636.15.
16. Approval of Payroll for the month of April: Checks #5674 through #5690 and direct deposit transactions in the amount of \$320,387.82.

Councilmember Malich asked that agenda item number ten be moved to New Business for further discussion.

**MOTION:** Move to adopt the Consent Agenda as amended.  
**Malich / Kadzik** – six voted in favor. Councilmember Conan abstained.

**PRESENTATIONS:**

1. Representative Larry Seaquist – Legislative Update. Representative Seaquist discussed what lies ahead in the next legislative session. He talked about budget pressures and how the current recession and unemployment compares to the past and how long-term unemployment will affect all future budgets. He stressed the importance of education and how this will require fundamental restructuring in state government. He then voiced concern that there are no funds in the Public Works Trust Fund saying we need to work together to correct this to ensure continued help for local jurisdictions. He ended by saying it's a pleasure to work together with this Council because of the city's clear objectives.

Councilmember Young thanked Representative Seaquist for his efforts on behalf of the city saying without state funds we will not be able to address future stormwater issues.

2. Gig Harbor Police Department Awards Presentation. This item was postponed until the meeting of May 24th.

**OLD BUSINESS:**

1. Jerisich / Skansie Park Components. Mayor Hunter recommended discussion and a vote on each separate element. He introduced each item and read the recommendations.

Jerisich Park

No Council discussion on this item.

**MOTION:** Move to approve the Mayor's recommendation to move to go forward with the GHHWA's design and work as resources allow.  
**Ekberg / Kadzik** – unanimously approved.

Restrooms, Shower and Laundry Facility

**MOTION:** Move to partially accept the Ad Hoc Committee recommendation to expand the restrooms but not to add shower or laundry facilities.  
**Malich** / no second to motion.

Councilmembers discussed whether there is a need for shower and laundry facilities and the heavy use of the restrooms during events. A suggestion was made that restroom expansion could be addressed in the upcoming PROS Plan.

**MOTION:** Move to reject the 2008 Ad Hoc Committee recommendation to study the feasibility of restroom expansion for both stalls and a shower facility to look at expanding the restroom at another time.  
**Payne / Conan** – six voted in favor. Councilmember Malich voted no.

Life Jacket Program. This program is already in place; there was no need for discussion or a vote.

### Maritime Memorial Walk

No Council discussion other than clarification of the motion.

**MOTION:** Move to approve the Mayor's recommendation to incorporate the idea of a collaborative partnership with Fishermen's Club to develop a maritime vessel walk within the park with the GHHWA plan for Jerisich uplands.  
**Payne / Kadzik** – unanimously approved.

### Skansie Net Shed

Brief Council discussion on applying for grants and doing incremental repairs as resources become available.

**MOTION:** Move to accept the 2008 Ad Hoc Committee Recommendation to preserve the net shed by applying the following treatments: register, stabilize and rehabilitate the structure. Use the structure for programming representing local commercial fishing heritage.  
**Malich / Young** – unanimously approved.

### Skansie House

Mayor Hunter clarified his goal is to make the building usable as a house-like function to avoid issues with parking and structural upgrades for commercial use. The first floor could be used for volunteers to give out information.

**MOTION:** Move to accept the Mayor's recommendation to approve a program that will allow staff to pursue grant funding to end the structure's eight-year vacancy. Register the house. Limit remodeling to restoration of single family house with concentration of work on the main level. Perform minimum work on the second floor to maintain the structure, (but not for public use). Utilize the front room on the main level as an information area using volunteers to distribute information and brochures. Place pictures and/or artifacts in the front room to depict the history of the site. Make the first floor bath as accessible as allowed by space and configuration. Utilize the first floor for shared use by groups such as cultural, environmental or other non-profit organizations.  
**Franich / Ekberg** –

There was continued discussion on several issues: whether it would be counterproductive to use the house as an ancillary information center; the recent discussions with the Chamber of Commerce on a collaborative effort for the Visitor's Center; volunteer staffing for a part-time informational site; the prohibitive cost of commercial upgrades to the house; and use of the funds set aside by the Lodging Tax Committee for the Skansie site.

