

GIG HARBOR CITY COUNCIL MEETING OF MARCH 10, 2008

PRESENT: Councilmembers Ekberg, Young, Franich, Conan, Malich, Payne, Kadzik and Mayor Hunter.

CALL TO ORDER: 6:00 p.m.

PLEDGE OF ALLEGIANCE:

CONSENT AGENDA:

1. Approval of the Minutes of City Council Meeting of February 25, 2008.
2. Correspondence / Proclamations: National Preservation Month.
3. Receive and File: a) Building and Fire Safety Activity Report for February; b) Operations and Public Projects Committee Meeting Minutes.
4. Resolution – Surplus Vehicle.
5. Onshore Sewer Outfall Materials Testing Services Contract.
6. Eddon Boat Memorandum of Agreement – Sediment Remediation Project.
7. Eddon Boat Building Restoration - Washington State Heritage Grant Agreement.
8. Gig Harbor Peninsula Historical Society Purchase and Sale Agreement – Donkey Creek Triangle.
9. Website Design Contract – Sitecrafting.
10. “Ancich Netshed – GH Register of Historic Places Listing”
11. Millville Inventory Consultant Services Contract – Andrews History Group.
12. Wetland Review Consultant Services First Contract Amendment – Grette and Associates.
13. Skansie Bros Park Ad Hoc Committee Appointments.
14. Police Special Services Agreement – Police Services.
15. Contract for Purchase of Police Patrol Vessel.
16. Approval of Payment of Bills for March 10, 2008:
Checks #56965 through #57102 in the amount of \$1,311,913.94.

MOTION: Move to adopt the Consent Agenda as presented.
Ekberg / Conan – unanimously approved.

SPECIAL PRESENTATION: MBP.com

Dick Bower, Building and Fire Safety Director, described how the department is using technology to improve services. He gave a brief explanation of how the permit tracking system was developed and described how it functions in conjunction with the MyBuildingPermit.com system. He then introduced Patty McGallian, Permit Coordinator, who demonstrated the programs and described how they function for staff and the public.

Mayor Hunter praised all the hard work that has gone into developing this system and commented that he is convinced that this is a great management tool. He thanked both Dick and Patty for the presentation.

WORKSTUDY SESSION: Lodging Tax Advisory Committee.

Mayor Hunter introduced members of the Lodging Tax Advisory Committee Randy Fortier, Sue Braaton, Janice Denton, Kathy Franklin, John Moist, Wade Perrow, Cheri Johnson, Warren Zimmerman, Laureen Lund and Derek Young, Chairman. He thanked the committee for all the work they do and asked Randy to come forward.

Randy Fortier presented information that outlined the committee's goal to promote Gig Harbor while preserving and enhancing the authentic maritime heritage. He said that they wish to use the Lodging Tax dollars to create a positive economic impact for lodging and retail businesses. He defined the Lodging Tax Advisory Committee and its purpose and gave a brief overview of what has been accomplished by the LTAC since its inception in 1997. Mr. Fortier gave examples of the types of information is tracked by the committee and where the tax dollars are spent. He said that the committee will continue to work on increasing the tax fund and hotel occupancy, and will revisit the strategic plan now that nearly all goals set in 2001 have been accomplished. Some future goals include: increasing traffic to the website and visitor information center; helping to fund an extension to the Jerisich Dock; develop a trolley system; assist the Mainstreet and downtown preservation efforts; and to promote the Harbor History Museum, Eddon Boat and other important new developments. Mr. Fortier closed by describing why tourism is important to this community and asked Council for their continued support.

Councilmember Young introduced Tammy Blunt, the new Tacoma Convention and Visitor Bureau Director and said that the committee is looking forward to working with her.

Councilmember Franich commented on the fine line between the promotion of tourism and the preservation of the character of Gig Harbor. He said Laureen Lund has done a good job of recognizing that the downtown area is surrounded by residential property. He stressed the importance of maintaining the quality of life when we move forward with the promotion of tourism.

Councilmember Ekberg said that as a resident, he appreciates his quality of life which has been greatly improved by the efforts of the Lodging Tax Advisory Board and the Marketing Department.

OLD BUSINESS:

1. Third Reading of Ordinance – Increasing Water General Facility Charges. David Rodenbach, Finance began by explaining that he would present all three ordinances at once as most comments would pertain to all.

