

Oak Harbor City Council
Regular Meeting Minutes
March 21, 2023

This was both a physical meeting location and a virtual meeting. Meeting was viewable live via YouTube at www.youtube.com/cityofoakharbor , on Facebook, and on Cable Channel 10/HD 1090 following the meeting

CALL TO ORDER

Mayor Severns called the meeting to order at 6:00 p.m.

Invocation – Pastor Josh Hubbard, Life Church

Pledge of Allegiance – Led by Mayor Severns

ROLL CALL

City Council Present:

Mayor Robert Severns
Mayor Pro Tem Tara Hizon
Councilmember Beth Munns
Councilmember Jim Woessner - absent
Councilmember Bryan Stucky
Councilmember Dan Evans
Councilmember Shane Hoffmire
Councilmember Eric Marshall

Staff Present/Videoconference

City Administrator Blaine Oborn
Finance Director David Goldman
Public Works Director Steve Schuller
Development Services Director David Kuhl
Parks and Recreation Director Brian Smith
Fire Chief Ray Merrill
Police Chief Kevin Dresker
Senior Planner Ray Lindenburg
Project Manager Brett Arvidson
Harbormaster Chris Sublet
Communications & IT Manager Sabrina Combs
Executive Assistant Macalle Finkle
City Clerk Julie Nester

Also in attendance: City Attorney
Hillary J. Evans of Kenyon Disend, PLLC

EXCUSE ABSENT COUNCILMEMBERS

Mayor Severns noted Councilmember Woessner had asked to be excused and called for a motion. Councilmember Munns moved to excuse Councilmember Woessner, seconded by Mayor Pro Tem Hizon, the vote on the motion carried unanimously.

1. APPROVAL OF AGENDA

Mayor Severns called for any changes to the agenda. Hearing none, the agenda was approved as presented.

2. PRESENTATIONS

- a. Proclamations – None
- b. Honors & Recognitions - None
- c. Community Presentations – None

3. CITIZEN COMMENT PERIOD

Mayor Severns noted citizens may comment on Consent Agenda items or subjects of interest not listed on the agenda at this time and that citizens would have the opportunity to comment on the remaining Agenda items during the meeting as appropriate.

Citizens can also visit the City's website prior to meetings for methods to submit public comment, or contact the City Clerk, Julie Nester by phone or email as noted on screen. When submitting comments, please include your name and address. Public comments sent anonymously will be shared with the Mayor and Council but will not be displayed.

The City received one public comment since the last regular meeting from Robert Sweeton of Oak Harbor regarding client release practices at the County detox facility.

Mayor Severns opened the floor for public comment from any other audience member present.

1. Kathy Chalfant, representing the Oak Harbor Garden Club, provided an update on the Club's activities leading up to the commemoration of their 100 years of service in October 2023. She provided a written statement of her remarks and requested the Mayor consider a resolution declaring October 2023 as Oak Harbor Garden Club Month.
2. Fannie Dean, Pastor of Mission Ministry, requested the City allow Mission Ministry to purchase the property next to the Mission and voiced appreciation of Councilmember Munns for her attendance at Mission events. She requested other members of City leadership consider attending upcoming Black History and Juneteenth events at the Mission.
3. Island County Commissioner Jill Johnson spoke in regard to the Port of Coupeville potential airport purchase and how any contribution by the City could be considered by the County as part of the City's rural county economic development funding. She stated that any consideration of the consent agenda item should not be based on any assumption of what the County may do.

Hearing no others with a desire to address the Council, the public comment period was closed.

4. CONSENT AGENDA

Consent Items

- a. Approval of Minutes of the March 7, 2023 Council Meeting
- b. Approval of Payroll and Accounts Payable Vouchers
- c. Interlocal Agreement with the Port of Coupeville for Airport Purchase and Support
- d. Second Amendment to Participation Agreement – Ft. Nugent Electric Flyers
- e. Resolution 23-04: Authorizing the Sale of Storage Shed Contents for Non-payment of Storage Charges
- f. Teva, Allergan, Walgreens, Walmart & CVS Opioid Settlements and Allocation Agreement

Mayor Severns called for any changes to the consent agenda. Councilmember Stucky requested that item c. Interlocal Agreement with the Port of Coupeville for Airport Purchase and Support be pulled for

discussion and questions for staff. Hearing no others, Mayor Severns noted items a, b, d, e, and f were approved as presented. He called for discussion of item c.

