

IN ACCORDANCE WITH THE OKLAHOMA OPEN MEETING LAW
THE AGENDA WAS POSTED JUNE 12, 2019 AT 3:15 P.M.
AT THE MUNICIPAL BUILDING, 723 SOUTH LEWIS, STILLWATER, OKLAHOMA

MINUTES
STILLWATER CITY COUNCIL
REGULAR MEETING
COUNCIL HEARING ROOM
723 S. LEWIS
JUNE 17, 2019

PRESENT: MAYOR WILLIAM H. JOYCE, VICE MAYOR PAT DARLINGTON
COUNCILORS ALANE ZANNOTTI, JOHN WEDLAKE AND AMY DZIALOWSKI
ABSENT: NONE

1. CALL MEETING TO ORDER

Mayor Joyce called the meeting to order at 5:30 p.m.

2. PLEDGE OF ALLEGIANCE

The Stillwater City Council led the audience in the Pledge of Allegiance.

3. CONSENT DOCKET

- a. Approve regular meeting minutes of June 3, 2019
- b. Approve executive session minutes of June 3, 2019
- c. Approve purchase of the following insurance (CC-19-90):
 - Property, Casualty, & Public Officials insurance through Marsh & McLennan Companies in the amount of \$181,927
 - Airport Premises Liability insurance through Marsh & McLennan Companies in the amount of \$7,751
- d. Approve FY 20 service agreements with the following entities (CC-19-88):
 - Henderson Golf
 - Sheerar Museum of History
 - Lake McMurtry Friends
 - Stillwater Area Sports Association
 - Payne County Youth Services
 - Tiny Paws
 - Ask Ace, LLC dba White Rock Paddle Company
- e. Approve budget amendment reflecting additional funds from the Continuing Education Conference grant from OK Department of Libraries for Stillwater Public Library
- f. Approve the Citizen Participating Plan as required for the submittal of the 2019 Community Development Block Grant (CDBG) application (CC-19-89)

Vice Mayor Darlington requested that Item d. be removed from the Consent Docket. City Manager McNickle stated that regarding Item c., the final quote from Marsh & McLennan Companies for property, casualty, and public officials insurance is \$181,927.

MOTION BY COUNCILOR ZANNOTTI, SECOND BY COUNCILOR WEDLAKE TO APPROVE THE CONSENT DOCKET WITH THE REVISION TO ITEM B. AND EXCLUDING ITEM D.

ROLL CALL VOTE: JOYCE-YEA, DARLINGTON-YEA, ZANNOTTI-YEA, WEDLAKE-YEA, DZIALOWSKI-YEA. NAY-NONE. MOTION CARRIED WITH FIVE YEA VOTES.

4. PUBLIC COMMENT ON AGENDA ITEMS NOT SCHEDULED FOR PUBLIC HEARING

There were no requests to speak on agenda items not scheduled for public hearing.

5. ITEMS REMOVED FROM CONSENT DOCKET

- d. Approve FY 20 service agreements with the following entities (CC-19-88):
- Henderson Golf
 - Sheerar Museum of History
 - Lake McMurtry Friends
 - Stillwater Area Sports Association
 - Payne County Youth Services
 - Tiny Paws
 - Ask Ace, LLC dba White Rock Paddle Company

Vice Mayor Darlington stated that some of the agreements are public/private partnerships and some are lease agreements. Vice Mayor Darlington said that it is important to know whether these agreements are working to the benefit of the City. In response to Mayor Joyce's question, City Attorney Dorman stated it is possible to add a requirement to the contracts for a yearly presentation. Vice Mayor Darlington suggested a presentation template be created for the public/private partnership reports.

MOTION BY VICE MAYOR DARLINGTON, SECOND BY COUNCILOR DZIALOWSKI TO APPROVE THE FY2020 SERVICE AGREEMENTS WITH HENDERSON GOLF, SHEERAR MUSEUM OF HISTORY, LAKE MCMURTRY FRIENDS, STILLWATER AREA SPORTS ASSOCIATION, PAYNE COUNTY YOUTH SERVICES, TINY PAWS AND ASK ACE LLC DBA WHITE ROCK PADDLE COMPANY, WITH A REQUIREMENT FOR A YEARLY REPORT FROM THE PUBLIC/PRIVATE PARTNERSHIPS.

ROLL CALL VOTE: JOYCE-YEA, DARLINGTON-YEA, ZANNOTTI-YEA, WEDLAKE-YEA, DZIALOWSKI-YEA. NAY-NONE. MOTION CARRIED WITH FIVE YEA VOTES.