Mr. Rodenbach said that the proposed Water General Facility Charge is \$6,180, which is estimated to generate an additional \$488,000 in revenue for the water system

annually. He continued to explain that the Sewer General Facility Charge was lowered since the last reading by changing the allocation of the existing treatment plant facility component from 35% to 15% in an attempt to be even more conservative. This change lowers the Sewer GFC to \$8,540 per connection, which is estimated to generate an additional \$1,060,000 in revenue for the sewer system.

Mr. Rodenbach said that the Storm GFC has also been lowered to reflect the removal of the NPDES requirements which could be deemed operational. The recommended Stormwater GFC is now \$1,160 per connection which is estimated to generate \$230,000 for 200 new connections. He offered to answer questions.

Rob Karlinsey, City Administrator, commented that the development community has requested that the city calculate the fee based at the 3% growth for the entire period rather than the 10% the first two years. He said that staff included this calculation in the agenda bill for comparison but the change was not made in the ordinance.

Greg Moore – Representing Quadrant Homes. Mr. Moore mentioned that he left packets for Council review. He praised Mr. Karlinsey for his willingness to meet and discuss issues which resulted in proposed changes in the sewer GFC. He commented that they are not going to agree with the consultant on a number of technical issues, but they do agree that the position is not optimum for the city or the development community. He acknowledged that the city needs reasonable fees and said that Quadrant Homes supports responsible action. He also commended Council and Administration for stepping up to the task.

Mr. Moore explained that the city has not been collecting the fees in a phased approach over the years leading to an imbalance. This appears to be a catch up ordinance that imposes significant increases on the development community. The ordinance does not address which application phase a development may be and it hits particularly hard those who have already conducted their business plans. He said that he has suggested phasing to address the impact upon new development. He said that he recognizes that this is an issue of balancing needs of community stakeholders and the infrastructure needs. He stressed that both the citizens and the development community are stakeholders, and he believes that there is a reasonable and fair way to acknowledge both by phasing. Mr. Moore continued to say that a short delay in implementing water and storm fees until January 1, 2009 would seem reasonable and fair. He summarized that phasing in no way buffers the huge impact on new fees, but it is something that lessens the blow. It does not change the fees, just the starting times. It's a sound policy decision which balances all the stakeholders' interests and starts the critical funds for sewer immediately. Mr. Moore said that Quadrant Homes is trying to bring affordable homes to Gig Harbor and would be proud to partner with the city. He asked that Council consider all stakeholders by amending the implementation date to January 1, 2009 for water and storm GFCs.

Councilmember Young responded that a phasing approach would require raising fees even more, and asked what amount would be appropriate to subsidize Quadrant Home verses later projects.

Mr. Moore responded that they recommend leaving the same rate in place until January 1, 2009.

Councilmember Malich asked for a point of order. He wondered if it is appropriate to accept public testimony at a third reading of an ordinance. Mayor Hunter responded that he is accepting comment as a courtesy to those who have signed up to speak.

Nancy Rogers – Land Use Attorney, 524 2nd Ave. Ste 500, Seattle, WA 98104. Ms. Rogers, representing Bennett Homes, gave a brief description of their three projects underway in Gig Harbor. She said they echo the concerns voiced and they remain concerned with the GFC calculations. She commented that she understands that the city has been at the process for awhile and are heading towards adoption of these ordinances. She then added that there is a perception and reality that this massive scope of increased fees is associated with a catch-up provision. She explained that it would be easier for developers if it were to be phased in.

Ms. Rogers said that they too recognize that the sewer infrastructure is the most important for the city's financial planning, and concurred with the request to implement the sewer fees with the 3% construction cost increase rather than 10%, and phasing in water and storm on January 1, 2009. She said that this is about overall equity and some sense of "rough justice." She responded to Councilmember Young's comment by saying that because the city updates fees every six years it doesn't make sense to get into that level of detail. She recommended keeping the fee amount the same; phase it in and give people a little break to allow them to better manage expectations and proformas.

Councilmember Malich asked her to clarify her letter to Council regarding having to pay \$1 million over and above. Ms. Rogers responded that \$1 million is the difference between existing fees and the proposed new fees.

Councilmember Young said that a "payment shock" argument is being made here when in fact these GFCs are not rates. It is common practice to phase in rate increases because you are paying them over and over. Connection fees are a one-time charge and so the longer the increase is delayed the more charges must be increased later. That would put the burden on developers that come after Bennett and Quadrant. He asked how is that fair to the later developers if this is an equity concern?

