

## MINUTES OF GIG HARBOR CITY COUNCIL MEETING - January 23, 2012

**PRESENT:** Councilmembers Young, Guernsey, Perrow, Malich, Payne and Mayor Hunter. Councilmembers Ekberg and Kadzik were absent.

**CALL TO ORDER:** 5:30 p.m.

**PLEDGE OF ALLEGIANCE:**

**CONSENT AGENDA:**

1. Approval of the Minutes of City Council Meeting of Jan. 9, 2012.
2. Correspondence / Proclamations: a) Random Acts of Kindness Month.
3. Liquor License Action: Renewals - El Pueblito Restaurant; Albertson's No. 406; Hy Lu Hee Hee; and 7 Seas Brewing Company.
4. Receive and File: a) Parks Commission Minutes Dec. 7, 2011; b) Boards and Commission Candidate Review Minutes Jan. 4, 2012.
5. Appointment to Lodging Tax Advisory Committee.
6. Appointment to Parks Commission.
7. Appointment to Planning Commission.
8. Facility Use Agreement – City of Port Orchard Shooting Range.
9. Crescent Creek Property/Rohwer House – Asbestos Abatement/Hazardous Material Removal – Contract Award.
10. Approval of Payment of Bills for Jan. 23, 2012: Checks #68755 through #68891 in the amount of \$1,595,431.14.

Councilmember Malich asked that Consent Agenda Item number seven be moved to New Business for further discussion.

**MOTION:** Move to adopt the Consent Agenda as presented  
**Payne / Guernsey** - unanimously approved.

**SWEARING IN CEREMONY:**

Chief Mike Davis introduced the city's newest Police Officer, Darius Aldridge and shared his background information. After Mayor Hunter performed the Swearing In Ceremony, Officer Aldridge's badge was pinned on by his wife, Regina.

**PRESENTATIONS:**

Mayor Hunter recognized Rick Gagliano, the new Planning Commission member and Heidi Holmes, the new Parks Commissioner. He thanked them both for volunteering to serve.

1. Shane's Inspiration – Together We Play Contest. City Administrator Rob Karlinsey explained that a group of parents and volunteers have been working to raise funds to help replace the playground equipment at the City Park at Crescent Creek. The parents submitted an essay to the Shane's Inspiration "*Together We Play*" contest resulting in the city winning

\$50,000 in design services. He introduced Tiffany Harris from the non-profit group Shane's Inspiration.

Tiffany Harris explained that Shane's Inspiration designs playground equipment for children of all abilities. She described the essay submission as amazing and said they are looking forward to working with the Gig Harbor Maritime Playground Committee to first design a playground that accurately reflects the community and then to create an educational program to bring kids of all abilities together in play. She recognized Landscape Structures for making this contest possible and for donating \$10,000 towards the playground equipment.

Landscape Structures representative Jane Jenewein explained that they received hundreds of entries but only five were chosen to receive awards. She congratulated Gig Harbor on behalf of Landscape Structures and Shane's Inspiration and presented the city with a representational check for \$60,000.

Mayor Hunter thanked Stephanie Payne, Parks Commissioner, for her efforts on this project.

Ms. Payne emphasized what a great day this has been. She thanked the city and Dave Morris, Morris Foundation, for the support and contributions towards this project. She introduced Jennifer Hunt Nelson who wrote the essay for the contest.

Ms. Hunt-Nelson explained that she feels quite vested in this playground because she has a ten year-old son with cerebral palsy and autism as well as a seven year old son. She described how playgrounds like this can offer the opportunity for other children to learn acceptance and compassion. She too thanked everyone for their support of this playground project that will make Gig Harbor a better place to raise our children.

A video of the *"Together We Play"* contest was shown to the audience. At the conclusion, Brad Thornton, Director of Development for Shane's Inspiration, played a second video *Where I Feel Like Me*. At the conclusion, he thanked members of the Gig Harbor Maritime Playground Committee and the city. He talked about spending the day meeting with members of the committee, planning and parks departments, and children of all abilities to obtain a better understanding of the project.

Mayor Hunter recognized and thanked Dave Morris and the Morris Family Foundation for their contribution. Councilmember Tim Payne said how proud he is of this city and the council for their support of a second accessible playground in this community.

30-Year Recognition – Lt. Bill Colberg. After a brief history of Lt. Colberg's career and high praise for his service to the department over the past 30 years, Chief Mike Davis presented Lt. Colberg with a commemorative plaque. He also recognized Faith Colberg for her support.

Phil Regnart – C.O.P.S. Volunteer, presented Lt. Colberg with a light-hearted certificate of membership to the "Ye Ole Geritol Club" in recognition of the 'harrangement' that the Lieutenant dishes out to some of the volunteers.

