

Oak Harbor City Council
Workshop Meeting Minutes
September 27, 2023

This was both a physical meeting location and a virtual meeting The meeting was viewable via YouTube www.youtube.com/cityofoakharbor 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 - absent
Mayor Pro Tem Tara Hizon
Councilmember Beth Munns
Councilmember Jim Woessner - absent
Councilmember Bryan Stucky
Councilmember Shane Hoffmire
Councilmember Eric Marshall - absent
Councilmember Chris Wiegenstein

Staff Present: In-person or Videoconference

City Administrator Blaine Oborn
Finance Director David Goldman
Public Works Director Steve Schuller
Parks and Recreation Director Brian Smith
Police Chief Kevin Dresker
Police Captain Tony Slowik
Fire Chief Ray Merrill
Harbormaster Chris Sublet
Senior Planner Ray Lindenburg
Project Manager Brett Arvidson
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 Pro Tem Hizon presided at the request of Mayor Severns. She called the workshop to order and welcomed those in attendance. Mayor Pro Tem Hizon noted Councilmember Woessner and Councilmember Marshall were excused.

PARKS AND RECREATION DEPARTMENT

a. Marina Dredging Options Update

Project Manager Brett Arvidson with consultant Bill Gerken of Moffatt & Nichol and consultant Paul Sorenson of BST & Associates, and Bill Gerken presented project updates, goals, workflow, and background about Marina dredging options including minor reconfiguration, costs, bond coverage, and funding options.

Consultant Bill Gerken of Moffatt & Nichol provided current 2023 and projected 2033 bathymetric and sedimentation information and reviewed needed operational depths.

Project Manager Arvidson also reported on state required mitigation.

Consultant Paul Sorenson stressed the need to dredge now, as soon as permits can be obtained, and to dredge ten years from now. Replacement of the floating breakwater should also be examined.

Four dredging alternatives were included in the presentation along with the projected amounts of material to be removed and the estimated costs. In summary, Project Manager Arvidson noted the Marina would experience significant operational issues within the next ten years if dredging is not undertaken. Staff is seeking grants to assist in the costs. Other funding would come from cash reserves, revenue bonds, and Marina revenues.

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

b. Marina Rates Presentation

Harbormaster Sublet noted today's presentation was a continuation from the June 28, 2023, and August 23, 2023, City Council Workshops. At those meetings staff introduced and reviewed the marina rate option proposals recommended by BST Associates and the Bradley proposal put forward by the Marina Advisory Committee. Parks and Recreation Director Smith Due also participated in the discussion.

Due to the inability for staff and the MAC to agree on a recommended rate increase proposal, staff has developed a compromise that is in the middle of the BST and Bradley rate proposals.

Harbormaster Sublet explained staff prefers the BST & Associates rate increase option and feels that it is the best option for the marina. However, out of necessity to get a rate increase implemented as soon as possible staff put forth the "Compromise" rate option. He noted that this compromise option was included in the September 11, 2023, Marina Advisory Committee meeting packet and the committee members did not discuss it.

Proposal By Proposal Pros & Cons

BST & Associates:

Staff Preferred Option - Move all rates to the 2023 "Median" price point for the Puget Sound at the end of 3 years. The percentage increases are based on the length of the boat. The largest increases are in the 40' and up size categories.

Maximizes the yearly moorage revenue. Keeps the marina under the average Puget Sound moorage prices. Brings all size categories up to the 2023 median Puget Sound moorage prices.

Compromise Option:

Staff Recommendation - Provides a compromise between the BST and Bradley rate proposals.

Increases the yearly moorage revenue more than the original Bradley proposal but not as much as the BST proposal. Reduces the increase on the smaller boats with higher vacancy rates. Does not bring all size categories up to the median Puget Sound moorage prices. More fair and equitable than the Bradley proposal.

Bradley Proposal:

Marina Advisory Committee Recommendation - Spreads the increases out more evenly amongst all size categories. Increases the small boats percentage increase and reduces the large boat percentage increases.

Does not fully maximize the yearly moorage revenue. Increases the rates of the smaller boats which have higher vacancy rates. Does not bring all size categories up to the median Puget Sound moorage prices. May not be as fair and equitable since the smaller boats will be absorbing some of the large boat percentage increases.

