

## **POULSBO CITY COUNCIL MEETING OF MARCH 19, 2008**

### **M I N U T E S**

**PRESENT:** Mayor Quade; Councilmembers: Berry-Maraist, Crowder, Erickson, Lord, McGinty, Rudolph, Stern.  
 Planning Commission Members: Coleman, Hanson, Nordnes, Sarles, Stevens, Thayer.  
 Staff: Bauman, Berezowsky, Berghoff, Diehl, Haney, Jones, Kasiniak, Swiney, Wright.

**ABSENT:** Planning Commission Member Babcock.

### **MAJOR BUSINESS ITEMS**

- \* \* \* Minutes of January 26, 2008 Mayor/Council/Staff Retreat
- \* \* \* Claims – February 1-29, 2008
- \* \* \* Ordinance 2008-08, Fighting in Public
- \* \* \* Amendment to the Contract with Parametrix for Central Poulsbo Wastewater Collection System Improvements (I & I)
- \* \* \* Workshop on Urban Growth Areas and Annexation

### **1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

Mayor Quade called the meeting to order in the Council Chambers at 7:00 PM and lead the Pledge of Allegiance.

### **2. MAYOR'S REPORT AND CHANGE TO AGENDA**

- a. Mayor Quade stated that she signed the following agreements:
- Agreement with Davis Grimm Payne (Eileen Lawrence) in the amount of \$15,000/year.
  - Agreement with Sound Benefit Administration to administer services and assist with the compliance requirements of the Consolidated Omnibus Reconciliation Act (COBRA).
  - Interlocal agreement with the City of Bainbridge Island to purchase three Public Works generators for a total of \$3,500.

### **3. CITIZEN COMMENTS**

- a. Molly Lee stated she never received the letter and the map she submitted to Council regarding the potential annexation of her property, that she happened upon it, she feels very misinformed on the annexation and she feels there is a major problem with the current annexation process.

- b. Muriel Williams stated she was not pleased the City didn't notify the voters that city parks were going to be sold to finance the downtown city hall; she stated the vote might have had a very different outcome. Williams feels that it should have been mandatory for the City to notify voters that city parks were going to have to be sold to finance the multi-million dollar decision to put city hall downtown.
- c. Kurt Nordberg stated he would like to see Councilmember Berry-Maraist excuse herself from voting on any discussion relating to the Westside Urban Growth Area due to a conflict of interest.
- d. John Lee submitted a map and petition proposing the secession of properties from the Urban Growth Area (UGA) back into unincorporated Kitsap County. Lee explained the color coded map that was submitted with the petition by landowners who would like to secede from the city's UGA, and noted: the total estimated value of the green area is 15.6 million dollars and the red area is 3.25 million dollars:
  - The City acknowledges it has an insufficient water supply and water rights to meet its existing annexed land;
  - The draft water system plan states the water supply is inadequate for the current housing on the books even before any further annexations are let into the city;
  - The City acknowledges part of their sewer plan is unfunded; and
  - The City needs to have their entire infrastructure in the ground by the year 2014 which is the 20 year mark of its initial Comprehensive Plan adoption.

Lee stated he feels this action would prevent the city from raising water and sewer rates and would give the City time to get the water rights needed and obtain funding for the sewer system.

#### **4. CONSENT AGENDA**

**MOTION:** McGinty/Stern. Move to approve Consent Agenda items a and b. Motion carried unanimously.

The items listed are:

- a. Minutes of January 26, 2008 Mayor/Council/Staff Retreat
- b. Claims – February 1-29, 2008

## 5. MAJOR BUSINESS ITEMS

### a. Ordinance 2008-08, Fighting in Public

Sergeant Wright reported: 1) the ordinance was originally written by the Kitsap County Prosecutors Office for the City of Port Orchard, which has similar festivals and population to Poulsbo; 2) the current Revised Code of Washington states that combatants take a substantial step and have an actual fight before there is police action, whereas this ordinance gives police the opportunity, at the first sign of a fight, to make an arrest before an actual fight breaks out; and 3) the ordinance is a valuable tool to the officers in helping to protect the citizens and he urged the City Council to adopt it.

