



Kitsap Regional Coordinating Council

Chair
Commissioner Steve Bauer
Kitsap County

Vice-Chair
Mayor Patty Lent
City of Bremerton

Commissioner Josh Brown
Commissioner Charlotte Garrido
Kitsap County

Council Member Will Maupin
Council Member Dianne Robinson
Council Member Greg Wheeler *
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Council Member Kim Brackett
Council Member Hillary Franz
Council Member Kirsten Hytopoulos *
City of Bainbridge Island

Mayor Lary Coppola
Council Member Carolyn Powers
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Mayor Becky Erickson
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Port of Bremerton

Captain Mark Olson
Tom Danaher, PAO *
Naval Base Kitsap**

Mary McClure
Executive Management
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Executive Board Meeting

June 1, 2010

Meeting Summary

- 1. Call to Order:** Vice Chair Patty Lent called the Kitsap Regional Coordinating Council Executive Board to order at 9:02 a.m. (*Attendance noted at end*)
- 2. Citizen Comments: One.**
To hear comments in full, contact KRCC staff to request Board Meeting audio recordings.
Karl Duff, Kitsap Alliance of Property Owners: Concerns over Vision 2040:
 - Policies dictated by East Side of Puget Sound that may not suit Kitsap.
 - Bad science.
- 3. Chair Comments: None**
- 4. Consent Agenda:**
 - a. Approve Minutes of May 4, 2010 Board Meeting
 - b. Approve Funding Priorities & Application Review Committee (ARC) Appointments for 2011 Cycle of Affordable Housing Grant Programs.
Changes to the May 4 Board Meeting Summary were requested by Rudolph and Garrido to revise list of voting members on items 6b-i and 6b-iii, and comments made on item 6a.
Motion: (Garrido) and second (Erickson) to approve the Consent Agenda, to include revisions to the May 4 Board Summary as requested by Board Members. *Motion carried unanimously.*
- 5. Homeless Housing Grant Program: Funding Recommendations**
Kirsten Jewell, Grant Programs Manager, made several comments:
 - Thank you to the Application Review Committee (ARC), who provide an invaluable service acting as the technical advisory body for the Council, reviewing applications and making funding recommendations.
 - This is the first time we've had the benefit of the new process for setting priorities, which focuses resources where they will be of most benefit in our community.
 - The ARC used these priorities to make some tough decisions about which projects to recommend for funding, and ultimately decided to recommend against funding several projects.
 - No written public comments were received.

Public Hearing Opening: 9:10

Public Hearing Closed: 9:10

Motion: (Coppola) and second (Franz) to approve the recommendations from the Application Review Committee for the 2010 Cycle Awards for the Homeless Housing Grant Program, as presented. *Motion carried unanimously.*

6. Ferry Service: Report from Citizens' Meeting with Kitsap Legislators

Kari Ulatoski, Ferry Community Partnership (FCP)

The Ferry Community Partnership (FCP) is an advocacy group composed of ferry-dependent communities/voters and supporters, working to educate riders and legislators and to influence legislation which is important to ferry communities. State Legislators, particularly Representatives Rolfes, Angel, Seaquist and Nelson (Vashon Island) and Senator Kilmer have given their time, support and input as members of the ferry coalition in the WA State Legislature. They and others have been very active on behalf of ferry-dependent communities. Today, at the request of Mayor Lent, the FCP presented a plan of action in preparation for the 2011 Legislative Session. (Highlights of the FCP presentation are included as Attachment A to these minutes).

Vice Chair, Patty Lent suggested that the KRCC Executive Board direct staff to draft a letter in support of the FCP priorities for the KRCC to send and that individual jurisdictions offer their support to the FCP:

The FCP's focus for the 2011 Legislative Session:

1. Ferries are integral to the economic survival and growth of our ferry served communities.
 - The ferry system is the lifeblood of some communities. Others rely heavily on it for access to jobs on both sides of the water, medical services, commerce and recreation.
 - Ferries aren't just an icon. They provide a gateway to regional tourism that is so important to the Region and the State.
2. Fleet preservation is essential.
 - Long term stable funding is our top priority.
 - We need not one (1) but two (2) of the 144 ferries built as soon as possible.
 - We cannot have these vessels held hostage to finding new revenues ~ or to political expediency.
 - The promises made in 2003 must be kept.
3. Ferry Riders/Communities shouldn't be burdened with fuel or fare cost increases until thorough studies have been made and the steps outlined in ESHB 3209 (passed by the Legislature) have been addressed and reviewed. This includes issues related to operating costs.