City Administrator Oborn responded to questions. Councilmembers Stucky, Hoffmire, Munns, Evans, Marshall, and Mayor Pro Tem Hizon provided their respective comments.

Motion: Following discussion, Councilmember Hoffmire moved to authorize the Mayor to sign the Agreement for up to \$100,000, with an additional \$100,000 to be provided after purchase, seconded by Mayor Pro Tem Hizon. The vote on the motion failed with Councilmember Hoffmire and Mayor Pro Tem Hizon in favor and Councilmembers Evans, Munns, Marshall and Stucky opposed.

Motion: Following additional discussion, Mayor Pro Tem Hizon moved to reconsider this item at the next Council meeting with a presentation from the Port. Councilmember Hoffmire seconded the motion, which passed unanimously.

5. MAYOR, COUNCIL & STAFF COMMENTS

a. Mayor - Mayor Severns provided the following comments and updates:

- **Well-City Recognition:** The City of Oak Harbor once again achieved recognition as a Well-City from the Association of Washington City's Employee Benefit Trust. The Well-City program recognizes members that achieve quality standards in employee health promotion. The City will receive a 2% premium discount on all medical premiums. Thank you to our Wellness Committee and all City staff participants!
- **Staff Achievements:** The City's Communications and IT Manager, Sabrina Combs, recently graduated from the Northwest Women's Leadership Academy, Cohort #4. Graduates complete an intensive three-month program, focusing on what is needed to be a leader in local government. Congratulations Sabrina!
- **Town Halls for Legislative Updates:** Representative Clyde Shavers held an event on Saturday, March 12th at Whidbey Island Nordic Lodge Hall. City Administrator Oborn and Councilmember Hoffmire attended.

Senator Ron Muzzall and Representative Dave Paul held an event on Saturday, March 18th at the Oak Harbor Library Meeting Room. City Administrator Oborn and Councilmembers Hoffmire, Stucky and Marshal attended.

- **Economic Development Programs for Businesses:** The Washington State Department of Commerce offers grant programs and grant assistance for Small Business Disaster Relief and Hospitality. See their website for more information.
- **New Business:** The City welcomes new business Unni's Kitchen, located at 32945 DR 20 and featuring authentic Indian Cuisine. Councilmembers Hoffmire, Munns and Stucky were in attendance for the ribbon cutting.
- **Boards & Committees:** The City has openings on the Historic Preservation Board, Investment Committee, Planning Commission and Salary Commission. Please see the website for more details.
- **Upcoming Community Events:** Events were displayed on screen.

b. Councilmembers

- i. Mayor Severns called upon the Council for any additional comments.

Councilmembers Munns, Hoffmire and Mayor Pro Tem Hizon provided their respective comments.

Councilmember Munns thanked the Wellness Committee for their work. She reported Island Transit adopted a plan to have zero emission vehicles by 2040, will start Sunday bus service by the end of May, and plan to expand the on-demand service. Councilmember Munns requested staff work with Pastor Dean to address the property near Mission Ministry.

Councilmember Hoffmire thanked pastors Hubbard and Dean for their attendance at the meeting and voiced his appreciation for Councilmember Munns attending the Martin Luther King event. He hoped staff could work on the lot near the church property. He shared information about his “Because You Matter” bracelet and asked everyone to take a few seconds to notice others and check on them. He noted he’d been contacted by the Bramley Graham Foundation out of Coupeville who reached out regarding Suicide Prevention and how to be more involved in Oak Harbor.

Mayor Pro Tempore Hizon thanked Communications/IT Manager Sabrina Combs and the website team for making her requested improvements to the website in a couple of weeks. She noted the updates made it is easier to view Council agendas, information for how to watch the meeting, and find public comment options.