Councilmember McGinty reported the Public Safety/Legal Committee has reviewed the ordinance on two separate occasions and the Committee supports it.

**MOTION:** McGinty/Lord. Move to adopt Ordinance 2008-08, an ordinance of the City of Poulsbo, Washington, adding a new Section 9.70.015 to the Poulsbo Municipal Code making "Fighting in Public" a gross misdemeanor, providing for severability and establishing an effective date.  
Motion carried unanimously.

### b. Amendment to the Contract with Parametrix for Central Poulsbo Wastewater Collection System Improvements (I & I)

City Engineer Kasiniak explained that the goal of this project is to replace the 50 year old pipes with pipe bursting technology. Kasiniak noted the project was divided into two phases: 3<sup>rd</sup> and Moe Streets and Lincoln and Hostmark Streets. These pipes were identified by a smoke test as being where the most inflow infiltration was taking place. Kasiniak stated the Public Works Committee looked at the contract at their last meeting and has recommended approval.

**MOTION:** McGinty/Rudolph. Move to approve and authorize the Mayor to sign the amendment to the contract with Parametrix to complete the Central Poulsbo Wastewater Collection System Improvements (I & I) in the amount of \$23,808. Direct staff to prepare necessary budget amendments.  
Motion carried unanimously.

**c. Workshop on Urban Growth Areas and Annexation**

Planning Consultant Boughton explained that the purpose of the workshop is to establish policies and answer questions for the 2008 Comprehensive Plan. Boughton stated Council received the "white paper" prepared by the Planning Department on previous concerns and questions that have arisen in the past. Boughton reported:

In 1990 the Growth Management Act (GMA) was established, which stated new growth is to be enacted into areas already characterized by urban growth. The GMA talks about establishing growth targets provided by the Office of Financial Management and distributed to county planning to determine how the City gets its population allocation.

In 1998 Kitsap County drafted a Comprehensive Plan which showed a population allocation of 14,808 in the year 2025. The 2007 population was recorded as 7,560, so the city will have a growth of approximately 7,000 people, and that's where the Urban Growth Area (UGA) comes in.

In the 1998 Kitsap County Comprehensive Plan a joint County/City planning process took place and the Poulsbo Subarea Plan was created. This process took three years and involved hearings in front of a joint Planning Commission and went to public hearings before the County Commissioners and the City Council.

The Poulsbo Subarea Plan's purpose is: to have the County designate a UGA for the City of Poulsbo, provide a plan of the City's infrastructure needs for the UGA, and provide policy guidelines and land use standards for development of the UGA. Kitsap County and the City adopted the Poulsbo Subarea Plan in 2002 and with that and the interlocal agreement the Poulsbo UGA was designated. This sets the city limits for Poulsbo and, with the GMA, we cannot extend our City limits past the UGA boundary. The Land Use Capacity Analysis was adopted in the Poulsbo Subarea Plan and that is what the City is currently using.

Kitsap County-wide Planning Policy is what has to be followed when contemplating adjusting a city's UGA. Certain tangible reasons must be met to increase a UGA: 1) the city must perform a Buildable Lands Analysis; 2) work with the County to look at the lands outside the UGA; and 3) perform a Land Use Capacity Analysis. It is Boughton's belief that the City would at this point not be able to meet the Buildable Lands Analysis to justify the adjustment of the UGA. She feels that the City should look into designating areas as urban reserve, so when the time comes for a UGA expansion these areas will be sure to be included by the

County in a new UGA. When all planning is in place then annexing properties will be done to the full extent of the UGA. Since receiving the UGA in 2002 the City has annexed 795 acres in 15 separate annexations which is 65% of the City's UGA. All annexations have been done by the petition method, not by the City.