7. Work Program Report

a. KEDA ~ KCCDC:

Bill Stewart, Olympic Finance Development Authority (OFDA) & Kitsap Economic Development Alliance (KEDA) & Mike Walton, Chair, Kitsap County Community Development Corporation (KCCDC).

- Lack of access to capital is a growing problem for small businesses. Conversations which led to the formation of the Olympic Finance Development Authority (OFDA) began in autumn 2009 among Directors of Economic Development organizations in the Olympic Peninsula (Kitsap, Clallam, Mason and Jefferson) regarding the need for such an organization.
- The OFDA will provide a variety of services including micro-lending and new market tax credits and will operate through the four counties' Economic Development Organizations, incurring far less operational costs.
- Best practices and lessons learned are an invaluable resource. Bill Stewart has successfully created similar models and other examples exist (e.g. Lewis County).
- This organization will not attempt to supplant other financing mechanisms, but aims to help projects access other funds that would otherwise not be available to them.

- Kitsap County Community Development Corporation (KCCDC) has discussed with OFDA the possibility of transferring KCCDC assets and portfolio to OFDA.
- KCCDC is currently in hibernation mode and has too few resources to function. Although six (6) of the seven (7) businesses that KCCDC loaned funds to are functioning, most are not making repayments at this time. KCCDC has not called in these debts as this would have forced at least some of them into bankruptcy.
- The conversation between OFDA and KCCDC has been on-going. OFDA can vote on the decision to take on these loans once all of its organizational procedures are in place. The OFDA Board will meet on June 30 to formally discuss this proposal.
- There could be disadvantages to OFDA taking these existing loans.
- If KCCDC was dissolved, its assets would probably be returned to CDBG. CDBG is unsure what this would mean for the loans as they have no way to administer them.
- Consider maintaining the shell of KCCDC, which has 501C3 status, for possible future use.

Motion: (Garrido) and second (Erickson) to direct Mary McClure to work with Bill Stewart and Mike Walton to construct a transition plan / steps to transition for consideration at the July 6 meeting of the KRCC Executive Board, as presented. *Motion carried unanimously.*

b. Transportation: Non Motorized Ad Hoc Committee Recommendations: Next Steps

The KRCC Transportation Committees (TransPOL & TransTAC) and Executive Board will have the opportunity to work with the recommendations from the Ad Hoc Trails Committee as they discuss the priorities for the non-motorized set-aside of Federal Transportation Funding, which comes through KRCC.

b-i. Transportation: Additional Agenda Items

- Regional Transportation Meetings
A second North Kitsap Transportation meeting will be held on June 3. Follow-up meetings with South Kitsap, regarding the WSDOT BEDS (Bremerton Economic Development Study) have already taken place.
- PSRC Non-Motorized Enhancements Funds
KRCC is not taking a formal role in screening or prioritizing projects, but jurisdictions will share their applications at the July 15 meeting of the KRCC Transportation Committees. Mary McClure will participate in the PSRC project selection process in August. Centers will be a focus -but not a priority- of project selection, and only phases of projects will be funded.
- Rural Corridors Program
Less funds are available than anticipated, meaning there is a lower expectation that all projects will be funded. Successful projects may not be fully funded.
- Tiger II Grants
This funding source is specific to the ARRA (American Recovery and Reinvestment Act for shovel ready road projects. Collaboration among City of Bremerton, Port of Bremerton, Kitsap County and Mason County is being explored.
- Peninsula Regional Transportation Planning Organization (PRTPO) Request
The WA State Transportation Commission has requested a list of regional projects from the PRTPO (of which Kitsap is an associate member) for inclusion in a statement of support to WSDOT. County staff has been asked to identify several existing projects in Kitsap before the end of July. Because this is new information, it is not yet clear what the objective of the project list is. This request was made to Kitsap County staff, who recommend that the KRCC

TransPOL participate in the process. Consensus was reached among the Executive Board that the KRCC TransPOL should affirm Kitsap projects sent forward to the PRTP.

c. Revenue Sharing / UGA Program

At an April 29 meeting, Kitsap County and the City of Port Orchard agreed to complete the annexation checklist using the Bethel Corridor annexation as an example to identify what topics may be missing from the current checklist. A progress report was made at the May 24 meeting highlighting that the checklist does not address law enforcement transition. KRCC will now update the checklist.