Ms. Rogers responded that from a "rough-justice perspective" if we pay tomorrow after the fees are adopted, and then someone pays the same fee six years from now, they would get a better deal. A one-year delay for implementing the water and storm GFCs doesn't make that much of a difference. She continued to explain that if you want to allocate the \$700,000 a year for 200 connections, you could spread that out against

future connections. This is a possibility that staff could explore and come up with a new number.

Councilmember Payne asked for clarification on the basis of the 3% inflation number that has been recommended. He said that staff has provided six years of data that indicate closer to an 11% inflation rate.

John Alexander – Master Builders Association of Pierce County – 1120 Pacific Avenue.
Mr. Alexander responded that staff came up with the 3% as an alternative.

Rob Karlinsey explained that the ordinance calls out 10% in the first two years and then it falls to 3% in the subsequent years. The development community has requested that it be a consistent 3% for all years.

Councilmember Kadzik asked where the 3% figure came from for the subsequent years.

Ashley Emery, the city's consultant, came forward and explained that 3% has been the default, standard industry inflation factor for capital improvement projects the past ten years. Using 10% for the first two years is in recognition that costs have been going wild for the last three years. It is a conservative approach in case costs continue to escalate dramatically. The development community countered by saying that costs have declined in the last few months and so he re-calculated at the 3% rate for comparison purposes. Mr. Emery explained that if 3% had been used over the past five years; the city would have come up short.

Councilmember Young mentioned that one reason this is a catch-up ordinance is because the city underestimated the growth factor. Mr. Emery took strong issue with the term "catch-up."

Mr. Emery stressed that he has no problem with phasing in the GFCs; this is a decision for Council. He said that the calculation is based on a methodology that will not change if a lower amount is implemented and lower fees are collected. The result is lost revenue. He described how the calculations are based on existing assets and planned capital improvements. A year from now, unless the CIP is updated, the calculation will remain the same. He said that this is not a catch-up because the calculations that were done in 2001-2002 were based on then current comprehensive plans. The new comprehensive plans are driving this process and the calculations are again limited to existing assets and the CIP. Until the next CIP is adopted, there is no basis for changing the numbers.

Councilmember Payne asked for a review of the percentages. Mr. Emery responded that the calculations are based on a small part of the existing infrastructure for the Wastewater Treatment Plant Facility. Originally 35% was used, which he believes is more accurate than the proposed 15%. He said that they were asked to provide documentation for the 35% calculation. The only way to do so is with a rather complex analysis of treatment plant facilities that allocate costs into two groups: capacity related

and non-capacity related. The current plant has 15% available capacity, the lowest share that can be calculated for the capacity related costs. He continued to explain that if they had performed a more complex analysis, the number used for calculation would increase due to the non-capacity costs. Using 15% allows the city to report on the methodology used to calculate the charge without having to do a more complex analysis, but it understates the fair share. From a practical standpoint, a more complex analysis would delay implementation of the GFCs and result in a loss of revenue just to change the number by \$100 or so. He said that they could have stayed with the 35% which was based on engineering evaluation, but because of concern and visibility, they thought it more appropriate to use a figure backed up with solid documentation. He said that he is very comfortable with the 15%.

Councilmember Payne asked if other municipalities base their GFCs on a six-year cycle. Mr. Emery responded that cities have more flexibility than Sewer and Water Special Purposed Districts, which are required to have an adopted Comprehensive Plan as the supporting material and are done every six years. When a new Comprehensive Improvement Plan is done and there is a dramatic change in the level of funding required, it triggers a GFC analysis. Some cities have used Capital Improvement Plans not supported by full-blown Comprehensive Plan updates because there is no requirement for cities to have the back-up of the comprehensive plan. It's just another aspect of being conservative, which he recommends to his clients.

Councilmember Payne asked if this should have been done sooner. Mr. Emery said that we had no choice; the city is doing well using a four or five year turnaround. He said that the adopted GFC will be fixed until the next CIP update is done in another five or six years, the process will start again.

Carol Morris, City Attorney, followed up on the comment made by Councilmember Payne. She explained that the letter from Rob Karlinsey to Richard Hill cites the Growth Management Act and shows that the dates the city updated its Comprehensive Plan and Capital Facilities Plan are completely consistent with the GMA.