Concerns have been raised whether the City can provide services to the recently annexed areas and the rest of the UGA. The Poulsbo Subarea Plan provides a Capital Facilities Analysis that takes into account the population allocation. Public Works has updated their utilities and streets analysis that will be included in the 2008 Comprehensive Plan update. There are three ways that capital improvements are made: 1) developer/market driven; 2) City driven; or 3) Local Improvement District (LID) or property-owner driven. Another concern raised was if further studies and planning should be done for annexations. Boughton feels that the Poulsbo Subarea Plan was created to establish policies and guidelines for future annexations.

Councilmember Stern suggested the City use environmental planning as a guideline for land use and creates an Urban Reserve to preserve Liberty Bay. Councilmember Erickson stated labeling an area as Urban Reserve will create a rise in value and assessment of those properties and feels Council has a lack of information on Urban Reserves. Commissioner Thayer stated he would like the Comprehensive Plan to be flexible enough to add Urban Reserve areas later.

Commissioner Coleman stated the City should be cautious in accepting environmentally sensitive areas as part of their UGA.

Councilmember Erickson requested clarification on the Population Distribution (Appendix B) being based on the Puget Sound Regional Council (PRSC) Model and what the PSRC Model is. Councilmember Rudolph pointed out there are comparison population models but what it comes down to is what the City and the County agree on. The County does the official designation and the Kitsap Regional Coordinating Council (KRCC) makes a recommendation.

Commissioner Coleman questioned what the Planning Commission tasks or responsibilities are on these issues. Boughton responded the Planning Commission is there to help the City fine tune some of the more controversial land use issues for the Comprehensive Plan, will be the lead body reviewing the Comprehensive Plan process and will essentially be the advisory committee for the review of the Comprehensive Plan.

Commissioner Nordnes questioned if there was a need to increase the UGA. He stated that when he worked on the last UGA he felt like he was being painted into a corner, there was not much room to grow, and there is not much buildable land to look at.

Councilmember Crowder questioned the possibility of changing the current UGA to remove some of the more environmentally sensitive areas. Planning Director Berezowsky stated that making a change to the UGA would also require an amendment to the Poulsbo Subarea Plan and entering into a joint planning process with the County. The problem that arises is trying to find land that will accommodate the increasing population in the upcoming years.

Councilmember McGinty questioned what the opinion of the Planning Commission was on the annexation policies and facility upgrades.

Commissioner Thayer stated he felt there was a lot of information that has not been provided and he was reluctant on letting the market drive development. He assumes there is not enough money for the City to finance all the capital improvements and expressed concern about developments that are away from the sewer system and how we would get sewer to them.

Councilmember Stern referred to the Council minutes of December 5, 2007 that stated the Comprehensive Plan is the driver for the utility plans and must be adopted first, and the annexation policies were to act as guides in making decisions. It also mentioned the City's problem was not with annexation, but with development and a petitioner should not be expected to propose development at the time of annexation. Also, Council believed that growth should pay for growth and Poulsbo needs to lead growth to ensure and preserve the character and quality of Poulsbo. He feels it is important to discuss market and financial questions in how to address these policies and predating these questions is the jurisdictional question.

Commissioner Stevens stated letting people annex does increase the city's tax base, so why not let them annex as needed. He stated people who are annexed are not guaranteed that they will receive services and have to know that they will receive services when they become available.

Councilmember Rudolph stated annexation is jurisdictional and feels the real question is if there is a need to do more planning in between developing and the Subarea Plan we currently have. Rudolph has two arguments 1) if the City had a more detailed plan than the Subarea Plan,

would they be able to enforce it or would it create a plan that will not be able to be followed; and 2) if the City follows the money, whose money causes development. We know that the City does not have the money to make the improvements needed for growth, and the people already in the City do not want to grow, and are reluctant to fund it. The Local Improvement District (LID) option, where the people come together to create a boundary and assess themselves for future growth, is a good option but with a 60% approval rate it could leave 40% who do not want it and they now have to be assessed. Getting too detailed plans create unrealistic policies that are essentially no-growth policies.

Councilmember Crowder stated she did not recall a time when annexed land was not developed immediately and or had somebody waiting to develop.

