

MINUTES OF GIG HARBOR CITY COUNCIL MEETING – April 11, 2011

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

CALL TO ORDER: 5:31 p.m.

PLEDGE OF ALLEGIANCE:

CONSENT AGENDA:

1. Approval of the Minutes of City Council Meeting of March 28, 2011.
2. Receive and File: GHHWA Progress Report.
3. Correspondence / Proclamations: Parks Appreciation Day
4. Liquor License Action: a) Application – Rexall Drug; b) Special Occasion – Chamber of Commerce.
5. Interagency Agreement Tacoma-Pierce County Health Department – 2011 Natural Yard Care Workshops.
6. Resolution No. 859 - Adding Skansie Netshed to the Gig Harbor Register of Historic Places.
7. Cushman Trail Culvert Repair – Amendment No. 1 to Interlocal Agreement.
8. Shorecrest Sewer System Rate Study and Connection Fees Analysis – Amendment No. 1 to Consultant Services Contract/Peninsula Financial Consulting.
9. Standard Service Area Agreement with Pierce County and the City of Gig Harbor Water Department.
10. Approval of Payment of Bills for April 11, 2011: Checks #66579 through #66728 in the amount of \$769,445.48.
11. Approval of Payroll for the Month of March: Checks #5871 through #5877 in the amount of \$311,375.19.

MOTION: Move to approve the Consent Agenda as presented.
Conan / Payne - unanimously approved.

SPECIAL PRESENTATIONS:

1. Recognition of Margaret Klockars, Hearing Examiner. Mayor Hunter read a certificate of appreciation recognizing Ms. Klockars for her contributions during the four years she served as the city's Hearing Examiner.

2. Parks Appreciation Day Proclamation - Robyn Denson. Mayor Hunter presented members of the Parks Commission Robyn Denson and Michael Perrow with the proclamation and thanked the Parks Commission for their hard work. Mr. Perrow gave a brief overview of the activities planned for April 16th.

3. Crescent Creek Playground Update: Robyn Denson and Stephanie Payne. Robyn Denson, Vice-Chair of the Parks Commission, presented a proposal to replace the aging playground equipment at City Park at Crescent Creek with a more ADA

accessible “destination” playground representing the unique character of Gig Harbor. She described a maritime theme utilizing a fishing boat as the focal element. Addressing the cost she said replacement of the existing structure would be about \$75,000. A destination playground would cost around \$200,000. Ms. Denson pointed out the age and condition of the current equipment and said that there is a group of parents offering to fund-raise. She introduced Stephanie Payne.

Stephanie Payne. Ms. Payne described her involvement with a group of Moms dedicated to playgrounds that allow kids of all abilities to play together. This group’s efforts resulted in the boundless playground at Sehmel Homestead Park. She said that they are interested in bringing another destination playground to Gig Harbor, which would be an opportunity for another staple hub to bring people to the downtown. She talked about some of the design components of the playground. Ms. Payne asked that Council discuss the project during the upcoming retreat and consider adding \$100,000 to the 2012 budget for the project. She said the group would partner with the city to raise the other \$100,000 over the next 18 months.

Ms. Denson and Ms. Payne addressed Council questions. Mayor Hunter recommended keeping up the existing park to ensure it would not go dormant during the fundraising efforts. Ms. Denson agreed, and said that the fundraising would be aggressive to keep people excited, and then the whole park could be overhauled at one time.

OLD BUSINESS:

1. Official City Newspaper. City Clerk Molly Towslee explained that the validity of the *Gig Harbor Life* as a legal newspaper had been raised after Council appointment of March 14th. She explained that *Gig Harbor Life* met the April 11th deadline to be added to the Pierce County Superior Court list of legal newspapers and recommended no further action.

Councilmember Payne said that although *Gig Harbor Life* had the most cost competitive bid, they did not meet the bid requirements and due to another mistake in the bidding process, he was compelled to rescind the vote.

MOTION: Move to rescind the March 14th approval of *Gig Harbor Life* as the official newspaper of Gig Harbor effective April 15th.
Payne / Young –

After discussing the cost effectiveness, circulation, deadlines and effectiveness of the two publications, it was suggested to go with the bid criteria and then open this up again next year for rebid.

RESTATED MOTION: Move to rescind the March 14th approval of *Gig Harbor Life* as the official newspaper of Gig Harbor effective April 15th.
Payne / Young – unanimously approved.

MOTION: Move to accept *The Peninsula Gateway* as the official newspaper of the City of Gig Harbor effective immediately.

Payne / Kadzik –

City Attorney Angela Belbeck responded to a question of the legality of staying with *Gig Harbor Life* by saying that it wouldn't be illegal, but it would not meet the typical bid process.