Councilmember Kadzik commented that if the city phases in the Water and Sewer GFCs, it would result in a difference in revenue of approximately \$3600 per ERU. He asked if there was an approximate number of ERUs that would affect between now and January 1, 2009. Mr. Emery said that for planning purposes, a conservative number of 200 ERUs has been used. Based on this figure the city would lose approximately \$500,000.00 in revenue which would have to be made up in rates, because you cannot make it up in GFCs.

John Alexander – Master Builders Association. Mr. Alexander said that Council is asking where the 3% number comes from, but he wanted to bring up the question that has been asked several times "Where the 10% number came from?" He said an appropriate answer hasn't been given other than "we used a conservative number." He said that they can only guess that somewhere a statute says that 10% is the maximum because there is no other basis to use 10%. He said that frankly, it is up to Council to

determine what is equitable not the consultant. He added that they feel that 3% is certainly more equitable than 10%.

Mr. Alexander then said that they appreciate the opportunity to meet with staff and Council to air concerns, but are disappointed that we are looking at the same ordinances today that were in place prior to doing all this work. He said that they thought there might actually be some kind of cooperative result. He then said that there are consultant members of the Master Building Association who also do this kind of work and have looked at this study. The consultants have told them that they don't see the basis for the 10% either, and now it is going to come down to "who are you going to listen to" and we know what the answer to that is.

Mr. Alexander said that the recommendation is to go with a balanced approach. He said that they have responded to Council's request for suggestions for changes. He continued to say that Master Builders Association recommends the phasing in approach because they believe it is good government practice; and because you realize the immediate impact on some homebuilders and eventual homeowners which should carry some weight in the decision. He said that RCW 35.92.025 says that you will determine what is equitable, and we think that is a pretty important power that you have.

Mayor Hunter thanked Mr. Alexander. He said that staff has been very open to sitting down to meet, recalculations were done, and adjustments made based on issues raised. In response to the question about a 10% inflation rate, Mayor Hunter said he just viewed the Phase I Wastewater Treatment Plant plan and costs have increased 27% in one year, adding that new development has to pay for growth.

Rob Karlinsey explained that the basis for the 10% number is provided in the Council Packet and there is a memo dated March 10th from David Rodenbach that talks about the historical construction costs index. That is followed by a *Trends in Highway Material Costs* article by the Washington State Department of Transportation.

Councilmember Payne addressed the letter from Mr. Alexander dated March 7th. He said that the calculation of increases in the letter are incorrect. He clarified that the increase for water is 65%, sewer is somewhere around 159%, and the storm water connection fee is brand new so by calling it a 1300% increase is absurd. He then asked Mr. Alexander if he had examples of the "good government practices" for phasing of connection fees that he referred to.

Mr. Alexander responded that he hasn't see phasing with GFCs but with other types of fees. He suggested asking someone from Quadrant Homes or one of the other homebuilders.

Rob Karlinsey commented that Master Builders, Quadrant Homes, Bennett Homes and other developers have been a pleasure to work with and have provided good feedback over the last month. This has improved the process and the product. He said that as a result adjustments were made to sewer and stormwater general facility charges. He

voiced appreciation, adding that the city's position has been strengthened by the help and advice received from them.

Randy Boss – PO Box 237, Gig Harbor. Mr. Boss said that in the General Facilities Charge outlined in the packet, it states that GFCs are determined primarily based on practices that have been upheld by state courts and are consistent with industry standards including the American Waterworks Association. One question that was asked is whether anyone had an example of a phase-in. He asked if council had looked at other similar charges in other municipalities in Washington; the impact, implementation, the phasing of fees, and how fees and calculations compare to this process. He said that he didn't see any comparisons in any of the paperwork and implored Council to do that prior to setting these exorbitant rate increases. Mr. Boss quoted from RCW 35.92.025, which is the authority for the city's to charge connecting water and stormwater systems. He said that the RCW says nothing that allows the Council to include projected improvements to the system. That provision is contained in RCW 57.08.005, which addresses connection charges by special purposed districts. He stressed that the city is not a special purpose district. He said that in an opinion provided by Foster Pepper and Scheffleman, on page 1-11 in the packet, it states that RCW is silent to future facilities for cities and so he is confused to why the city is imposing charges for future facilities. He said he agreed with all the other speakers today that these fees are exorbitant; that they should be phased in; the public and the development community is being hammered; and it isn't fair of the city to play catch up on the new connection fees and not allow the people who are enjoying the system currently to participate. He then suggested rather than 65% or 75%, that there be a 25% phase in for six years which would get you at the end of the time period basically at the same increased rate. He said in the past, water and sewer rates have been phased over a number of years.