2. Proclamation: Random Acts of Kindness Month. Mayor Hunter asked Charlynnne Gilbert to come forward to accept the proclamation. Ms. Gilbert offered information on this worldwide celebration of kindness that began back in the 80's. She said that the Shane's Inspiration presentation was a perfect segue for this, adding that Gig Harbor is a great place to help spread the word of tolerance, kindness, patience, and acceptance.

3. Port of Tacoma Update. Port of Tacoma Commissioner Claire Petrich introduced Port staff Yvette Mason before continuing with a description of the long-time maritime connection between Tacoma and Gig Harbor. She presented an update on the port and the strategic plans to diversify and grow in the future. She invited Council to the open forum in February and addressed Council's questions. She then passed out informational booklets on the Port.

**OLD BUSINESS:** None.

**NEW BUSINESS:**

1. First Reading of Ordinance – Shorecrest Community Sewer System Bi-Monthly Rate and General Facility Charge Establishment. Finance Director David Rodenbach presented the background information on this ordinance establishing a specialized rate for the Shorecrest system. He explained that the rate will remain the same which was made possible by removing the 50% surcharge for sewer customers located outside city limits. He further explained that the amount was determined through a rate and GFC study to determine equipment and infrastructure replacement needs. In addition, Mr. Rodenbach said this ordinance establishes a reserve fund so that the system will become self-supporting.

Councilmember Payne asked about the outreach efforts and whether the residents had seen the report. City Engineer Steve Misiurak explained that there was a workshop held this summer to present the rate range and to accept comments from the Shorecrest neighbors. In addition, this has been before the Public Works Committee a couple of times. He said that he was unsure whether or not they received the final report.

Mr. Rodenbach added that an invitation was sent to each connected property owner announcing tonight's meeting. Mayor Hunter announced that this would come back for a second reading at the next meeting.

Susan Leahy – 7710 Ray Nash Dr. NW. Ms. Leahy said she didn't receive the first notice but received a notice that there would be a bi-monthly rate hike and a \$13,300 connection charge; shocking because she has been connected for thirteen years and her rates will double over last year's. She said she understands more revenue is needed but wants to see something in writing that addresses how much money is required, how long they will need to pay the higher rate, and how much the rate is increasing. Since she's already connected, she asked if they are going to have to pay a bi-monthly rate on top of the expense of the sewer line and whether the \$13,300 is for new connections or those already connected. She also asked if the rates will go down when the capital improvements are completed.

David Rodenbach responded that what she paid in 2011 will go up 10%, but the 50% surcharge is being eliminated so the net is the same. He explained that the \$13,300 is a

General Facilities Charge for new property development only, affecting three properties. He said the rates won't go down because the city is trying to prevent the rates from increasing too quickly. The lower rate was chosen from the recommended range in the hope that the revenue will provide for future repairs.

Ms. Leahy's then asked whether she would be paying for the infrastructure for people that might be living in her house 50 years from now. Mr. Rodenbach said that she will be paying the same monthly rates as she is now which probably won't go up the same as the rest of the system but likely will not go down. He added that in any utility rate there is a component to pay for future replacement, so we are paying for people in the future.

Ms. Leahy then asked for clarification on the fairness of her rates doubling.

Ashley Emery, Peninsula Financial Consulting, explained that Ms. Leahy is comparing a per-month rate with the actual two-month billing cycle. He stressed that the rate is going to stay the same under the new plan because the city is getting rid of the 50% surcharge. The only change is that any excess revenue will stay in a separate fund for future repairs of the system. When asked why the city has a 50% surcharge, he responded that a surcharge for utilities is a standard in Washington State.

Councilmember Payne clarified that the Shorecrest rate is being reduced by removal of the 50% surcharge, and then is being increased by 10%, the same as all other ratepayers in the city. Mr. Emery further clarified that now that the system is being bi-furcated from the city-wide system, rates won't be affected by future city-wide rate increases. But, if sufficient reserve funds for repairs aren't there, a rate increase may occur, he added.

David Rodenbach suggested that expensive repairs could be financed through a loan from the sewer enterprise fund that would be repaid through assessments. Rob Karlinsey suggested that staff meet with the Leahy's to answer their questions.

Robert Kalamakis – 7602 Ray Nash Drive. Mr. Kalamakis, a current homeowner, said he wasn't able to attend the city meeting and so he might be off on his statistics and though he was able to learn a few things he still feels in the dark. When he purchased the property from his father-in-law in 1983 records show that \$8000 was paid for sewer hookup and he said he doesn't understand the proposed \$13,300, which seems too low. He continued to explain that by his calculation the rate has been \$10,400 per year for six years which equals \$61,000. That means that going back another five years and the system has brought in \$171,800.00 to the city, but when he asked staff about past repairs he got a slip of paper that came to around \$2500 - \$3000. Raising the rates and having these fees now doesn't make sense, and he asked where all the past fees have gone. His impression is that there are four people wanting to hookup at \$13,000 each, which equals \$53,000 for the so-called "war chest." He said it doesn't make sense, he doesn't agree with what the city is doing, and he needs to understand.