Mike Stevens, 7738 Paridot Place NW, Silverdale. Mr. Stevens, Community Publications Director for *The Kitsap Sun*, gave an overview of the family of Kitsap Sun publications, including *Gig Harbor Life*. He explained that they responded to the call for bids because they have long-served the legal needs of communities and because the free access and wide circulation of the *Gig Harbor Life* meets the intent of legal advertising. He added that it seems prudent to save the citizens' money in the process. Mr. Stevens emphasized that the Pierce County Superior Court document shows that they meet the legal requirements of a legal newspaper, adding that he does not see the error in Council's choice of *Gig Harbor Life*. He suggested that Council make that decision again.

Councilmember Franich spoke in support of staying with *Gig Harbor Life*. Mr. Stevens responded by saying that he feels they met the bid qualifications outlined in RCW 65.16.020 and now have further documentation to back that up.

Councilmember Payne apologized to Mr. Stevens, saying that he too supported the choice by relying upon information provided by staff. He explained that the bid documents referenced RCW 65.16 as a whole and so he is compelled to rescind the vote. He added that it would be just as effective to have our notices in *Gig Harbor Life*.

Mr. Stevens pointed out that it would also save the city \$6,000 that could go towards other things such as playground equipment. He said the city should do this in a manner that's legal, serves the legal needs at a price that saves the city money, and sends the message out to more people. He added that they are not a litigious company and so this will be the end of any action until the next time they can submit a bid.

RESTATED MOTION: Move to accept *The Peninsula Gateway* as the official newspaper of the City of Gig Harbor effective immediately.

Payne / Kadzik – unanimously approved.

NEW BUSINESS:

1. Arts Commission Request for Direction. City Administrator Rob Karlinsey introduced the subject of a Performing Arts Center. He introduced Julene Shaw, Gig Harbor Arts Commission and Ann Knapp from the newly formed Arts Alliance to address this project.

Ann Knapp - 5810 19th St. NW. Ms. Knapp presented information on the effort to bring a combination visual and performing arts facility to Gig Harbor. Ms. Knapp explained that they are still early in the planning process and will need people with expertise to guide them through. She said that they do not have a cost but said it could be anywhere from ten million to sixty million. She added that they are not asking the city for money, but for buy-in and an interest in partnering.

Council responded that the city is not able to support the effort monetarily, but the Gig Harbor Arts Commission could continue to be; when a site is located and funding is secured, the city could help with zoning concerns.

Julene Shaw – GHAC. Representing the Arts Commission, Ms. Shaw voiced their unanimous vocal and emotional support of a performing arts facility. She said they understand that the city cannot commit monetarily but said that if the City Council is supportive it makes it easier to campaign. She encouraged a visit to other similar cities that have such a facility.

Councilmembers suggested discussing this at the upcoming retreat and the possibility of coming back with a proclamation of support at a later date.

Matt Meacham – 4215 61st St. Ct NW. Mr. Meacham, member of the Board of Directors for the Peninsula Youth Symphony, spoke in favor of a performing arts center. He gave an overview of the PYS growth, saying they have outgrown local venues. He said that he also serves on the Board for the Gig Harbor Boat Shop and that that having a place for a hot crafts / bronzing program is a wonderful idea that could bring back historic maritime metalwork projects. He said that community arts centers require a long-term commitment and what they are looking for at this time is quality of commitment rather than quantity of dollars; a commitment that will continue to pay off 20-30 years from now.

2. First Reading of Ordinance – Definition of Gross Income for B&O Utility Tax.

Finance Director David Rodenbach presented the background information for this ordinance that would allow accrual based businesses to deduct for bad debt write-offs. He said that the Finance/Safety Committee reviewed the ordinance requested by Peninsula Light Company, but wasn't supportive. He explained that if the ordinance is adopted, the cost to the general fund would be approximately \$2,500 a year.

Mr. Rodenbach was asked if the discussion from the Finance/Safety Committee was based on fiscal concern. He responded that it was more about unrelated relationship issues with Peninsula Light. Councilmember Payne added that the committee members did consider this fiscally as well and determined that although it's not a lot of money there is no compelling argument to move forward.

Councilmember Franich commented on the unfairness of the B & O tax and said it should be a fiscal decision for the city.

Mr. Karlinsey further explained that Peninsula Light wanted this ordinance in place in case a bill that would have allowed counties to impose utility taxes passed. He said that that bill recently died in the State Legislature.

Bob Dragoo – 11318 65th Ave. Representing Peninsula Light, Mr. Dragoo spoke in favor of the ordinance by saying it would be consistent with state practice, pre-emptive if the County is allowed to request a utility tax, and is a fairness issue. He asked why the company should pay taxes to the city on money they are unable to collect.

Councilmembers were encouraged to contact staff for further clarification on the how Finance Committee recommendation before the next reading. Mr. Rodenbach addressed how the city handles bad debt.

3. Maritime Pier Restroom Contribution Agreements - Sunshine LLC and Dylan Enterprises (Tides Tavern). City Administrator Rob Karlinsey presented the background information for these agreements to allow contribution toward construction of a public restroom at the Maritime Pier location in exchange for certain key points. He addressed Council questions regarding the possibility of future placement of fuel tanks on the site.

MOTION: Authorize the Mayor to execute the Maritime Pier Restroom Contribution Agreements with Sunshine LLC and Dylan Enterprises.
Payne / Kadzik – unanimously approved.