Councilmember Young said that this has never been done for connection fees, only rates. Mr. Boss said this same formula should be used for connection fees.

Carol Morris responded to the argument that the GFCs cannot include future improvements. She said that it isn't included there but there is case law that allow city to include future improvements in the calculation of GFCs and offered to provide this case law to Mr. Boss for his review. One case is Lincoln Shiloh Associations vs. Mukilteo Water District 45 Washington Ave. 123-724 Pacific Second, 1083.

John Holmaas – 7602 Goodman Drive NW. Mr. Holmaas spoke to two issues, the first being the property that Bennett Homes wants to acquire from the Historical Society. He explained that he supports the extension to January 1, 2009, as they have a meeting with the purchaser on price because of the sewer increase. He said that the Historical Society also has a 23 lot plat on 38th Street and extending the date may help this as well. He said that the troublesome issue is that they may end up the sole supporters of a pump station and sewer line. These additional fees may be the straw that broke the camel's back.

Councilmember Franich said that inclusion of the cost of building materials was helpful. This illustrates that over the past several years costs have increased substantially more than 10%. He also said that there is a future need and the calculations justify the amount for the sewer and water connection fees. He then said that he will have a difficult time supporting the stormwater charges to meet the NPDES requirements and we can find a different way to finance those costs. He said that although there won't be consensus, he believes that the city's consultant has done a good job in developing a connection fee that will hopefully get us to the end goal without substantial rate increases.

MOTION: Move to adopt Ordinance 1123 as presented.
Young / Ekberg –

Councilmember Young commented that although it isn't easy to adopt this considerable increase, the cost to the system has gone up considerably and unless the city subsidizes costs or increases rates, this is the only way. He said that using General Fund dollars isn't appropriate because these dollars should be used for general public projects. He stressed the unfairness of exempting certain groups from the increase. Councilmember Young continued to say that the biggest issue is how much to increase the charge. Over the past three years, construction costs have increased over 10% and this year, costs appear to be going up at the same rate. The city has been very conservative in the calculations and these charges are more than fair. In some ways, they could be unfair to the ratepayers. He said that he will be reluctantly supporting all three ordinances but hopes to find ways to keep costs down elsewhere.

Councilmember Payne said that he will be supporting all three ordinances not because he is excited about the increases, but because we face a need. The builders are creating more demand for infrastructure and it is something that not only ratepayers, but those who are connecting to the system are going to have to bear. He explained that if the Council was to delay these charges it will result in a rate increase for all ratepayers, some of which will be buying these new homes. He said that the time to make the changes are now; this is a typical process, and he sees no compelling reason to delay implementation further. He stressed that it would be irresponsible for this Council not to pass these increases because even as horribly high as they are, they are supported by data.

Councilmember Kadzik said that for all the same reasons he will be supporting all three ordinances. He addressed the comment that the meetings with the city didn't seem productive. He said that this is not so much an issue of the intractability of Council, but of the soundness of the original calculations. He said that there is no other way to come up with the funds for future growth; growth is stimulating the need and should pay for it. He finalized by saying that he takes issue that these fees are exorbitant; they are high, they are hard, and they are large increases, but the word exorbitant has a connotation of something underhanded. These are fair fees that need to be instituted.

Councilmember Malich called for the question.

MOTION: Move to adopt Ordinance 1123 as presented.
Young / Ekberg – unanimously approved.

Councilmember Ekberg asked for a point of order. He asked if this was a vote on the call for the question. Mayor Hunter and other Councilmembers agreed that it was a vote on the water ordinance.

2. Third Reading of Ordinance – Increasing Sewer General Facility Charges.
Addressed during the previous agenda item.

MOTION: Move to adopt Ordinance 1124 as presented.
Malich / Conan – unanimously approved.

3. Third Reading of Ordinance – Increasing Stormwater General Facility Charges.
Addressed during the previous agenda item.

MOTION: Move to adopt Ordinance 1125 as presented.
Young / Payne – six voted in favor. Councilmember Franich voted no.

NEW BUSINESS:

1. Resolution – No Parking on Skansie. Steve Misiurak, City Engineer, presented this resolution that would prohibit parking on the east side of Skansie Avenue, just north of the intersection of Rosedale in response to citizen response to concerns of pedestrian safety. He said that a traffic study had been performed and based on the information staff recommends adoption of the resolution. He also said that if the parking problem moves to another area that they would look into it.