6. PUBLIC HEARINGS & MEETINGS

- a. Ordinance No. 1969: Open Space Zoning Addition to Land-Use Matrix

Senior Planner Ray Lindenburg reviewed the item, which was also presented at the February 22, 2023 Council Workshop, and to the Planning Commission at their January 24, 2023 and February 28, 2023 meetings, from which a positive recommendation was forwarded to the City Council. He provided an overview of the largely housekeeping item as follows:

In 2021, staff worked to make a number of significant changes to the Oak Harbor Municipal Code zoning section, resulting in the adoption of new code language in October of 2021 including: the provision of new standards for horizontal and vertical mixed uses; revising, creating or deleting over 30 definitions; deleting over 50 sections from the various zone districts; replacing those removed sections with a comprehensive land use matrix.

Following the adoption of the revised zoning ordinance, staff became aware that the Open Space (OS) zone district had not migrated to the new Land Use Matrix found in OHMC 19.20.1050 and the items removed from the original OS section of code were not fully addressed by other revisions completed at that time. Staff has drafted the attached Ordinance addressing those issues by:

1. Clarifying the function of items transferred into OHMC 19.20.1010;
2. Adding text to OHMC 19.20.835, conditions governing uses in the OS district;
3. Adding an “OS” column to the Land Use Matrix in OHMC 19.20.1050 with permitted and conditional uses shown.

The Planning Commission suggested some minor grammatical changes that appear in the text presented in Article XVI in regards to “Purpose and Intent”, “Density Provisions” and “Conditions Governing Uses”, and in Article XVIII, Staff has included a caveat for all accessory buildings up to 600 square feet, to be consistent with the residential zone districts and the new column within the matrix outlining the uses permitted and conditional in the OS zone. As a housekeeping item, staff has also included some additional uses that were thought to be consistent, including allowing for “Forest, wetland or other natural land” as a permitted use in all zones – not just the OS district. Staff also included the “uses defined to be similar...” clause in the PRE and M zone districts for the sake of consistency

Mayor Severns opened the public hearing. He confirmed no public comment had been received. Mayor Severns requested any comments from those present and hearing none, the public hearing was closed.

Mayor Severns called upon the Council for their comments and hearing none, requested a motion.

Motion: Councilmember Stucky moved to adopt Ordinance No. 1969, amending OHMC Chapter 19.20, Articles XVIII and XVI, regarding standards for the OS (Open Space) zone district. Councilmember Marshall seconded the motion, which carried unanimously.

b. Resolution: 23-07: Scenic Heights Project Development Agreement

Development Services Director Kuhl reviewed and provided background information on the Development Agreement.

The Pacific North Group Inc. has signed an agreement regarding the Scenic Heights Planned Residential Development (PRD). The project includes approximately 3.27 acres in the City of Oak Harbor which was approved by the Hearing Examiner and then by City Council on November 6, 2019. The preliminary plat PRD of 11 single family residential lots was approved through Ordinance No. 1887 and Resolution No. 19-32. The project will be developed in one phase, which will consist of 11 homes, two of which will be model homes. The single phase will need to be designed, built, and tested before it will be accepted by the City. No occupancy permit for any house (except for showing of model homes) will be issued until the City Engineer signs off on the entire phase and the City Building Official issues a Certificate of Occupancy for all 11 homes.

Development Services Director Kuhl explained there is a checklist for all improvements that must be installed before acceptance by the City. The checklist includes:

- Ensuring a utility construction phasing plan.
- Ensuring Roads, grading, erosion control, sanitary sewer, water, power and stormwater improvements are in place prior to occupancy.
- Ensuring the landscape maintenance bond is submitted prior to occupancy of any home.

A performance bond has been submitted to ensure infrastructure is installed and maintained. Additionally, two model home bonds have been submitted to ensure completion.

Mayor Severns opened the public hearing. He confirmed no public comment had been received in advance of the meeting. Mayor Severns requested any comments from those present.

1. Ken Hulett of Oak Harbor addressed the Council, noting concern for the project being treated differently and the City's involvement, some at the dais with an interest, as well as what he saw as a focus primarily on the residences and not the infrastructure. He also perceived engineering challenges and noted having to wait to view the document in the published meeting packet. (Clerk's note: Once the draft agreement was signed by the developer it was provided in advance of the packet).
2. Jeff Anielski of Oak Harbor addressed the Council. Noting concerns with the pace of the project, which he characterized as "at a snail's pace", wishing to see it move along. He noted there was nothing in the agreement about a construction schedule and an estimated completion date, and inquired whether the model homes would be occupied before the other homes in the development were completed.