Although revenue sharing drove this discussion to occur, the current focus of the meetings is services. Understanding the cost of providing services must precede any discussion of revenue.

d. City / County Roles

The KRCC Executive Committee is working on cost-saving efficiencies. Several areas for potential cost saving through shared service delivery have been identified. Only areas that have short term cost benefits associated with them will be pursued at this time. Of 14 areas initially identified, the following are being pursued by the Executive Committee, while others could occur on a staff level:

- *Health Insurance*: Should offer cost savings. This is the largest agency expense after personnel. Self-insurance and combined insurance are being explored. A consultant may be engaged to work on a cost/benefit analysis. At a minimum, jurisdictions will share information on negotiations.
- *Law and Justice*: Learning from Poulsbo, Kitsap County and Bainbridge Island negotiations.
- *Centralized Building Inspections*: Refer to Planning Directors.
- *Land and water fleet vehicles*: Agencies' equipment currently being inventoried. It may be appropriate to share some items. Some maintenance areas are under-used, other over-used. A King County fleet manager with experience in this arena has been identified as resource.
- *Social Safety Net*: Social Service agencies may want to consolidate their mission or service provision. Health District staff and Kirsten Jewell will evaluate whether the 2011 analysis of homeless housing service delivery should be expanded.
- *311 Open Line*: Represents an opportunity for costs saving while making agencies more responsive.

e. Broadband ARRA Grant Application

Bud Harris, Directors of IT Services, Kitsap County

The multi-jurisdictional broadband grant application was submitted to WA State IT Services in March. From there, it was passed to the Federal Government as WA State's #1 request. National Telecommunications & Information Administration (NTIA) are currently reviewing the grant. Further additional information requests are anticipated. We are hoping to hear from Federal Government before the end of September (the end of the Federal fiscal year), and believe that Kitsap is in a good position to receive this grant.

On another note, three years ago the Bremerton Metropolitan Service Area Grant was secured in the amount of \$3.6m, which included all cities, fire departments, law enforcements and the County. In March, the COPS Grant Executive Steering Committee met for the final time; the work is 90% complete.

7. Citizen Comments: Four

To hear comments in full, contact KRCC staff to request Board Meeting audio recordings.

Rex Nelson, Southworth FAC, Kitsap Transit Citizens Advisory, FCP:

- Ferries are Kitsap’s marine highways and sidewalks. Southworth is projected to grow 70% in the current planning horizon, which will make an already untenable situation worse.
- Thanks to Harper Park & Ride, which opens today, more people will be able to access the ferries.
- Kitsap County’s shoulder paving program has helped the Southworth community. Please continue.

Dennis Cziske, Kingston FAC, FAC Executive Committee, FCP:

- Kingston service cuts will be felt this summer and again in fall when service is cut again.
- I suggest the Board gives strong thought to the FCP presentation today. Utilize your FAC’s. We have a lot to say and a lot to bring to the table.

Adam Brockus, City of Bremerton City Council & FCP:

- As there is no spare ferry boat, one of the Bremerton boats is usually pulled to fill gaps in the fleet when another breaks down. This leaves employers on both sides of the Puget Sound unsure whether their employees will make it to work. When we loose this certainty, businesses suffer.
- Kitsap’s jurisdictions could agree to implement concurrently new fire code which would guarantee all new residences were fitted with sprinkler systems. All homes in the County would be safer and the housing cost increase would be collective.

Karl Duff, Kitsap Alliance of Property Owners:

- I support the ferry presentation today.
- Labor costs make up 60% of running costs: reducing service is the only feasible way to re-negotiate labor costs.

8. Member Agency Comments: Two

Charlotte Garrido, Kitsap County: I represent Kitsap on the Prosperity Partnership’s Energy Efficiency Master Business Plan. We will meet today to discuss a draft plan for a “Building Energy Efficiency Testing and Integration Center.” The best focus for energy efficiency is determined as making houses and commercial buildings energy-efficient. There is a huge market for retro-fitting pre-1970’s buildings around the Puget Sound Region.

Hillary Franz, Kitsap County: The WA State Department of Commerce is potentially writing an energy efficiency grant to the Department of Energy for Kitsap.