Councilmember Malich said he wanted it clear that his vote against this motion is a vote in favor of the Ad Hoc Committee's recommendation.

**RESTATED**

**MOTION:** Move to accept the Mayor's recommendation to approve a program that will allow staff to pursue grant funding to end the structure's eight-year vacancy. Register the house. Limit remodeling to restoration of single family house with concentration of work on the main level. Perform minimum work on the second floor to maintain the structure, (but not for public use). Utilize the front room on the main level as an information area using volunteers to distribute information and brochures. Place pictures and/or artifacts in the front room to depict the history of the site. Make the first floor bath as accessible as allowed by space and configuration. Utilize the first floor for shared use by groups such as cultural, environmental or other non-profit organizations.

**Franich / Ekberg** – five voted in favor. Councilmembers Young and Malich voted no.

Jerisich Dock Extension

Council discussed the concern that the 70' addition could be used for something other than recreational use and whether to continue the "temporary" extensions after a maritime pier is constructed. The question of whether recreation grants would affect commercial use came up.

Mark Hoppen – 8133 Shirley Avenue. Mr. Hoppen explained that the dock was designed wider so that you could install finger piers that wouldn't intrude into the view corridor. Using recreational grant funds to extend the dock is acceptable if the funds aren't used for the end of the dock's multi-purpose use. He congratulated Council for finding a suitable solution for the maritime pier. He then asked that over time the Skansie House be rebuilt to historical standards, suggesting that it could be done over time by service groups such as the Rotary Club.

Councilmembers continued to discuss extensions at Jerisich that could be used for a water taxi or other uses.

**MOTION:** Move to accept the Mayor's recommendation to move forward to secure grants and permitting for a 70 foot extension for future construction to extend Jerisich float. Review options for seasonal floats as funding allows.  
**Young / Ekberg** – unanimously approved.

Landscaping and Vegetation

Council discussed the utilizing city staff with landscape architecture background for a recommendation before any decision on removal of the hedge is made.

**MOTION:** Move to accept the Mayor’s recommendation to investigate an in-house recommendation for cutting back or thinning plantings around the Skansie House and removal of the hedge.

**Malich / Ekberg** – unanimously approved.

### Maritime Pier

Mayor Hunter clarified that he also recommends that the team suggested by the 2008 Ad Hoc Committee be involved in funding sources and that the Fishermen’s Club contribute to preliminary design work in order to preserve the existing permits at the Old Stutz Dock.

Council discussed the team’s role in securing funding of the maritime pier to assist rather than to act as lead. It was also decided that if the Madison Shores property purchase falls through, Council can revisit a maritime pier at the Skansie site. Rob Karlinsey reported that he had mostly positive responses from the adjacent property owners.

**MOTION:** Move to accept the Mayor’s recommendation to explore locating a Maritime Pier at the old Stutz Dock site to accommodate the Gig Harbor Fishing Fleet and tour boats, and to include a Resource Acquisition and Permitting Team to assist staff as was recommended for the Skansie Brothers Park Maritime Pier.

**Payne / Malich** – unanimously approved.

2. Third Reading of Ordinance – Street Latecomers. Emily Appleton explained that a new paragraph had been added requiring a notice of application be mailed to the affected property owners to facilitate earlier input. She answered Council questions.

There was discussion on the definition of the word “adjacent.” City Attorney Angela Belbeck explained that the normal dictionary definition is used. It was pointed out that the definition in the dictionary says “nearby” which seems too vague.

Administrator Rob Karlinsey stressed that City Council has the final authority to approve or deny any latecomers agreement.

Councilmember Franich discussed his experience with a past latecomer’s agreement, and voiced concern that there aren’t sufficient safeguards in the ordinance to allow a reassessment if someone chooses to build to a lesser use than assessed.