Hearing no others, the public hearing was closed. Mayor Severns called upon the Council for their comments.

Councilmember Evans announced that on the advice of the City Attorney, he would abstain from voting. Mayor Severns requested any comments by the Council. Councilmember Hoffmire noted he had no problem with Councilmember Evans remaining in Council Chambers. Mayor Pro Tem Hizon explained if the item had been quasi-judicial in nature, then vacating would have been appropriate, however, for this matter, simply abstaining was appropriate.

Councilmembers Hoffmire, Stucky, and Mayor Pro Tem Hizon provided their respective questions and comments.

Director Kuhl, City Administrator Oborn and Attorney Evans responded to questions.

Developer Scott Thompson of Oak Harbor addressed the Council. He noted the development had experienced two significant delays; 1. Residential construction prohibition by the Governor's COVID-19 order; and 2. The discovery of 135 year-old human remains which shut down the project with respect to local tribal inspection. He noted the development was done as a Master Plan rather than a subdivision and that in a development agreement the homes are bound to the lots. He stated he hoped to complete the project in summer 2023, having begun last April.

Motion: Councilmember Hoffmire moved to adopt Resolution 23-07, relating to a development agreement between the City of Oak Harbor and Pacific North Group, Inc. for the Scenic Heights Planned Residential Development. Councilmember Marshall seconded the motion which carried five in favor and one abstention from Councilmember Evans.

- c. Ordinance No. 1973: Amending Oak Harbor Municipal Code Chapter 18.60, Utility System Development Charge

Finance Director Goldman reviewed the item. He noted after multiple meetings and discussions, on December 13, 2022, the City Council adopted a new master fee schedule relating to System Development Charges (SDC), which included: Phasing in changes for water and sewer SDCs over 5 years, adopting a System Development Charge (SDC) for the City's Storm Water system, and updating the Sewer SDC structure to charge Sewer SDCs for residential units by unit size via Resolution 22-28 on December 13, 2022.

The new master fee schedule related to Oak Harbor Municipal Code (OHMC) Chapter 18.60 will take effect on June 1, 2023. When reviewing the OHMC, it was determined that language relating to the new storm water SDC and the change in structure for Sewer SDCs would need to be implemented in the OHMC. While reviewing this language, other clarifying language/revisions to better reflect the City's current practices and purposes of and limitations on how SDCs can be used are also recommended. Director Goldman outlined the updates to Chapter 18.60 as presented on-screen and in the meeting packet and was joined by consultant Chris Gonzalez in responding questions.

Mayor Severns opened the public hearing. He confirmed no public comment had been received in advance of the meeting. Mayor Severns requested any comments from those present.

1. Scott Thompson of Oak Harbor addressed the Council to comment on the increase in fees for development that will be passed on to home buyers.

Hearing no others, the public hearing was closed.

Mayor Severns called upon the Council for their comments.

Councilmembers Evans, Marshall, Mayor Pro Tem Hizon, and Councilmembers Hoffmire and Munns provided their respective questions and comments.

Motion: Councilmember Hoffmire moved to adopt Ordinance No. 1973: Amending Oak Harbor Municipal Code Chapter 18.60, Utility System Development Charge. Mayor Pro Tem Hizon seconded the motion, which carried unanimously.

7. ORDINANCES & RESOLUTIONS

None.

8. CONTRACTS & AGREEMENTS

- a. City of Oak Harbor Marina Dredging Project – Professional Services Agreement with Moffat and Nichol, Inc., Amendment No. 1

Project Manager Brett Arvidson reviewed the proposed amendment. He explained the City of Oak Harbor Marina needs periodic dredging of sediment. It was partially dredged in 2010. The City has engaged Moffat and Nichol to provide consulting services for the project. Project Manager Arvidson reviewed the recently completed BST Associates long-term economic study and business plan. He explained dredging the marina will require an extensive engineering and permitting process estimated to take several years to complete. The business plan indicates that the current dock/slip configuration reduces the economic viability of the Marina for the long-term future and indicates a need to redevelop the facilities. Both a redevelopment plan and the dredging project have a major potential to impact each other, so it is recommended to combine the projects. With Moffat and Nichol's local knowledge and expertise, they were requested to provide a cost proposal to undertake this effort.