9. Adjourn: 10:56 a.m.

Meeting Participants:

- | | |
|---|--------------------------------------|
| Josh Brown, Kitsap County | Lary Coppola, City of Port Orchard |
| Tom Danaher, Naval Base Kitsap * | Becky Erickson, City of Poulsbo |
| Hilary Franz, City of Bainbridge Island | Charlotte Garrido, Kitsap County |
| Kirsten Hytopoulos, City of Bainbridge Island * | Patty Lent, City of Bremerton |
| Will Maupin, City of Bremerton | Carolyn Powers, City of Port Orchard |
| Dianne Robinson, City of Bremerton | Dale Rudolph, City of Poulsbo * |
| Greg Wheeler, City of Bremerton * | Roger Zabinski, Port of Bremerton * |

* Alternate

Executive Management by McClure Consulting LLC:

- | | |
|--------------------------------------|------------------------------------|
| Mary McClure, Executive Manager | Vicky Clarke, Project Coordination |
| Kirsten Jewell, Project Coordination | Myrna Knode, Executive Assistant |

Board Members Not in Attendance:

- | | |
|---|---|
| Steve Bauer, Kitsap County | Kelly Baze, Port Gamble S’Klallam Tribe * |
| Kim Brackett, City of Bainbridge Island | Jim Colebank, City of Port Orchard * |
| Leonard Forsman, Suquamish Tribe | Bill Mahan, Port of Bremerton |

* Alternate

Mark Olson, Naval Base Kitsap
Jeromy Sullivan, Port Gamble S' Klallam Tribe

Rob Purser, Suquamish Tribe *

Others in Attendance:

Arno Bergstrom, WSU Extension
Karen Carlsen, FCP
Dennis Cziske, Kingston FAC
Karl Duff, KAPO
Kenny Guice, KAPO
Doug Rauh, Bainbridge Island
Frank Nelson, FCP
Sally Santana, Citizen
Mike Walton, KCCDC

Adam Brockus, City of Bremerton City Council & FCP
Cris Craig, Kitsap County Health District
Scott Daniels, Kitsap County Health District
Dorothy Guice, KAPO
Mark Gulbranson, PSRC
Vivian Henderson, KAPO
Rex Nelson, Southworth FAC
Bill Stewart, KEDA
Kari Ulatoski, FCP



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Attachment A: Summary Notes from Ferry Community Partnership Presentation to the KRCC Executive Board

June 1, 2010

The Ferry Community Partnership (FCP) is an advocacy group composed of ferry-dependent communities/voters and supporters, working to educate riders and legislators and to influence legislation which is important to ferry communities. State Legislators, particularly Representatives Rolfes, Angel, Seaquist and Nelson (Vashon Island) and Senator Kilmer have given their time, support and input as members of the ferry coalition in the WA State Legislature. They and others have been very active on behalf of ferry-dependent communities. Today, at the request of Mayor Lent, the FCP presented a plan of action in preparation for the 2011 Legislative Session.

An outline of the current situation:

1. We are facing a critical year.
 - We have an aging fleet that is inadequate for current and future needs.
 - Routes are marginally served and some routes have suffered cuts in service without public hearings.
 - There are no backup boats for the majority of key routes; WSF has to constantly move boats around to address maintenance and key repair issues.
 - At present, three (3) 64 car ferries are being built: two (2) will serve the Port Townsend/Keystone run. The other one (1) will replace the aging vessel on the Talequah/Port Defiance run. The three (3) 64s car ferries were funded on an emergency basis after removing the four (4) steel electric boats from service.
 - These new boats will have no real impact on the overall system or for the majority of routes: more than 90% of riders will not be served by these little boats. A 64 car ferry cannot effectively substitute for one of the larger 144 car vessels on the Bainbridge, Kingston, or Bremerton routes.
2. There is currently no funding to build the 144-car boats that are necessary to the system.
 - The Ferry Community Partnership is concerned that the funding necessary to build the 144's will be "held hostage" to the creation of new revenues by the Governor and Legislature. The Legislature voted to fund the 144's in 2003, but has avoided the reality that WSF has been without capital funding for a decade. Ferry communities could find themselves in a potentially disastrous situation; a repetition of what occurred in 2007 when four (4) vessels were pulled from the fleet with no replacements.
 - 2014 is the earliest date by which the Evergreen State Ferry that serves Bremerton could be replaced if a boat were built without delay. By that time the vessel will be 60 years old and close to retirement.