**MOTION:** Move to adopt Ordinance No. 1189 as presented.

**Young / Ekberg** – five voted in favor. Councilmembers Franich and Malich voted no.

## **NEW BUSINESS:**

1. Resolution – Increasing Business License Fee. Rob Karlinsey explained that the city's current business license fee was established in 1980 and suggested increasing the fee from \$20 to \$30 per year in order to address increasing costs and decreasing operating revenues, and to assist with an in-house commercial fire inspection program.

**MOTION:** Move to adopt Resolution No. 835 as presented.

**Kadzik / Ekberg** – six voted in favor. Councilmember Malich voted no.

2. First Reading of Ordinance – LTGO Bond. Finance Director David Rodenbach presented this bond issue that will allow the city to retire the 2012 – 2026 maturing bonds and issue 6.8 million in replacement bonds. He said that there is an additional 1.2 million added to that to allow the city to purchase and make some improvements to the Madison Shores Property; if the purchase does not go through, the bond issuance will drop back to 6.8 million.

Councilmember Franich asked how early the Civic Center could be paid off. Mr. Rodenbach said that the city could repay these bonds in 2020.

Cynthia Weed, the city's Bond Counsel from K&L Preston Gates and Ellis explained that these bonds will allow the best interest rate possible outside voter approved bonds. She said that the bonds will be sold when the final decision is made on the property purchase and at that time the interest rates will be assigned.

David Rodenbach addressed questions by Councilmember Young regarding whether a portion of the Civic Center Debt Reserve should be used to buy down the city's debt or for delayed capital projects. He said if the funds were used to buy down debt, the city would realize a savings of around \$220,000 a year, but during these economic times it's better to have the money for better bond ratings. He said that this is a policy issue that Council decides.

Councilmember Franich said the past administration made the decision to pay off the Civic Center Debt early but due to the economic conditions we haven't been able to set aside as much. He said that a 2012 payoff would have freed up quite a lot of money towards projects. He stressed that he does not view the Civic Center Debt Reserve Fund as a savings account but as a commitment to pay off the Civic Center debt early and said he hopes this remains a goal in the future.

Mr. Rodenbach said that the second reading of the ordinance is in two weeks and any modifications to the amount needs to be made before that time.

Councilmember Payne spoke in favor of the proposed refinancing plan, saying Council can address paying down the debt as a separate action. Councilmember Ekberg agreed, adding that using the Debt Reserve Funds for something else is a budget decision and shouldn't impact this refinancing proposal.

Councilmember Kadzik also agreed, saying we need to move forward with this and have the discussion on the reserve fund at a future date. Councilmember Young said he would speak to Mr. Rodenbach about the different variables then spoke against expanding the city's debt service during this time of economic problems.

Mr. Rodenbach clarified that this action doesn't expand the debt service, but reduces it; and, it won't limit Councils' ability to issue non-voted debt capacity. This just changes the city's plan to retire the bonds in 2012. Mr. Karlinsey asked if Council wished staff to do an analysis on paying down the debt before the final reading of the ordinance.

Councilmember Kadzik said that there are three Councilmembers who have indicated no desire to do that. Councilmember Conan added that he has no desire to do that either, adding that it's important to keep the debt fund for our bonding rate.

3. Appointment to Planning Commission. Mayor Hunter introduced Ben Coronado, his choice for appointment.

**MOTION:** Move to confirm the Mayor's appointment of Ben Coronado to the Planning Commission.  
**Ekberg / Kadzik -**

Councilmember Malich spoke in favor of another applicant, Bob Frisbie, saying his past service on the City Council makes him extremely qualified to sit on the Planning Commission. He said we need people with experience as well as those who are just starting out. The Planning Commission is a tough, detailed job and he thinks Mr. Frisbie would have been the better choice.

Councilmember Kadzik pointed out that this is the Mayor's decision; Council ratifies the decision.