6. PUBLIC HEARINGS

- a. Receive public comment regarding a request for a Text Amendment to the Land Development Code Chapter 23, Article V Use Categories and Limitations, Division 3 Use Limitations by adding sections establishing regulations for Home Sharing and Residential Short-Term Rentals (continued from May 20, 2019) (CC-19-69)

Assistant City Manager Paula Dennison reported that the public hearing is for a Text Amendment that has come before the Planning Commission regarding home sharing and short-term rentals. Currently there is no permission for this type of activity in single-family or two-family residential zoning districts, therefore it is not permitted in those zoning districts. The Text Amendment is to provide the opportunity for this use to be conducted. Ms. Dennison stated that in the proposal, home sharing is defined, where the property owner lives in the home and they share the home, or a portion of the home, in some way. Short-term rentals are where the owner of the property is not the primary resident and they rent for a period of time less than 30 days. A home sharing permit would be obtained through the City Clerk's office by presenting a tax certificate from the Oklahoma Tax Commission, if you do not use a home sharing company. Home sharing companies collect the tax and remit it to the State of Oklahoma for the property owner. The proposed process would require a short-term rental property to obtain a Specific Use Permit (SUP). Ms. Dennison stated that there are three ordinance copies in the City Council's packet: staff's original recommendation, Planning Commission's recommendation, and the final one following public input. In the final ordinance, the SUP for

short-term rentals would only go to Planning Commission. Any appeals to the approval would come to City Council. Staff believes it is important for the neighborhoods to be notified that commercial activity is occurring within their single-family or two-family residential neighborhood. Public concern was the length of time a SUP takes. Cost would be dependent on how a property owner approaches the process. A checklist would be created to assist staff and applicant in the process. Staff proposed a \$10.00 fee for home sharing and short-term rental permits. Discussion occurred regarding how property owners would provide proof of ownership. Ms. Dennison explained that Planning Commission had concerns regarding the impact of short-term and long-term rentals; and is recommending only the home sharing portion. Planning Commission would like City Council to direct staff to bring back language that joins short-term rentals and long-term rentals. The SUP hearing before the Planning Commission, would give everyone an opportunity to voice any concerns. The City does not enforce private restrictions. Discussion was held regarding the distinction between short-term rental and long-term rental.

Mayor Joyce opened the public hearing.

Barb Osteen, 2724 North Lincoln Street, emphasized the importance of home sharing and how it helps the local economy.

Jim Barnard, 3010 South Sangre, shared examples of how other cities handle home sharing and encouraged City Council to adopt a simple permitting process.

Diane Graalman, 2224 Sunset Drive, expressed concern regarding continuous rentals, parking and unkempt properties; and also stated that the proposed fee of \$10.00 is too low.

Gary Clark, 320 Eyer Lane, stated his concern of the impact such rentals would have on the Westwood Conservation District.

Shirley Weeks, 71 University Circle, said she is concerned about the negative impact on neighborhoods, asked that the City review how other cities handle these types of rentals, asked that City Council table the short-term rental and long-term rental decision, and encouraged City Council to increase the fee.

Mayor Joyce closed the public hearing.

The Planning Commission recommended approval of the home sharing findings and striking of the residential short-term rental with the request that staff bring back recommendations for long-term and short-term rental with a 3-0 vote.

Ms. Dennison explained that one of the requirements in the proposed ordinance for short-term rentals and home sharing is to present your tax certificate from the Oklahoma Tax Commission. If you are an individual doing home sharing, you will have one. If a home sharing company is used, the Oklahoma Tax Commission does not issue an individual property owner a tax certificate, because the company collects and remits the tax. Ms. Dennison stated that instead of showing a tax certificate, a person using a home sharing company would show the contract they have with the home sharing company. City Attorney Dorman stated that the proposed ordinance can be read by title only at this meeting, desired changes be made to the ordinance and then presented at second reading for adoption. Discussion was held regarding the distinction between short-term and long-term rentals; how home sharing companies handle the collection of taxes; and how the Landlord-Tenant Act could affect rentals. Mayor Joyce stated he would like to see more specific parking requirements and would like to consider the pre-hearing requirement for property located in overlay districts. Vice Mayor Darlington would like to ensure that the fee charged covers the costs of permitting. Councilor Dzialowski requested more background on the issues that have been brought up during the meeting. Mayor Joyce expressed that the ordinance can be read by title only at this meeting, staff will bring back the ordinance for second reading with only the home sharing portion and staff will bring the beginning of an additional ordinance for short-term rentals.

