

Oak Harbor City Council
Workshop Meeting Minutes
June 29, 2022

CALL TO ORDER

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

This was both a physical meeting location and a virtual meeting The meeting was viewable live via YouTube at www.youtube.com/cityofoakharbor or could be viewed on Channel 10/HD 1090.

Public Comments are not normally included for Council Workshops

ROLL CALL

City Council Present:

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

Staff Present: Videoconference

City Administrator Blaine Oborn
Finance Director David Goldman
Development Services Director David Kuhl
Public Works Director Steve Schuller
City Engineer Alex Warner
Engineering Technician Jon Pollock
Principal Planner Cac Kamak
Project Manager Brett Arvidson
Building Official Ginger Pennington
Fire Chief Ray Merrill
Police Chief Dresker
Harbormaster Chris Sublet
Senior Services Administrator Liz Lange
Human Resources Director Emma House
City Administrator Executive Assistant Macalle Finkle
Communications & IT Manager Sabrina Combs
City Clerk Julie Lindsey

Also in attendance: Interim City Attorney
Hillary J. Evans of Kenyon Disend, PLLC
In attendance for the Executive Session: Attorney
John Parnass of Pacific Law

MAYOR

Mayor Severns called the meeting to order and welcomed those in attendance. He noted some members of Council, staff and consultants were participating virtually. Mayor Severns observed City

offices and facilities would be closed on Monday, July 4th in observance of Independence Day.

Mayor Severns noted that as stated on workshop agendas, "Public comment is not normally allowed at workshop meetings, although Council may allow, or request participation." The City and City Council received a number of emails regarding both the cancelled special meeting of June 27th and this meeting. All were shared with the City Council in advance of this meeting. Mayor Severns explained he had requested this item be added to the agenda in response to inquiries from individual members of Council in regard to conducting a periodic review of the Mayor Pro Tempore per RCW 35A.12.065. This discussion was originally planned for a special meeting on June 27th, but due to questioning of receipt of the special meeting notice by all news media, the meeting was cancelled, and the agenda item moved to this meeting. A revised agenda and meeting packet were published online on Tuesday and distributed to all who received Council notices, including the media.

Motion: Councilmember Evans moved to place City Council item a. Action Item: Periodic Review of the Mayor Pro Tempore By the City Council PER RC 35A.12.065, to the first item on the agenda, seconded by Councilmember Marshall. After a brief discussion and observations that Mayor Pro Tem Munns could hear all participants but could not be heard when speaking online, Councilmember Evans withdrew his motion and Councilmember Marshall withdrew his second. Councilmember Evans moved to strike this item from the agenda completely, seconded by Councilmember Marshall. Following additional discussion, the vote on the motion carried 5-2 with Councilmembers Hoffmire and Woessner opposed.

Councilmember Stucky moved to allow public comment at this workshop, seconded by Councilmember Evans. The vote on the motion carried unanimously.

Two members of the audience addressed the Council regarding the item removed from the agenda.

1. Joel Servatius of Oak Harbor spoke regarding the cancelled special meeting and the periodic review agenda item.
2. Hal Hovey of Oak Harbor spoke regarding the cancelled special meeting and the periodic review agenda item.

LEGAL DEPARTMENT

a. Public Safety Levy Lid Lift and Bond Excess Levy – Ballot Language

Finance Director David Goldman introduced Bond Counsel Jim McNeill of Foster Garvey and Financial Advisor Duncan Brown of PFM. Director Goldman noted also present for any questions was City Attorney Hillary Evans. Director Goldman and Mr. McNeill provided a review of the ballot language and requirements. He noted following direction provided by the City Council at the June 1, 2022 Special Council meeting, City staff and the City Attorney have coordinated with the City's Bond Counsel and Financial Advisor on the development of the ballot language and resolutions. Options for the ballot text, the maximum 200-word Explanatory Statement that will appear in the Voter's Guide for the November election, and bond term were reviewed.

The desire to include the impact to the typical home in the ballot language was discussed as well as wording limitations. The Fire Protection Initiative's impact to a property for every \$100,000 of assessed value is estimated at \$5.55 per month (\$66.56 per year) for the Levy Lid Lift for fire staffing, operations, capital and related costs and \$2.35 per month (\$28.18 per year) for the Bond Excess Levy for the Fire Station, ladder truck and associated costs. Estimated costs are subject to timing and market conditions at the time the bonds are issued.

The term being used for the bonds is currently a maximum of 20 years. Based on conversations with the City's Financial Advisor, it was suggested the City increase that term to a maximum of 21 years to provide the City with the flexibility to capitalize the first year of payments and have the flexibility to be ensure the City was receiving the recurring revenues to pay for the recurring debt service.

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

Resolutions for approval of the language for both the levy lid lift and the bond excess levy will be brought to the Council at the next regular meeting of July 12, 2022.