Consultant Sorenson reviewed the BST study, which revealed that the Oak Harbor Marina rates are:
32% - 42% less than the median prices
41% - 53% less than the average prices
75% - 102% less than the 90th percentile

The current rates are essentially not sustainable.

The biggest discrepancies are in the 50' – 59' open moorage categories where the current rates were at 50% - 102% less than the average, median, and 90th percentile prices. Based on the location, age of the marina and the fact that the marina is a City owned marina, BST & Associates recommends that the marina bring the rates up to the 2023 “median” price point. They also recommended a 5-year rate schedule. Staff recommends that the rates be brought up to the current 2023 median price point with a 3- year rate schedule. The 3-year rate schedule is based on the dredge bond being paid off in 3 years plus the current dredge and reconfiguration efforts that are underway (cost estimate is to be determined).

Harbormaster Sublet reiterated staff prefers the BST & Associates rate proposal, but in order to move forward would recommend the compromise proposal. He noted the current 2x summer rate schedule for extended guest moorage will be discontinued as part of all of the proposed rate plans.

Parks & Recreation Director Smith noted the MAC had not been amenable to a compromise. If the Marina is to function as an independent enterprise fund, it must be allowed to be competitive with the market. If the status quo of deferred maintenance continues, the Marina will continue to decline.

Mayor Pro Tem Hizon turned to Council for discussion.

Councilmember Munns requested that the MAC members present be allowed to speak. Mr. Byron Skubi and Mr. J.J. Jones spoke in support of the MAC preferred Bradley Proposal.

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

Staff will bring a rate proposal to the Council at an upcoming meeting.

BREAK

Mayor Pro Tem Hizon called for a short break at 3:53 p.m. The Council resumed the meeting at 4:03 p.m.

DEVELOPMENT SERVICES

a. Accessible Swelling Units/Residential Zoning Update

Senior Planner Lindenburg provided the update. Over the past several years, City staff has undertaken several revisions of the Oak Harbor Municipal Code (OHMC) to address affordability issues. Primary among these has been the increase in total density via the reduction in minimum lot sizes for individual properties and changes to the Accessory Dwelling Unit (ADU) code. In April of this year, city staff presented possible revisions to the ADU code that would address the difference between ADUs that were attached, or part of, an existing home and those that were constructed in separate buildings. Rather than using a “band-aid” approach of making changes to existing language, staff created a new code from scratch. The new draft ordinance included a purpose statement, standards for design of units and permit process wording.

Senior Planner Lindenburg reviewed highlights of some of the potential changes to code to address ADU construction. He explained staff is pausing some of the work on this item due to changes from the state going forward and new input from E2SHB 1110 and EHB 1337 applying to all GMA Planning Municipalities. Senior Planner Lindenburg explained this will necessitate updates to City policies and code. The state is working on a model ordinance, expected for January 2024. He reviewed background, overview, discussions, state requirements and mandates, ordinance language revisions to address these changes, and next steps for presenting to the Planning Commission and City Council.

Councilmember Munns and Mayor Pro Tem Hizon provided their respective questions and comments.

FINANCE

a. Washington State Auditor’s Office – Financial Intelligence Tool Demonstration

Finance Director Goldman provided the Council with a demonstration of the updated State Auditor’s Office online Financial Intelligence Tool and reviewed it’s use and applications. The FIT showed all the City’s financial indicators are good. Director Goldman demonstrated how the FIT also provides an explanation of what each item is and benchmarks provided. The City does not have any cautionary or negative marks relating to financial health. Director Goldman also shared Aberdeen and Anacortes as comparisons. FIT includes statewide metrics for all municipalities.

Councilmember Stucky provided his respective questions and comments.

FIRE DEPARTMENT

a. Fire Station 82 Update and Projections

Fire Chief Merrill reviewed the updated plans for the new Fire Station 82 (1250 SW Swantown Ave.), designed by Carletti Architects; including the property layout, project update, and architectural plans. The original plan called for a single-story station, however, due to the lack of a shared access

agreement with an adjacent property owner, the footprint has been changed to a two-story structure. The next steps will include Fire Department training, followed by demolition of the current structures on the property, site grading, final designs, submitting plans for permits. The City's goal is to award a bid in December 2023 and start construction in March 2024.