- b. Receive public comment regarding a request for a Specific Use Permit for a medical marijuana dispensary at 911 N. Perkins Road (CC-19-87)

Assistant City Manager Paula Dennison stated that the request is for a Specific Use Permit (SUP) for a medical marijuana dispensary at 911 North Perkins Road. The application is seeking to operate a dispensary in the (CS) Commercial Shopping District.

Mayor Joyce opened and closed the public hearing as no one was present for or against.

The Planning Commission recommended approval of the SUP application request for a medical marijuana dispensary in the (CS) Commercial Shopping District for 911 North Perkins Road with a 3-0 vote.

MOTION BY COUNCILOR DZIALOWSKI, SECOND BY COUNCILOR ZANNOTTI TO APPROVE THE SPECIFIC USE PERMIT FOR A MEDICAL MARIJUANA DISPENSARY AT 911 NORTH PERKINS ROAD.

ROLL CALL VOTE: JOYCE-YEA, DARLINGTON-NAY, ZANNOTTI-YEA, WEDLAKE-NAY, DZIALOWSKI-YEA. MOTION CARRIED WITH THREE YEA VOTES.

- c. Receive public comment regarding a request for a text amendment to Chapter 23, Land Development Code, Appendix I, Form Based Code

Staff requested that this item be dismissed.

7. GENERAL ORDERS

- a. Approve bid recommendation for citywide janitorial services (CC-19-91)

Public Works Director Mark White reported that staff issued a bid for janitorial services in order to centralize the process and reduce costs. Bids were solicited to provide citywide janitorial services for ten (10) facilities:

- Waste Management
- Water Treatment
- Waste Water Treatment
- Stillwater Energy Center
- City Garage (2 locations)
- Electric Administration/Distribution Warehouse
- Fire Administration
- Public Works
- Project Heart at the Community Center

Mr. White explained that Source One Management was the lowest bidder when bids were opened. They have notified staff they no longer wish to be considered. Staff recommended awarding the bid to Alliance Maintenance Inc. as the lowest and best bidder in the amount of \$82,880.

MOTION BY COUNCILOR WEDLAKE, SECOND BY COUNCILOR DZIALOWSKI TO APPROVE STAFF'S RECOMMENDATION TO AWARD THE BID TO ALLIANCE MAINTENANCE INC. IN THE AMOUNT OF \$82,880.00.

ROLL CALL VOTE: JOYCE-YEA, DARLINGTON-YEA, ZANNOTTI-YEA, WEDLAKE-YEA, DZIALOWSKI-YEA. NAY-NONE. MOTION CARRIED WITH FIVE YEA VOTES.

- b. Approve bid recommendation for Stillwater Regional Airport north apron reconstruction project (CC-19-82)

Deputy City Manager Melissa Reames reported that as part of the FY2019 FAA Airport Improvement Program (AIP), Stillwater Regional Airport is planning to complete the first of four phases to reconstruct and expand the aprons. Bids were opened on May 29, 2019 with the lowest qualified bidder being Contech. Contech's bid was significantly lower than the allotted funds from the FAA. Due to the low bid and already allotted FAA funding, the FAA has requested the City expand the area of this phase and complete as much apron as possible with the allotted funds. Contech's proposed bid promises to deliver almost two of the four proposed phases of apron reconstruction for the original estimate of one. The Stillwater Regional Airport Authority recommends awarding the contract to Contech.

MOTION BY VICE MAYOR DARLINGTON, SECOND BY COUNCILOR ZANNOTTI TO ACCEPT THE STILLWATER REGIONAL AIRPORT AUTHORITY'S RECOMMENDATION TO AWARD THE CONTRACT TO CONTECH FOR THE STILLWATER REGIONAL AIRPORT NORTH APRON RECONSTRUCTION PROJECT.

ROLL CALL VOTE: JOYCE-YEA, DARLINGTON-YEA, ZANNOTTI-YEA, WEDLAKE-YEA, DZIALOWSKI-YEA. NAY-NONE. MOTION CARRIED WITH FIVE YEA VOTES.