The initial stages of this redevelopment plan involve preparing a feasibility study to evaluate needs, alternatives, and cost impacts. This feasibility study will:

- Provide a condition assessment of the current marina facilities.
- Refine/evaluate the demand analysis, slip mix and financials.
- Develop an optimized slip mix for the marina.
- Develop conceptual layouts for the proposed slip mix.
- Provide a financial assessment of the optimized slip mix.
- Develop a permitting/mitigation strategy
- Develop a basis of design.
- Prepare order of magnitude cost estimates.
- Prepare a feasibility report.
- Assist with a public involvement program for the redevelopment program.

The work will take approximately 6 to 8 months and will be concurrent to the dredging study. The redevelopment study could result in the City performing the dredging in several stages. The work will be performed on a time and materials basis with a not to exceed amount of \$188,230.00, bringing the total contract amount to \$377,501.00. These costs do not include the dredging itself. Project Manager Arvidson noted the Marina is 50 years old and has condition issues that may require replacement or refurbishment. He reviewed potential reconfigurations for the Marina and noted several workshops will be held and public outreach obtained.

Mayor Severns confirmed no comments had been received from the public on this item and called for any comments from those present.

1. Scott Thompson of Oak Harbor addressed the Council. He noted as an investor in the community he is watching the Marina and has experience as an owner of marinas along the Colorado

River. He offered to donate his time towards redevelopment. Mr. Thompson noted a lot of siltation began when the U.S. Navy removed the spit. He encouraged the Council to think bigger, address the under-development of the Bay, address stopping the siltation, and consider a larger plan with an opportunity to bring in private capital.

Mayor Severns called upon Council for their comments.

Councilmembers Munns, Evans and Hoffmire provided their respective questions and comments.

Project Manager Arvidson and Harbormaster Sublet responded to questions and comments.

Motion: Mayor Por Tem Hizon moved to approve the recommended action in the meeting packet. The motion read: Approve to authorize the Mayor to sign Amendment No. 1 to the Professional Service Agreement with Moffat and Nichol, Inc. for the City of Oak Harbor Dredging Project in the amount of \$188,230.00, increasing the total contract amount to \$377,501.00. Councilmember Munns seconded the motion, which carried five to one with Councilmember Evans opposed.

9. OTHER ITEMS FOR CONSIDERATION'

- a. Memorandum of Understanding with U-Haul for Construction of a Roadway connection Fakkema Road across City Property

Public Works Director Schuller reviewed the proposed MOU. He noted the City had long planned to build a roadway to serve its four parcels, and also to serve other private parcels in the area. Director Schuller noted Terry Wellner, representing U-Haul as also in attendance.

Director Schuller provided an aerial map showing the roadway. He noted the City's 2021-2022 Budget (approved in the fall of 2020) had a new larger roadway project in the area funded at \$480,000. The City completed a construction cost estimate for the larger project in the summer of 2021 which totaled \$810,088. The City's current 2023-2024 budget has a proposed smaller roadway project. The City would spend \$250,000 to design and build a portion of the roadway; U-Haul would be responsible for building a connection from the City's roadway to its parcel. The proposed MOU describes coordination for the private project funded by U-Haul and dedicated to the City, and a later publicly funded project by the City, both of which would be conducted concurrently.

Mayor Severns confirmed no public comment had been received on this item and called for any comments from those citizens present. Hearing none, he called for any comments from the Council.

Councilmembers Hoffmire, Munns, Marshall and Stucky provided their respective questions and comments.

Motion: Councilmember Marshall moved to authorize the Mayor to sign a Memorandum of Understanding with U-Haul for Construction of a Roadway connecting Fakkema Road across City Property. Councilmember Munns seconded the motion, which carried unanimously.

10. REPORTS & DISCUSSION ITEMS

None.

11. EXECUTIVE SESSION

None.

Adjourn

Motion: There being no further business, Councilmember Stucky moved to adjourn, seconded by Mayor Pro Tem Hizon. The motion was approved by a unanimous vote, therefore the meeting adjourned at 8:33 p.m.

Certified by Julie Nester, City Clerk