ECONOMIC DEVELOPMENT

- a. Discussion of Agreement with Economic Development Council for Island County (EDC) for Consulting Services

City Administrator Blaine Oborn introduced Sharon Sappington, Executive Director of the Economic Development Council for Island County who presented a potential Agreement. She explained the Economic Development Council for Island County. The EDC is an independent nonprofit that works to create a thriving economic environment for business growth and job creation for local residents in a way that enhances and preserves Island County's unique quality of life. The EDC's five-year focus is to support economic resiliency, strengthen technology infrastructure, support agriculture, attract new employers, and promote workforce housing and training. Ms. Sappington noted, as Island County's designated Associate Economic Development organization (ADO), the EDC is a channel for information and assistance between the County, its businesses, and the Washington State Department of Commerce. The EDC collaborates with elected officials, government, business, and community organizations to advocate for policies and programs benefit Island County.

The EDC is primarily funded by the Island County Rural County Economic Development funding and State funding. The City, with Mayoral contract approval, provided the EDC additional funding in 2018, 2019, and 2020 for work related to Oak Harbor in the amounts of \$1,408.75; \$10,228.03; and \$7,843.50, respectively. The EDC received additional grant funding related to COVID relief and therefore did not seek City support in 2021. The EDC is seeking City support for 2022 and 2023 in the amount of \$10,000 per year for Oak Harbor related economic development services including:

1. Administration of State and Federal Grant programs impacting businesses in or near Oak Harbor (applicable fees are only those that were not reimbursed by other sources).
2. Assistance to businesses and startups in and near Oak Harbor. Activities related to attracting and assisting outside businesses interested in moving to Oak Harbor.
3. Maintenance and updating of website and its content which benefits Oak Harbor.
4. Leadership Whidbey Program - Program participation and support related to Oak Harbor program students.
5. Heritage Bank Community Development Loan Program: Promotion of program and assistance.
6. Opportunity Zone: Assistance to businesses interested in investing in Opportunity Zone

City Administrator Oborn explained that further contracting with the EDC exceeds Mayoral contract authority and requires City Council approval. A professional services agreement with the EDC will contain deliverables attributable to Oak Harbor that must be met. Funding was budgeted from the Mayor's budget for economic development in the General Fund.

At this point in the meeting, Mayor Pro Tem Munns indicated her technical issues had been resolved.

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

Additional information as requested by Council and a potential agreement will be included for the July 12, 2022 Council meeting.

DEVELOPMENT SERVICES

a. Height Limitation Text Amendment

Principal Planner Cac Kamak reviewed the proposed amendment, which he noted had come about through an expressed desire from the community to have cultural and artistic structures located in public spaces. An example of this would be the new windmill structure being proposed for Windjammer Park. Planner Kamak explained having a consistent process provides open and equal opportunity. The City's existing processes were not designed for these types of structures so interpretations are broad and can be inconsistent. Such subjective issues need effective public engagement.

Planner Kamak reviewed the limitation of uses in Oak Harbor Municipal Code (OHMC) 19.28 and the addition of Cultural or Artistic Structures. Staff's recommendation was to utilize a Determination Method whereupon City Council can first make the determination regarding the structure with a process which could include various forms of public input. After a determination is made, a Land Use application would still need to be submitted, with the determination by Council not guaranteeing conditional use permit approval. Structures commissioned by the City would still require a resolution, while those of Community Service Groups, Interest groups, non-profit agencies, schools, or other public or private agencies would still require a professional services agreement. The Hearing Examiner would also have review over Land Use specific issues, surrounding property owner notice, conducting of a Public Hearing, and criteria and ability to place conditions.

Planner Kamak provided a draft amendment as follows:

19.28.055 Height limits – Structures deemed as Cultural/Historic, or a Sculpture/Artistic in a Public Facilities District.

If the City Council determines a structure to be culturally significant, artistic, or sculptural, it may extend over the height limit in Parks, as defined by OHMC 2.30.040, with a conditional permit in accordance with OHMC 19.28.65.

19.28.065 Conditional use permits for Structures deemed as Cultural/Historic, or a Sculpture/Artistic in Public Facilities District.

(1) Conditional use permits for artistic and culturally significant structures enumerated in OHMC 19.28.055 and exceeding the height limitation of the district may be granted so long as the following conditions are met:

- (a) It can be demonstrated to be safe;
 - (b) It is located more than 30 feet away from the nearest property line or point thereon;
 - (c) It does not materially impair the view of surrounding properties;
 - (d) It does not materially increase fire or other safety risks for the property or surrounding area;
- (2) The hearing examiner may require reasonable conditions to be met for granting a conditional use permit to exceed the height limitations, including but not limited to specifying the location, design, lighting, construction, and use.

Planner Kamak outlined the next steps, including an adoption process by Council, developing a SEPA checklist and noticing requirements, review by the Planning Commission at a hearing in July or August and a public hearing before City Council and action following in August or September.