- c. Approve contract amendment number 9 for professional services by LBR, Inc. as it pertains to the Rehabilitate Apron, North Portion project at Stillwater Regional Airport (CC-19-83)

Deputy City Manager Melissa Reames stated that on June 20, 2016, the Stillwater Regional Airport Authority and LBR, Inc. began a multi-year agreement for professional services. Amendment Number 9 outlines the proposed professional services by LBR, Inc. as it pertains to the Rehabilitate Apron, North Portion project with a total cost of \$265,260. This expense is part of the total project cost and is paid 90% with an FAA grant and 10% with local funds. The Stillwater Regional Airport Authority recommended approval of LBR, Inc. contract Amendment Number 9.

MOTION BY VICE MAYOR DARLINGTON, SECOND BY COUNCILOR WEDLAKE TO ACCEPT STILLWATER REGIONAL AIRPORT AUTHORITY'S RECOMMENDATION TO APPROVE LBR, INC. CONTRACT AMENDMENT NUMBER 9.

ROLL CALL VOTE: JOYCE-YEA, DARLINGTON-YEA, ZANNOTTI-YEA, WEDLAKE-YEA, DZIALOWSKI-YEA. NAY-NONE. MOTION CARRIED WITH FIVE YEA VOTES.

- d. Approve renewal of five year agreement with Phillips 66 for fuel-services at Stillwater Regional Airport (CC-19-84)

Deputy City Manager Melissa Reames explained that Stillwater Regional Airport's five-year agreement with Phillips 66 expires on June 30, 2019. This multi-year agreement is necessary for SRA to continue to own and operate the fuel farm, which provides nearly a half million gallons of fuel sales annually. Phillips 66 has proposed a new five-year agreement effective July 1, 2019 and expiring June 30, 2024. The contract has been reviewed by Stillwater Regional Airport administration and the City Attorney's Office. The Stillwater Regional Airport Authority recommends approval of the agreement.

MOTION BY COUNCILOR WEDLAKE, SECOND BY COUNCILOR DZIALOWSKI TO ACCEPT STILLWATER REGIONAL AIRPORT AUTHORITY'S RECOMMENDATION TO APPROVE RENEWAL OF THE FIVE-YEAR AGREEMENT WITH PHILLIPS 66 FOR FUEL SERVICES AT STILLWATER REGIONAL AIRPORT.

ROLL CALL VOTE: JOYCE-YEA, DARLINGTON-YEA, ZANNOTTI-YEA, WEDLAKE-YEA, DZIALOWSKI-YEA. NAY-NONE. MOTION CARRIED WITH FIVE YEA VOTES.

- e. Accept a grant from Phillips 66 in the amount of \$200,000 to cover the estimated costs of fuel farm upgrades, improvements to security, and access to the fuel farm at Stillwater Regional Airport (CC-19-86)

Deputy City Manager Melissa Reames reported that Stillwater Regional Airport currently has two 12,000 gallon jet fuel tanks and one 12,000 gallon AVGas tank. The AVGas system is in need of an upgrade and expansion. As part of the Phillips 66 five-year agreement beginning July 1, 2019, Phillips 66 is offering a \$200,000 grant to provide for the fuel farm improvements. The Phillips 66 grant of \$200,000 would fully cover the estimated costs of the upgrades as well as provide some extra funding to go towards improving security and access to the fuel farm. The grant is provided 100% by Phillips 66 and is secured by fuel sales volume over the life of the contract. The grant has been reviewed by Stillwater Regional Airport administration and the City Attorney's Office. The Stillwater Regional Airport Authority recommends City Council accept the grant in the amount of \$200,000 to provide for fuel farm improvements at the Stillwater Regional Airport.

MOTION BY COUNCILOR ZANNOTTI, SECOND BY VICE MAYOR DARLINGTON TO APPROVE STILLWATER REGIONAL AIRPORT AUTHORITY'S RECOMMENDATION TO ACCEPT THE GRANT FROM PHILLIPS 66 IN THE AMOUNT OF \$200,000.00 TO PROVIDE FOR FUEL FARM IMPROVEMENTS AT THE STILLWATER REGIONAL AIRPORT.

ROLL CALL VOTE: JOYCE-YEA, DARLINGTON-YEA, ZANNOTTI-YEA, WEDLAKE-YEA, DZIALOWSKI-YEA. NAY-NONE. MOTION CARRIED WITH FIVE YEA VOTES.