4. Tides Tavern Shed License Agreement - Dylan Enterprises. Rob Karlinsey gave an overview of the key points for the allowing the shed located on city right-of-way to remain for twenty-years with an option for a five-year extension. He addressed Council questions.

MOTION: Authorize the Mayor to execute the Tides Tavern Shed License Agreement with Dylan Enterprises.
Payne / Conan – unanimously approved.

STAFF REPORT:

Donkey Creek Daylighting Project – Rob Karlinsey provided background for this long-term project. He explained that the city has received two federal appropriations, a state grant for the estuary portion of the project, and some funds have been budgeted from the stormwater capital account. He asked City Engineer Steve Misiurak to present the information on the recommendation to reduce the scope of the project from the original concept.

Mr. Misiurak gave an overview of meetings with the consultant Murray, Smith & Associates, the State Department of Fish and Wildlife, and contractors. He described the three options that have been discussed and the challenges and cost of each. He said that the most recent value-engineer study has led to a recommendation to let the current 30" culvert remain and add on a 22 foot plate-arch culvert to daylight to the

stream. He said that the cost for this option could be funded by the funding already in place and The History Museum has agreed to provide the necessary easement. He continued to give a more detailed description of this option and the next steps to move forward. Rob Karlinsey described some of the amenities of the reduced scope saying that this does not preclude realization of the full project when and if the funding is available.

Mr. Misiurak, Senior Planner Emily Appleton and Special Project Coordinator Lita Dawn Stanton addressed questions about the project.

Councilmember Payne complimented MSA Consultants and staff for working through the issues. He then voiced disappointment that this proposal is so far from the original goal to daylight the creek and improve pedestrian traffic.

Staff continued to answer questions about the elements and cost of the project. Ms. Appleton explained that reason that all three options went over budget was due to the additional wall required for stabilizing around the excavation for the culvert and also for stabilizing Austin Street.

Councilmember Conan echoed the comments by Councilmember Payne. He said that he doesn't think we will go back and finish later and that although he is in favor of daylighting the creek, but he doesn't feel good about spending this kind of money and not getting what we want. He said he would rather hold off until we have the money to do the whole project.

Mayor Hunter stressed that we are in the position of losing the grants and we would need at least another million dollars to do the whole project. Ms. Stanton responded to questions by saying that we need to construct within two years to keep the grants adding that each grant is dependent upon the other.

Councilmember Young commented that this option is way different than what he has been describing and asked when we changed direction. Mayor Hunter responded that they have been working on a solution that would satisfy the Department of Fish and Wildlife since Thanksgiving. Councilmember Young voiced reluctance to go forward with this option because it is so far removed from the original concept but said that giving up the grants seems foolish.

Councilmember Payne commented that he hoped for significant traffic improvements at that intersection but this option doesn't seem change to the flow much. Councilmembers agreed that this requires more discussion on options and asked that it be added to the retreat agenda.

Councilmember Franich commented that this idea has been around a long time with competing views on what will improve traffic flow and what the project is really about. He objected to spending 2.8 million dollars of public money, and said that the grants

should be returned. He said in today's fiscal condition, the city should be focusing on critical issues such as road improvements.

Rob Karlinsey recognized City Attorney Angela Belbeck for her work with Sunshine LLC and Dylan Enterprises on the agreements just adopted. He also thanked Emily Appleton for coming tonight to address the Donkey Creek Daylighting project as she went home from work not feeling well.

PUBLIC COMMENT:

Mark Hoppen – 8133 Shirley Avenue. Mr. Hoppen made three comments: 1) Will the fish biology be improved by daylighting Donkey Creek? If so, then the city should move forward with the project (as it was his idea); 2) Its better for the public to have better, more timely access to public noticing and so the official newspaper should be both a local paper *and* a daily publication; and 3) The proposed performing arts facility relates to how you plan for the future. What gets built is what is included in the Comprehensive Plan. He mentioned the Boys & Girls Club, YMCA, and History Museum as examples of this. He suggested that the city should be the leader in a multi-agency discussion, adding that wherever it's located it will draw a lot of people and will benefit the city.

MAYOR'S REPORT / COUNCIL COMMENTS:

Councilmember Conan announced the swearing in ceremony for Fire Chief John Burgess, who is only the fourth Fire Chief in the history of this career fire district. He mentioned that when it became a career district in 1950, the first Fire Chief sworn in replaced his Grandfather.

ANNOUNCEMENT OF OTHER MEETINGS:

1. Disaster Preparation Forum – Tue. Apr. 12th at 6:00 p.m.
2. Council Retreat – Fri. Apr. 22nd at 8:30 a.m.
3. Parks Appreciation Day – Sat. Apr 16th

ADJOURN:

MOTION: Move to adjourn at 8:03 p.m.
Franich / Conan – unanimously approved.

CD recorder utilized: Tracks 1002 – 1025



Charles L. Hunter, Mayor



Molly Towslee, City Clerk