Councilmember Franich agreed that Mr. Frisbie has a wealth of experience and knowledge and said he only knows of Mr. Coronado from his application and the interview minutes. He stated that the Planning Commission has plenty of urbanists and Mr. Frisbie would be a more conservative; the Planning Commission has moved away from that over the past ten years. Mr. Frisbie is the more qualified choice. He then added that everyone has to start somewhere, and Mr. Coronado said he wants to serve the community, which is a wonderful thing, and he wants to gain educational experience; the Planning Commission is the place for that to happen.

Councilmember Young noted that 13 years ago he ran for City Council because he thought it was clear that his age would be a prohibition to serve on the Planning Commission. There seemed to be a distrust of someone without experience. Mr. Coronado has shown an interest and to a degree it's good to have the balance of a different perspective. Councilmember Franich said he can't disagree with that, but he gets the feeling that likability may be one of the criteria to be appointed.

Councilmember Ekberg spoke on behalf of the Boards and Commission Candidate Review Committee saying that Mr. Coronado was one of the most well-spoken and informed of any candidate we've had for a city-wide position of this nature. He then added that Mr. Coronado is older than Councilmember Young when he was elected to Council and when he himself was appointed to the Planning Commission.

Mayor Hunter said that Mr. Frisbie has a wealth of knowledge but a narrow focus on the issues. His focus on the Shoreline Management Update would prolong the process and could possibly interfere with getting the plan approved by the State. He added that these commissions are made up of lay people and he thinks Mr. Coronado can do a good job.

Councilmember Payne said he couldn't attend the interview meeting but spoke with Councilmember Ekberg and was satisfied by what he heard. He said he trusts the committee's and Mayor's recommendation.

#### **RESTATED**

**MOTION:** Move to confirm the Mayor's appointment of Ben Coronado to the Planning Commission.

**Ekberg / Kadzik** – five voted in favor. Councilmembers Franich and Malich voted no.

#### **STAFF REPORT:**

1. Affordable Housing Amendments to the Countywide Planning Policies. Senior Planner Jennifer Kester presented the background information then explained that these amendments bring few mandatory provisions for affordable housing; they provide more options and strategies. She said that his will return for adoption at the next meeting. If ratified at the county level, the city will need to update the housing element of the Comprehensive Plan to be consistent.

Councilmember Young added that he was directed by Council to eliminate the numbered goals and requirements which resulted in some objections from some of the more rural jurisdictions. As a result the policy before Council is basically permissive and makes few requirements of the City. This may have to come back if the Department of Commerce determines it doesn't comply with the Growth Management Act.

2. 2010 Budget Update. Rob Karlinsey reported that the First Quarter General Fund Budget Revenues came in lower than anticipated; sales tax was down 12% from the same time last year. He said that better news is the April distribution information for February's sales tax came in flat. He explained that if what happened in the first quarter continues for the rest of the year it would result in a 1.1 million revenue shortfall. In response he is proposing a strategy of fund transfers if the trend continues. In the meantime he will begin to implement the administrative cuts as outlined in the staff report, hoping for a better second quarter. He then gave an overview of the proposed "bridging strategy."

3. Boys & Girls Club Draft Agreement. Rob Karlinsey presented the draft agreement that commits the city to \$100,000 this year and \$150,000 next year. In return for the



financial commitment they agreed to provide senior center space, meeting room space, and youth programming for five years. He answered questions about programming. He was asked to check with the Boys & Girls Club before eliminating the term “Keeping Gig Harbor’s Promise” from page 4. This will come back at the next meeting for adoption.

### **PUBLIC COMMENT:**

Peter Stanley – Tides Tavern 2925 Harborview Drive. Mr. Stanley voiced support of the purchase of the Old Stutz Dock property. He said it will be helpful to include clear visuals during future discussions that show survey lines and DNR leases. He said that some of the issues are parking, congestion and access for the public right of way, the pier and The Tides. He said that his long-term goal is to protect the viability of his business and easy access for his patrons. He asked for further clarification on the uses for this proposed pier, then noted that this will probably become more apparent in future discussions. He finalized by saying that this is an exciting proposal.