- f. Approve budget amendment transferring \$110,000 from the fuel sales revenue account to the fuel purchase expenditure account for Stillwater Regional Airport (CC-19-85)

Deputy City Manager Melissa Reames stated that the Stillwater Regional Airport is requesting an amendment to the current FY2019 budget. Due to higher than forecasted fuel sales/demand, the expenditure account has insufficient funds to cover the projected needs through the remainder of the fiscal year. Funds will be added to the fuel sales account in the amount of \$110,000 with an equivalent amount added to the gas for resale account. Stillwater Regional Airport administration recommended approval of the requested budget amendment.

MOTION BY VICE MAYOR DARLINGTON, SECOND BY COUNCILOR WEDLAKE TO ACCEPT STAFF'S RECOMMENDATION TO APPROVE THE STILLWATER REGIONAL AIRPORT BUDGET AMENDMENT IN THE AMOUNT OF \$110,000.00 TO THE FUEL SALES ACCOUNT AND THE GAS FOR RESALE ACCOUNT.

ROLL CALL VOTE: JOYCE-YEA, DARLINGTON-YEA, ZANNOTTI-YEA, WEDLAKE-YEA, DZIALOWSKI-YEA. NAY-NONE. MOTION CARRIED WITH FIVE YEA VOTES.

8. RESOLUTIONS

None.

9. ORDINANCES

First Reading

- a. ORDINANCE NO. 3435: AN ORDINANCE AMENDING CHAPTER 23, LAND DEVELOPMENT CODE, ARTICLE V, USE CATEGORIES AND LIMITATIONS, TO CREATE DIVISION 4, HOME SHARING AND RESIDENTIAL SHORT-TERM RENTAL, SECTION 23-115.1, DEFINITIONS; SECTION 23-115.2, PERMITTED DISTRICTS; SECTION 23-115.3, HOME SHARING; LICENSE REQUIRED; COMPLIANCE WITH APPLICABLE CODES; SECTION 23-115.4, APPLICATION FORM; SECTION 23-115.5, RESIDENTIAL SHORT-TERM RENTAL; REQUIREMENTS; SECTION 23-115.6, SUSPENSION, REVOCATION, DENIAL; SECTION 23-115.7, COVENANTS; DEED RESTRICTIONS; OVERLAY REQUIREMENTS; AND, SECTION 23-115.8, PENALTY, AND DECLARING AN EMERGENCY

MOTION BY COUNCILOR ZANNOTTI, SECOND BY VICE MAYOR DARLINGTON TO ADVANCE ORDINANCE NO. 3435 BY TITLE ONLY.

ROLL CALL VOTE: JOYCE-YEA, DARLINGTON-YEA, ZANNOTTI-YEA, WEDLAKE-YEA, DZIALOWSKI-YEA. NAY-NONE. MOTION CARRIED WITH FIVE YEA VOTES.

10. REPORTS FROM OFFICERS & BOARDS

- a. Miscellaneous items from the City Attorney: No report.
- b. Miscellaneous items from the City Manager: Mr. McNickle praised City employees' response to the flooding in Stillwater during May 2019 and reported that the Phase 2 Hospital Area Water Line Project construction will begin in July 2019.
- c. Miscellaneous items from the City Council: Councilor Zannotti congratulated Stillwater Regional Airport Director Paul Priegel on his appointment as chairperson for the South Central Chapter Academic Relations Committee for the American Association of Airport Executives. Vice Mayor Darlington announced the Friday Food Trucks and Tunes Community Movie Night is June 21. Councilor Wedlake encouraged residents who missed the Transportation Town Hall last week to provide their input. Councilor Dzialowski reminded residents that FEMA is now registering residents and businesses with flood or storm damage. Mayor Joyce shared that the City collected \$2,305,703 in sales tax and \$250,333 in use tax for May 2019.
 - i) Discussion about scheduling items for upcoming meetings

11. QUESTIONS & INQUIRIES

None.

12. APPOINTMENTS

None.

13. ADJOURN

MOTION BY VICE MAYOR DARLINGTON, SECOND BY COUNCILOR ZANNOTTI TO ADJOURN THE JUNE 17, 2019 REGULAR MEETING OF THE STILLWATER CITY COUNCIL.

ROLL CALL VOTE: JOYCE-YEA, DARLINGTON-YEA, ZANNOTTI-YEA, WEDLAKE-YEA, DZIALOWSKI-YEA. NAY-NONE. MOTION CARRIED WITH FIVE YEA VOTES.

The June 17, 2019 regular meeting of the Stillwater City Council adjourned at 7:09 p.m.

WILLIAM H. JOYCE, MAYOR
STILLWATER CITY COUNCIL

ELIZABETH CHRZ
CITY CLERK

DRAFT