

Oak Harbor City Council  
Workshop Meeting Minutes  
April 26, 2023

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**This was both a physical meeting location and a virtual meeting The meeting was viewable via YouTube [www.youtube.com/cityof oak harbor](http://www.youtube.com/cityof oak harbor) and Facebook or could be viewed on Channel 10/HD 1090 following the meeting. Public Comments are not normally taken or included for Council Workshops, although the Council may allow or request participation.**

**CALL TO ORDER**

Mayor Severns called the meeting to order at 2:00 p.m.

**ROLL CALL**

City Council Present:

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

Staff Present: In-person or Videoconference

City Administrator Blaine Oborn  
Finance Director David Goldman  
Development Services Director David Kuhl  
Parks and Recreation Director Brian Smith  
Police Chief Kevin Dresker  
Fire Chief Ray Merrill  
Senior Planner Ray Lindenburg  
Building Official Ginger Pennington  
Communications & IT Manager Sabrina Combs  
City Administrator Executive Assistant Macalle Finkle  
City Clerk Julie Nester

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

**MAYOR**

Mayor Severns called the workshop to order and welcomed those in attendance.

**PARKS AND RECREATION DEPARTMENT**

- a. Update on Pickleball Courts Memorandum of Understanding with Oak Harbor School District

Parks and Recreation Director Smith provided an overview of the history of pickleball, recently designated the official Washington State Sport, and reviewed the background of the existing

## Memorandum of Understanding with the School District.

In 2019, at the behest of resident pickleball enthusiasts, the Parks Division budgeted for the construction of 2 pickleball courts at Neil Park for \$80,000. \$50,000 sourced from REET 2 funds. The balance was anticipated to be covered through donations. However, no action was taken to raise the \$30,000 in donations.

In 2021, after consultation with City staff, pickleball club leadership, and Oak Harbor Public Schools, the \$50,000 was redirected towards refurbishing the existing pickleball courts located at the School District's Rotary Park.

In 2022, the City entered into an MOU with the School District to allow improvements to their facilities. The City agreed to wait on the improvements until after the North Whidbey Pool, Park, and Recreation District had finished their summer programming use of the courts. Contractors were contacted to provide cost estimates but no further work was done.

With the creation of a new Parks & Recreation Department, all Capital Project's status and funding are being reevaluated. City Staff met with contractors to get updated cost estimates and have discussed the Project with the School District, Pickleball Club, and North Whidbey Pool, Park, and Recreation District.

Director Smith presented a Pickleball Court Capital Project if undertaken at the present location:

- Removal of root intrusion around and under the courts and leveling
- Asphalt resurfacing
  - Painting and striping new court lines in a perpendicular rotation to the existing courts, creating two additional courts
  - Seal Coating of the entire asphalt surface
- Repositioning of existing standards and the addition of 2 new standards and nets
- Installing a perimeter fence:

### Conclusions:

- Project Cost Estimate is \$190,000
- Fencing is approximately half the cost of the project
- Even without fencing the cost to refurbish the School District's Courts at Rotary Park is at least \$95,000 which exceeds the original city project at Neil Park
- The current \$50,000 in REET funding is not sufficient for completing the scope of the proposed MOU project

### Options

- 1. Terminate the MOU and appropriate additional funding or redirect existing capital funds to build new courts at a City park location
- 2. Donate the \$50,000 REET funding currently appropriated to the School District to complete the project
- 3. Appropriate additional funding to complete the MOU scope without the fence

The City Arborist has determined the removal of root intrusion at the School District property site could be as much as 30% and could result in permanent damage to the trees, some of which is already apparent.

The Parks Board has recommended the City terminate the MOU and construct new pickleball courts on City property.

Councilmembers Hoffmire, Woessner, Stucky, Marshall and Munns provided their respective questions and comments, the consensus favoring Option 1. Staff will bring an item to the Council for action at a future meeting.

## **DEVELOPMENT SERVICES**

### **a. Accessory Dwelling Units (ADU) Code Revisions**

Senior Planner Lindenburg provided an overview and background on the proposed code revisions.

Over the past several years, City staff has undertaken several revisions to the Accessory Dwelling Unit (ADU) code, making minor changes to the text, including changing standards for residency requirements and covenants attached to ADU development. These changes were part of a policy of lowering barriers of construction of such units introduced by the Affordable Housing Task Force. However, the code has never addressed the difference between ADUs that were attached, or part of, an existing home and those that were constructed in separate buildings.

Senior Planner Lindenburg reviewed the current limitations and proposed updates. He noted staff reviewed the code and thought it to be best to simply overhaul the code rather than making further changes to the existing text. Staff researched codes from peer cities within Washington and found resources online for ADU ordinances (primarily [accessorydwellings.org](http://accessorydwellings.org)), determining what would be a good fit for the City. This allowed staff to apply solid planning principles to the ordinance without confirmation bias from previous text. From there, staff organized the sections to be in line with what other portions of the OHMC use, particularly the point-by-point heading items from residential “R”-zones.

Staff is strongly committed to provide affordable additional housing units but believes that those units must meet the life safety standards to be truly a benefit to the community. Therefore, it is important that these units meet all relevant code requirements. While these standards may add cost, low-quality, unsafe or poorly constructed units are not an asset to the City or the people who reside here.

Senior Planner Lindenburg reviewed the draft code and additional considerations, including design compatibility, impact fees, allowing ADU’s versus duplex units in single-family zones,

The staff presentation was provided to the Planning Commission on April 25<sup>th</sup>.