Councilmember Malich asked for clarification on other parking available for these fields. Mr. Misiurak responded that there is limited parking at Henderson Bay High School and at the water tank. Rob Karlinsey added that there is plenty of parking at Gig Harbor High School, but people don't want to drive up Rosedale. He voiced appreciation to Peninsula Light, who is installing three light poles at no charge to the city.

Councilmember Malich asked for clarification on the speed limit at this site and then voiced concern that the city would begin to ban parking in other areas of the city.

Councilmembers said that this is an issue at this site because of the narrow, dark roadway and the need to take precautions before an accident happens.

MOTION: Move to adopt Resolution No. 744 authorizing the City Engineer to create and maintain a no parking zone map and establishing a no parking zone on the east side of Skansie.
Payne / Kadzik – unanimously approved.

2. First Reading of Ordinance – Junk Vehicles. Rob Karlinsey presented the background for adopting a modern and RCW compliant junk vehicle ordinance. He said that staff began working on this approximately nine months ago and it has been before the Planning and Building Committee several times. Council remanded it back to a workstudy session to address concerns raised by Councilmember Franich at the first reading. As a result, two additions have been proposed on page three, to 8.08.030 Exemptions. Language was added to paragraph A. ...”or otherwise parked legally on the property so as not to be visible from adjacent or nearby public property;” In addition, a paragraph C was added to address vehicles enclosed in an opaque auto cover and parked in a lawful manner on private property.

Mr. Karlinsey further explained that the Mayor has requested that Council determine the number of exempt vehicles that will be allowed before the second reading. He asked for suggestions on that number, if any at all.

Councilmember Payne commented that he doesn't care about the number of junk vehicles enclosed in a building. He said was less enthusiastic but okay with the language added regarding vehicles parked legally on the property and out of public view. He suggested 2 or 3 would be an appropriate number to exempt vehicles parked in public view.

Councilmember Franich said that it is different for someone with 50 by 100 foot lot as opposed to someone on a five acre piece of property. He suggested a way to tie the number to the size of the lot.

Mayor Hunter asked at what point does it then become a junk yard? He said that without limitation it could become a problem. Councilmember Payne agreed that it is a legitimate concern and we do need a limitation on the numbers. Ekberg suggested limits on lots under an acre rather than a complex formula.

Councilmember Franich responded that putting a limit on someone with a half acre, as long as they meet the other conditions in the ordinance, is not equitable. He thanked other Councilmembers for their consideration and suggested that before the second reading he would work to come up with a number.

Councilmember Ekberg said that a lot of time has been spent on this junk vehicle ordinance and asked if there was a junk house ordinance. Councilmember Franich said that the junk vehicle ordinance should be enforced as a public health and safety issue, but he was concerned what would be regulated next...landscaping?

Councilmember Young responded that regulations are done all the time. Mayor Hunter said that there are provisions in the building code for junk houses.

3. Public Meeting - Atkinson Annexation. Matthew Keough, Associate Planner, explained that he was ready to make a recommendation on this proposal, but the proponent would like to speak.

Joseph Atkinson – 38th Avenue. Mr. Atkinson said that in light of tonight's meeting he would like to withdraw his annexation petition. He said that he has lived both in the city and on the boundary for 26 years, and requested that Council keep in mind that what the city does affects them tremendously.

4. Amendment to Legal Services Contract – Salter Joyce Ziker, PLLC. Carol Morris explained that Bill Joyce is the city's attorney on the Eddon Boat project and is asking for an increase of ten dollars an hour to his rate; the first in two years.

Mayor Hunter added that Mr. Joyce seems to be a fair attorney who has done a lot for the city.

MOTION: Move to authorize the Mayor to sign the first amendment to the contract for attorney services with Salter Joyce and Ziker.
Payne / Ekberg – unanimously approved.

STAFF REPORT:

Rob Karlinsey reported on the following:

1. Draft Council Schedule for Remainder of 2008. The draft schedule is not a comprehensive list of everything that will be covered in 2008, but the main issues identified by Council have been plugged in as a way to keep on track.
2. Federal Projects Update. The report was included in the packet for review.
3. Draft Westside Community Meeting PowerPoint Presentation. A draft presentation was included in the packet and Council was asked do most of the presenting.
4. The North Harborview Construction Notice was distributed to the businesses and residents in that area today. The contractor will be on the road performing "pot-holing" on the 17th which will create intermittent lane closures during that process.
5. Senator Murray would like to come to Gig Harbor on March 25th and hold a forum with elected officials throughout the region. Before that she would like to meet one-on-one with Mayor Hunter and City of Gig Harbor Councilmembers about city specific issues.