- It is only after a second 144 car ferry boat is built that our ferry communities will have a relief boat of adequate size in an emergency.
3. Operations at WSF, specifically cost overruns and past employment practices, must continue to be addressed. David Moseley, Director of WSF, sent a letter on May 21 recognizing those issues and outlined the steps being taken.

The FCP’s focus for the 2011 Legislative Session:

1. Ferries are integral to the economic survival and growth of our ferry-served communities.
 - The ferry system is the lifeblood of some communities. Others rely heavily on it for access to jobs on both sides of the water, medical services, commerce, and recreation.
 - Ferries aren’t just an icon. They provide a gateway to regional tourism that is important to the Region and the State.
2. Fleet preservation is essential.
 - Long term stable funding is our top priority.
 - We need not one (1) but two (2) of the 144 ferries built as soon as possible.
 - We cannot have these vessels held hostage to finding new revenues ~ or to political expediency.
 - The promises made in 2003 must be kept.
3. Ferry Riders/Communities shouldn’t be burdened with fuel or fare cost increases until thorough studies have been made and the steps outlined in ESHB 3209 (passed by the Legislature) have been addressed and reviewed. This includes issues related to operating costs.

The FCP plan to support these steps:

It is important to be better prepared and get a better start on educating our Legislators and Governor, and asking for their help on issues sooner than in 2008/2009.

1. Conduct individual community meetings with the Governor in July ~ before she begins formalizing her 2011 budget ~ with the intent of:
 - Presenting a unified voice regarding the FCP’s priorities (i.e., support the economies of ferry-served communities, preservation of the fleet & ferry service and keeping ferry fares reasonable).
 - Indicating our willingness to work with the Governor on these issues.
2. Offer comments on behalf of ferry served communities to the three (3) on-going legislatively-mandated studies and the new WA State Transportation Commission directed survey:
 - On-time performance study:
 - Deadline: December 15th.
 - Purpose: Propose measures to improve on-time performance.
 - ➔ Ferry users need to be aware of any revisions in the schedules that may affect ferry service and the number of runs. We need to make sure the Legislators know that cutting runs is not an option.
 - Fuel Surcharge (WSF study):
 - Deadline: November 30th.
 - Purpose: Evaluation of cost savings and fuel price stabilization strategies so that WSF can recommend a fuel surcharge.
 - ➔ FCP position is no surcharge until FAC criteria is met and is involved in implementation and oversight.

- Evaluation of WSF management structure:

- Deadline: August 1st.
 - Purpose: Expert panel of ferry operators (non-WSF) will review of all the studies over the past few years, make its own management review, look at WSF's implementation of prior recommendations and make its own recommendations.
 - ➔ FCP is concerned about the expanded multiple vehicle size charges and related increased costs entailed in implementation, if adopted.
3. Enhance ferry system-related knowledge of individual State Legislators from non ferry served communities and ask them for help during the upcoming session.
 4. Testify before Transportation Committees regarding the potential impact of proposed legislation on ferry communities.
 5. Be ready, if needed, to prepare petitions and conduct rallies.

Local elected officials can support these steps:

As elected officials, you have the ear of Legislators and credibility with the Governor and other state agencies that our advocacy group doesn't have. You can:

- Contact other elected officials for support in neighboring communities, the region and the State.
- Encourage our efforts and support us in developing a sense of urgency among your communities and constituents.
- Send a delegation to the Governor supporting the three (3) basic priorities outlined in the foregoing before she formalizes the 2011 budget and present your three (3) ferry budget priorities.
- Take advantage of the expertise of your Ferry Advisory Committee leaders. They have access to many reports from WSF and other agencies that might help you in formulating transportation plans for your region.
- Join us. The Ferry Community Partnership is only as good as its individual members. You, individually and collectively will help make a difference.

In Conclusion

This budget session will be critical to all ferry served communities: Getting the 144's built is of economic importance to you and to the State.

- We don't need a forth 64 car ferry: We need to build vessels of adequate capacity now and not have the Legislature spend more money on stop-gaps.
- Any delays in funding will postpone construction beyond 2014/15, creating potential economic hardships for communities and riders.
- Stable long term funding must be a priority.