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

Staff will bring this item to the Council for action at a later date.

### **b. Building Code Updates**

Development Services Director Kuhl provided the information for two proposed code updates.

The first code update would require payment of plan check fees at building application submittal. This is a common practice in most jurisdictions. If payment is not collected up front, and the project does not move forward, the city does not currently collect the plan check fees. These fees reimburse the city for its time and expertise in doing the review of the building plans. The city experienced this in the past and it makes sense to eliminate this from happening again.

The second code update involves changing the expiration of a building permit from six (6) months to

two years. This change would occur in the appendix section of the OHMC Section (105.3.2). This is a common practice in many jurisdictions, and it is a reasonable approach to keeping permits active. After two years, a permit may be renewed for one year beyond the original expiration date. This approach would provide staff with more time to complete their work without needing to go back and renew permits every six months. The development community would gain more time to complete projects.

Director Kuhl reviewed the proposed amendments to OHMC Section 17.05.030 and 17.05.060.

The Planning Commission will hold a public hearing on this item on May 23, 2023, with a public hearing scheduled for the City Council meeting of June 6, 2023.

Councilmembers Woessner, Hoffmire and Marshall provided their respective questions and comments.

## **FINANCE**

### **a. Clean Water Facility Debt Discussion**

Finance Director Goldman explained that during the March 31, 2022 City Council Retreat, an idea was brought forth to explore the possibility of obtaining debt relief from the State regarding State Revolving Loan (SRF) for debt that was taken out to fund the Clean Water Facility (CWF).

Staff continues to work diligently with State legislative offices and with agency staff to find ways to accomplish this. The State recently authorized a new program that lengthens the maximum time allowed to pay back SRF loans from 20 to up to 30 years (from the original date(s) of the loan). Working with Washington Department of Ecology staff on potentially consolidating the five separate SRF loans related to funding the CWF, we were able to develop a proposed debt service schedule. We were informed that the new length would be from the average of the loan origination dates (2017 to 2019), not as of today; therefore, the latest that a consolidated SRF loan for Oak Harbor could mature would be in 2047.

It should be noted that a private bond in the amount of \$25.7 million was taken out to fund the CWF. The City is currently paying interest only with the principal payments set to commence in 2037-2038 to coincide with the retirement of the current SRF loans per the current debt service schedule.

Director Goldman provided a few comparisons for the Council to consider. These were attachments to the meeting packet:

Attachments 1A through 1C do not include the private bond payment schedules and Attachments 2A through 2C include the private bond payment schedules.

Attachments 1A and 2A do not include any principal reduction, Attachments 2B and 2B include \$7,660,000 of principal reduction (which is the amount needed to break even), while 2C and 2C include \$20,000,000 of principal reduction which was the request provided to our State representatives.

Attachments 1A and 2A demonstrate that while the first 16 years of the consolidated loan would generate a reduced debt burden, the annual debt burden would increase to more than double that reduction for each of the last nine years, leading to an increase in payments over the life of the

consolidated loan (compared to the current debt schedule) of \$9.6 million. This translates into a potential average monthly residential bill increase of \$3.65 over the life of the loan.

Attachments 1B and 2B show that a principal reduction of \$7,660,000 would need to occur in order to break even.

Attachments 1C and 2C shows that the full request of \$20,000,000 of principal reduction would generate a reduction in payments over the life of the consolidated loan of \$15.5 million which translates into a potential average monthly residential bill decrease of \$5.87 over the life of the loan.

Mayor Severns noted he had requested that Director Goldman and staff look for possible rate reductions, noting their impact on affordable housing.

Councilmembers Hoffmire, Woessner, Marshall, and Munns provided their respective questions and comments. Councilmember Stucky requested the public present be allowed to provide input if they so desired.

1. Barbara Armes of Oak Harbor, addressed the Council. She stated while she realized refinancing and extending the loan pay-off period was “kicking the can”, right now many people were in a financial crisis and a savings of \$15-20 per month would make a difference. She noted as development fees were now being included, more people in more new units would help bear some of the costs.
2. Julie Brooks Lee of Whidbey Island noted her home is close to the City limits and at some point she might need to annex her property into the City. She urged the Council not to add any refinance of the loans and associated costs to the also upcoming bond payment and encouraged the City to “get the Navy on board” to pay a portion of the costs of the facility.

## **ADMINISTRATION**

### **a. City Administrator’s Report**

Finance Director Goldman reviewed City Administrator Oborn’s report, which was provided in the Council Workshop packet.

Highlighted items included:

New Fire Station property task force.

May 17, 2023 is the scheduled joint meeting between the Planning Commission and City Council.

Active Transportation Plan outreach.

Finance has finalized the Biennial Budget and it is posted on the City’s website.

Director Goldman has been asked to speak at a conference in Portland next month on the topic of What does it take to re-imagine budgeting?

Oak Harbor was again designated as a Well City for staff’s participation in wellness programs. This reduces City insurance costs.

The Holland Happening parade kicks off weekend events this coming Saturday. The parade route will result in reduced access to the Marina for a short period of time.

The Center will be closed for roof replacement from May 14-23, 2023. The second annual wearable art show and high tea events are sold out.

**CITY COUNCIL**

Councilmember Munns provided an update from Island Transit. They are on target to implement Sunday service and State Park seasonal service begins the day after Memorial Day.

**ADJOURN**

Hearing no other discussions. Mayor Severns adjourned the workshop at 3:52 p.m.

Certified by Julie Nester, City Clerk