PUBLIC COMMENT: None.

MAYOR'S REPORT / COUNCIL COMMENTS:

Councilmember Franich said that in the last Consent Agenda, a \$19,000 contract was passed to remove the carpet, repair sheetrock, seal, and paint the interior of the

Skansie House. He challenged Council to think about the cost to do this work. Councilmember Young mentioned the health issue of mold at the house. Mayor Hunter discussed the fact that this any government contract is required to have higher insurance and pay prevailing wages. Councilmember Franich concurred but said that until jurisdictions stop enabling this behavior, this type of thing it will continue.

Councilmember Payne said that there have been a couple of incidents with sewer backflow this past winter with exorbitant costs as a result. He said he discussed the issue with Darrel Winans, Sewer Treatment Plant Supervisor. They talked about a requirement for backflow restriction in commercial structures and any other structure below the sewer elevation and determined that this already is required by the building code, but hasn't been strictly enforced. Mayor Hunter responded that he discussed this with Dick Bower, Building and Fire Safety Director, who has assured that it is now being enforced. He agreed that this needs to be addressed.

Councilmember Payne suggested an ordinance to mandate retrofitting by a certain date. Rob Karlinsey said that staff would be happy to pursue this. He then said that another way to address this concern and to prevent future back-ups is to step up the line-cleaning schedule; one additional Wastewater Treatment Plant Operator has been approved to help get caught up.

Mayor Hunter suggested hiring a sub-contractor to come in and clean the lines because the problem is caused by debris in the lines. He said that the public works crew also needs to make sure that when a hook up is made the lines are cleaned at that time.

Councilmember Franich stressed that you had better take a careful look at the costs associated with retrofitting sewer lines with backflow valves. If the city is remiss due to improper maintenance of the sewer lines, then cleaning will address the issue.

Councilmember Malich asked if it would be possible to change the date of the Council retreat to July 18th rather than the 11th. Mayor Hunter responded that the 11th was chosen to coordinate with the visit by Congressman Norm Dicks the following day.

Councilmember Malich then reported that he is traveling to Washington D.C. and he would speak on behalf of the city to the lobbyist while there.

Councilmember Malich then asked if something could be done about signalization at the intersection at Point Fosdick and Olympic Drive which is very congested at 5:00 p.m. since the opening of the Uptown Shopping Center. He asked if any future traffic studies are planned for this area. Councilmember Young commented that this is normal for that time of day.

Mayor Hunter added that the opening of the new bridge has also contributed to the congestion as more vehicles are hitting that spot at once. Councilmember Ekberg mentioned that Emily Appleton, Senior Engineer said that another traffic study will be

done after the Uptown Development is complete. Councilmember Conan added that the construction on Olympic up to 56th also contributes to the congestion.

Councilmember Young passed on that Representative Pat Lantz had announced that she is retiring and suggested that this would be a good time to pass our thanks along to her.

ANNOUNCEMENT OF OTHER MEETINGS:

1. Gig Harbor Traffic Options Committee – Wednesday, March 26th at 10:00 a.m. in Community Rooms A & B.
2. Finance / Safety Committee: Next quarterly meeting on Mar 17th at 4:00 p.m.
3. Tuesday, March 18th at 6:00 p.m. – Westside Area Community Meeting at Goodman Middle School.
4. City Council Retreat – July 11th 8:00 a.m. – 1:00 p.m. Community Rooms A&B.
5. First Skansie Ad Hoc Committee Meeting: March 17th at 6:00 p.m.

EXECUTIVE SESSION: For the purpose of discuss a personnel issue per RCW 42.30.110(f)


MOTION: Move to adjourn to Executive Session at 8:23 p.m. to discuss a personnel issue for approximately ten minutes.
Franich / Conan – unanimously approved.

MOTION: Move to return to regular session at 8:29 p.m.
Franich / Conan – unanimously approved.

ADJOURN:

MOTION: Move to adjourn at 8:29 p.m.
Franich / Conan – unanimously approved.

CD recorder utilized:
Disk #1 Tracks 1 – 15
Disk #2 Tracks 1- 23



Charles L. Hunter, Mayor



Molly Towslee, City Clerk