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

ADMINISTRATION

b. City Administrator's Report

City Administrator Oborn provided an overview and highlights from his monthly report, including:

Leadership:

- Completed Classification & Compensation Study for Non-Represented Employees
- Hosted a tour for all candidates of City facilities
- Fifteen members of City staff toured the Anacortes Water Treatment Plant on the Skagit River in Mount Vernon.
- The Department Director's retreat was held at the Chamber of Commerce on September 25th.
- Provided an overview of the recent Washington City/County Management Association conference attended by the City Administrator August 15-18th.

Legislative outreach:

- The City hosted Representative Rick Larsen at the City Shop on September 8th. Feedback was received regarding federal assistance and grant opportunities related to the city's various legislative priorities/projects. The group also provided an update on Inflow & Infiltration (I&I), the project which Rep. Larsen selected for as a federal 2023 community project funding.

Economic Development:

- The City's Economic Development Coordinator is leading the effort for the Central Development Area planning and will work with a consultant hired under the Mayor's authority to aid in this plan.

Finance:

- Councilmember Hoffmire and Wiegenstein along with Financial Analyst Chas Webster attended the Association of Washington Cities Budget Workshop last month.
- Finance Director Goldman has been appointed to the Government Finance Officers Association (GFOA) Committee on Governmental Budgeting and Fiscal Policy for a three-year term. This committee advises the GFOA and recommends policies in budgeting, management, and related public finance areas. Director Goldman is one of twenty-five people out of over 20,000 members selected to help move the field of public finance forward.

Fire:

- Department hosted a free community CPR/AED/FIRST AID training on September 16. Island County Department of Emergency Management and local first responders will put on a Preparedness Fair at North Whidbey Middles School on September 30, 2023 from 10am to 2pm.

Human Resources:

- The Employee Summer Picnic was a success. Staff enjoyed a delicious meal, activities/games and yoga in the park. Thanks to the Wellness Committee for organizing a wonderful event!

Parks and Recreation:

- A food truck pilot program in Windjammer Park ran for the month of August. City staff received positive feedback from both the food vendor and community members.

- The Oak Harbor Senior Center Foundation is hosting a Halloween Dance Party fundraiser at The Center on Friday, October 27
- Completed the removal of the playground at Ridgehaven Park due to deteriorated and unsafe equipment and replaced turf.
- Was awarded \$1,680,140 Urban Forestry Grant: This grant will fund a forestry management plan for the City, several ROW landscaping improvements and tree restoration projects and additional Full-Time staffing to help implement those improvements over the next 5 years.

Police:

- Department staff will host a retirement celebration for Captain Mike Bailey on September 28 at 3 p.m. at the Clean Water Facility Interpretive Center

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

b. Creation of Optional Deputy City Administrator Position

City Administrator Oborn reviewed the discussion item. He noted succession planning is an opportunity to evaluate City leadership positions. A Deputy City Administrator Position would serve to assist the City Administrator and Mayor with the administration of the City, provide growth opportunities, increase internal collaboration, directly supervise two or more Departments, and fill the administrative executive officer role when the City Administrator is absent.

The administrative executive officer position was first established in 1972 as City Supervisor to address the increased complexity and changed to City Administrator in 2001, twenty-two years ago, with additional duties.

The proposal is for the creation of a Deputy City Administrator (DCA) to further recognize the City moving from a small City to a larger City and the increasing complexities involved. The proposed position would be optional given the need, skills, and opportunity. Staff will be assigned to the role of DCA based on their experience and expertise and the way they compliment the City Administrator’s abilities. The Mayor and City Administrator believe there is a potential opportunity in the near future for this position.

If there is favorable input, bring an amendment to the City Council amending Oak Harbor Municipal Code Title 2 Administration and Personnel to create the optional Deputy City Administrator position. The position would then be appointed by the Mayor and confirmed by City Council. The proposal is to promote a DCA to oversee the Finance and Development Services Departments.

Councilmembers Hoffmire, Stucky, Munns, Wiegenstein, and Mayor Pro Tem Hizon provided their respective questions and comments. Councilmembers expressed their desire to see the item return for further discussion.

CITY COUNCIL

Mayor Pro Tem Hizon called for any additional comments from the Council. There were no additional comments.

ADJOURN

Hearing no other discussions, Mayor Pro Tem Hizon declared the workshop meeting adjourned at 5:26 p.m.

Certified by Julie Nester, City Clerk