Councilmember Young recommended Mr. Kalamakis meet with staff to get the necessary information. He described the difference between fees and rates and what each pays for, then explained that Council has approved significant maintenance and upgrades to the system over

the years because it was inadequate when the city assumed possession. He said that separating the Shorecrest system from the city's other system is the best solution so that it isn't subsidizing or being subsidized by the rest of the ratepayers.

Councilmember Payne stressed the importance of a meeting with the residents so that those impacted by the ordinance have a clearer understanding. David Rodenbach agreed it would be a good approach to go over the final rate study with them.

Keith Prichard – 7524 Ray Nash Drive. Mr. Prichard explained that his waterfront home was condemned in 1999 for septic failure and he has waited twelve years to resolve his problem. He said he wants to pay a fair price to hook up to the system, but \$13,300 seems high. He asked what the amount was based upon. He added that he has been following this closely.

Ashley Emery responded that the GFC is prescribed by Washington State Law and is not based on market value or what the market will bear, but on the equal share of the cost to build the system. He said this rate study estimated the cost to build the system back in 60's with modifications to lower it further; then the total cost was divided by the total number of customers that installed the system to determine the pro-ratio share. He said that the rate study shows how this all came about.

Construction Inspector George Flannigan responded to a question of whether the undeveloped property owners were included in the notification by saying there are no properties assigned but there three hookups available. There were four parties that requested connection he said, and they were asked if they were still interested after adoption of the ordinance; only one has indicated they want to hook up.

David Rodenbach said that the city is going to mail the report before setting up the meeting with the neighbors.

2. Appointments to Council Committees, Appointment of Mayor Pro Tem, and Appoint PCRC and PTIC Representatives for 2012. Mayor Hunter explained that he tried to give everyone their first and second choices, but there aren't enough positions on Operations Committee.

Councilmember Malich said that he thinks there should be rules to how the appointments are made to ensure consistency. After a brief discussion it was determined that this is something that could be discussed at the upcoming Council Retreat.

Councilmember Payne asked whether there is a process for the appointment of a Lodging Tax Advisory Committee liaison, mentioning that Councilmember Young has served in the position for several years. He asked if any other Councilmembers had an interest in serving on the LTAC. Councilmember Young responded that if his memory serves him, he was appointed because no one else was interested. He said he would turn it over if someone else wanted the position; if not, he would be happy to continue.

**MOTION:** Move to accept the Mayor's recommended appointments to the Council Committees for 2012, and the appointment Steve Ekberg Mayor Pro Tem for 2012.

**Payne / Perrow** – four voted yes. Councilmember Malich voted no.

**STAFF REPORT:**

Chief Davis asked if there were questions on the Police Department 2011 Year-End Update. He offered to meet with the new Councilmembers and if they are interested, he would arrange a ride-along. He gave a brief overview of the crime numbers and the creative ways the department is addressing problem areas. He responded to a question about tracking traffic accidents and coordinating with Engineering on problems.

**PUBLIC COMMENT:** None.

**MAYOR'S REPORT / COUNCIL COMMENTS:**

Councilmember Young presented updates on several topics. He said that the PTIC held their second meeting this morning and adopted the map that he described to Council with one exception; the removal of Sumner which may leave an odd island. He then reported that Councilmember McDonald is going to ask PCRC to discuss the flood control district, and asked if there was any concern that he should convey.

Councilmember Payne said he would like to see a document outlining the intention of the opportunity fund.

Councilmember Young finished by complimenting City Engineer Steve Misiurak on the new traffic light on Point Fosdick which he described as 100% better.

**ANNOUNCEMENT OF OTHER MEETINGS:**

Planning / Building Committee: Mon. Feb. 6th at 5:15 p.m.

**EXECUTIVE SESSION:** For the purpose of discussing pending litigation per RCW 42.30.110(1)(i).

**MOTION:** Move to adjourn to Executive Session at 7:17 p.m. for approximately 20 minutes for the purpose of discussing pending litigation per RCW 42.30.110(1)(i).  
**Payne / Guernsey** – unanimously approved.

**MOTION:** Move to return to regular session at 7:44p.m.  
**Payne / Young** – unanimously approved.

**ADJOURN:**

**MOTION:** Move to adjourn at 7:44 p.m.  
**Young / Malich** – unanimously approved.

CD recorder utilized: Tracks 1002 – 1028

*Chuck Hunter*

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Chuck Hunter, Mayor

*Molly Towslee*

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Molly Towslee, City Clerk