Mark Hoppen – 8133 Shirley Avenue. Mr. Hoppen explained that he serves on the Public Works Board and gave an overview of the value of the low interest Public Works Trust Fund program which allows smaller jurisdictions to construct infrastructure they wouldn’t otherwise be able to afford. He described how the PWTF program plays a major role in helping to clean up Puget Sound through support of stormwater and sewer projects. Mr. Hoppen then suggested that the city use Hospital Benefit Zone dollars to fund large eligible projects or to buy down the WWTP and Outfall project debt now that the large roundabout improvements are postponed. This will allow the city to lower future utility rates. He clarified that this would not be tied to General Fund dollars at all.

Gretchen Wilbert – 8825 No. Harborview Drive. Former Mayor Wilbert thanked Council and Lita Dawn Stanton for the important work to identify the history of the city. She said the Skansie House is important and asked that the city approve a couple of recommendations: 1) to allow volunteer docents scheduled to tell the story of the Skansie Brothers Boat Building and Netshed; and 2) to make improvements to the bathroom and kitchen for the docents’ use; and 3) to allow someone to live upstairs for 24-hour security. She referred to her framed pictures of the Avalon, Genius and Skansonia and offered to allow these to be used in the living room of the Skansie House. She also offered to act as docent.

### **MAYOR’S REPORT / COUNCIL COMMENTS:**

Councilmember Franich praised Lita Dawn Stanton, Special Projects & Historic Preservation, for the fantastic job with the Skansie Open House Festival. He said that he learned about his family.

Councilmember Franich then asked City Attorney Angela Belbeck if the recording makes up a portion of the official record. Ms. Belbeck responded that if it exists it is part of the record,

but it's the minutes that are required under statute. Councilmember Franich said that if the recording isn't part of the record then we need to have a discussion on action minutes.

Council Young said that the legal requirement is what is most important for the minutes. Councilmembers noted that any record, whether it's a recording or e-mail are all public records that can be used in court proceedings.

City Clerk Molly Towslee asked if Councilmembers had visited the city's website where the minutes are linked to the recordings. Councilmember Franich responded that he just wanted clarification on what is considered the actual record of the meeting.

Clerk Towslee explained that recordings are not required to be kept; as soon as the written minutes are approved by Council, the recordings could be destroyed. She added that old tapes are in storage, but due to the magnetic nature of recording materials, the lifespan is limited. City Administrator Karlinsey pointed out that the minutes approved on the consent agenda are six pages long; not what he considers action minutes. Councilmember Young said that he would prefer action minutes.

Councilmember Young then invited Council to the General Assembly Meeting for the Puget Sound Regional Council the afternoon of May 20th. He said we are allowed only one vote and he will be there for that.

**ANNOUNCEMENT OF OTHER MEETINGS:**

1. PROS Plan Workstudy – Mon. May 17th at 5:30 p.m.
2. Operations Committee – Thu. May 20th at 3:00 p.m.
3. Civic Center Closed Mon. May 31st for Memorial Day.

Rob Karlinsey said that the Harbor Hill Ad Hoc Committee, which consists of Councilmembers Ekberg, Young and Payne, should meet this week if possible. He was asked to e-mail the possible dates/times.

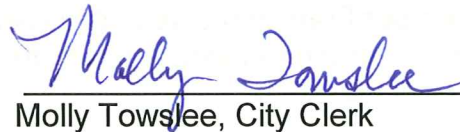
**ADJOURN:**

**MOTION:** Move to adjourn at 8:12 p.m.  
**Franich / Conan** – unanimously approved.

CD recorder utilized: Tracks 1002 – 1032



Charles L. Hunter, Mayor

  
Molly Towslee, City Clerk