Councilmembers Woessner, Stucky, and Mayor Pro Tem Munns provided their respective comments and questions.

ENGINEERING

a. Portland Loos Update

Project Manager Brett Arvidson and City Engineer Warner provided background information and an update to the Council. The restrooms at Flintstone Park received extensive damage from vandalism. The plan is to tear down the existing restroom structure but maintain the present concrete slab. Portland Loos will be installed about 60' east on a thicker slab engineered for their configuration and oriented with the doors to the north to not be impacted by windy conditions. The estimated cost of the project is \$75,000.

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

In response to questions regarding leaving the existing slab in place or removing it, City Engineer Warner, and Project Manager Arvidson noted the cost of removal was estimated between \$10,000-20,000. Staff had requested \$25,000 in additional funds from the ARPA funding provided to the City, but Council removed that amount in their recent funding determinations.

Councilmember Hoffmire requested a site visit.

ADMINISTRATION

a. Proposal to Create a Parks & Recreation Department with Director

City Administrator Oborn reviewed the proposal for the Council. He noted the present vacancy in the Parks Operations Manager position provided an opportunity to re-examine that position and to evaluate creation of a Parks & Recreation Department with a Director by upgrading the existing position and combining parks, marina, and senior services. A Parks & Recreation Director is needed for upcoming Capital Projects including, the Harbor Heights Sports Complex, Marina dredging and improvements, Windjammer Park future improvements, and senior services improvements at The Center. These projects will require comprehensive leadership and organizational partnerships to pursue millions of dollars in grants. The combining of these three divisions would serve to improve services, provide the opportunity to pursue major projects, increase planning across divisions/departments, coordinate with North Whidbey Pool, Park, & Recreation, and collaborate with community organizations.

Parks and Recreation Programs have three values that make them essential services to communities:

Economic Value

Health and Environmental Benefits

Social Importance

City Administrator Oborn explained that City parks provide access to recreational opportunities, increase property values, spur local economies, combat crime, and protect cities from environmental

impacts, benefiting the community. Adding a Parks & Recreation Director would allow the City to combine recreational related services into one department that includes parks operations, marina, and senior services. Additionally, transferring staff from the Public Works Parks Operations Division to an Interim Parks & Recreation Director would allow the City's new Public Works Director to increase his focus on Engineering, Project Management, and Public Works Operations.

Administrator Oborn noted most municipalities of the size of Oak Harbor split Parks & Recreation from Public Works recognizing the additional skill set needed for park and recreation services. Just as water, sewer, storm drain, and solid waste are considered essential public services, parks and recreation are vitally important to establishing and maintaining the quality of life in Oak Harbor. He reviewed estimated costs for funding such a position and next steps, including submitting an ordinance to change the municipal code to create a Parks & Recreation Director position, and steps for recruitment. If Council does not wish to move forward, staff will look to hire a Parks Operations Manager as has existed in the past.

Councilmembers Stucky, Woessner, Marshall, Hizon, Hoffmire and Mayor Pro Tem Munns provided their respective comments and questions. The item will be brought to Council at an upcoming meeting.

b. City Administrator's Report

City Administrator Oborn provided the report and responded to any questions from the Council. He focused on Parks and Public Works items contained in the report. The City's application for a Rural County Economic Development grant for the Harbor Heights access road was denied by Island County, however they encouraged the City to re-apply next year. The Flintstone dock installation which usually takes place by this time was delayed by low tides. It will be brought over from the Marina in mid-July.

Councilmember Woessner provided his respective comments and questions.

CITY COUNCIL

- a. Action Item: Periodic Review of the Mayor Pro Tempore by the City Council per RCW 35A.12.065.

This item was removed from the agenda earlier in the meeting.

EXECUTIVE SESSION

- a. Executive Session to discuss with Legal Counsel, litigation of potential litigation per RCW 42.20.110 (1) (i)

Mayor Severns announced the Council would take a brief recess and then move into Executive Session for the purpose of discussing litigation or potential litigation with legal counsel. The Executive Session was anticipated to last for 40 minutes. He stated as noticed on the agenda, action might or might not be taken upon return to the open session. Executive Sessions are not open to the public.

The Council entered into Executive Session at 4:17 p.m. At 4:54 p.m. the Council announced a continuation of the Executive Session for an additional 20 minutes to 5:17 p.m. At 5:17 p.m. the Council announced a second extension of the Executive Session for 15 more minutes to 5:32 p.m. At 5:32 p.m. the Council came out of Executive Session and resumed the open session. Mayor

Severns announced no action would be taken.

ADJOURN

There being no further reports or discussions, Mayor Severns thanked all for their participation. Councilmember Woessner moved to adjourn, seconded by Councilmember Marshall. Therefore, the workshop meeting adjourned at 5:32 p.m.

Certified by Julie Lindsey, City Clerk