Councilmember Erickson commented that annexations are jurisdictional and annexations should not be looked at as non developments since most of the time there is a correlation. Allowing annexation does give the City control of planning. Erickson feels most people are bothered by development, not annexation.

Planning Director Berezowsky described the notification process of an annexation as: 1) it has to be posted in the newspaper; and 2) notices have to be posted in three places on the property. Under GMA once the City has established a UGA then those properties will be annexed in. Berezowsky stated there are no current regulations that state the City cannot further notify citizens. Berezowsky pointed out that there is a draft policy included in the packet that will require a petitioner to notify all property owners within 300 feet of the annexation.

Councilmember Lord stated the City needs to better notify citizens of annexations and Council needs to put in place a notification policy. Councilmember Berry-Maraist stated the City should be considerate of the citizens and notify them of an annexation and it should be explained to those people that they will not be required to pay for utilities. Berry-Maraist stated a lot of the differences are from what degree of planning is needed; she believes that we do need more details on some of the issues in the Comprehensive Plan to show we are planning for these issues in the future.

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Mayor Quade recessed the meeting at 8:37 PM. The meeting was reconvened at 8:46 PM.

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Planning Director Berezowsky stated his staff is putting together information on how planning processes are done and what a person could expect from such a process.

Commissioner Thayer questioned if there had been past problems with a market driven approach to annexation that the Comprehensive Plan did not account for. Berezowsky stated the problems that have occurred have been at the development stage. Berezowsky explained the development process is driven by the Zoning Code, Critical Areas Ordinance, and Construction Codes which dictate what is placed on the property and what people have a concern over, not the actual annexation. Berezowsky stated this should be where the discussion takes place. Berezowsky noted the Planning Department has always processed annexations by citizen request because they felt this is what Council wanted. There have been a few large areas that could have been annexed, but small groups of citizens within the proposed annexation area came to Council requesting not to be included, so those areas were greatly reduced to include only the citizens who wanted to be annexed.

City Engineer Kasiniak stated that Public Works is not against annexations, but would like annexations to have a shape that supports the Comprehensive Plan. Kasiniak stated he would like to see more discussion on emphasis of the shape of the annexation, not prevent implementation of the City's functional plans and policies.

Councilmember Rudolph stated a lot of misinformation is being spread around to property owners in the UGA. Rudolph pointed out: 1) if annexed, the property owner will have to hook up to city utilities. Rudolph stated that the City only makes new development hook up to utilities and if you have an already existing residence it is not required; and 2) he suggested the City show a difference in cost in the taxes on the brochure that the Planning Department is putting out, since it is minimal. Rudolph stated it is not annexation that citizens are worried about, it is development. Interconnectivity of roads is what the majority of people want but not the developers. The challenge of interconnectivity of sewer, storm, and streets needs to be worked on and Rudolph would like the Public Works Committee to take this on.

Councilmember Erickson stated she met with a couple different groups of developers in the Vinland area last Monday, they have not been cooperating with each other and having no connectivity has stopped development. Erickson noted in the white paper it states there were 772 lots open and have been permitted but have no active building permits. If



you look at the list of all of the subdivisions from 2002 to 2007 it would appear that none of the permits in the pipeline are there. Boughton responded that the list only contained actual lots and no pre-applications, so there are another 600 lots which equal 1,400 lots and 2.5 residents per lot gets you really close to the projected population. With a population of 3,500 in the city limits and 3,500 in the UGA, this is what is stated in the Subarea Plan. Boughton requested the record to show that the City is really close to our Subarea Planning.

Councilmember Lord stated that when the Subarea Plan was originated the City had not done a Critical Areas Ordinance (CAO) and, with the creation of the CAO, it has shrunk the buildable land considerably. Lord questioned when the final Comprehensive Plan will be completed; Boughton stated it will be completed within approximately six months.

Councilmember Berry-Mariast stated it is the responsibility of the City to grow and that in growing out we will be having a discussion on growing up. Sprawl and density work together; you have either one or the other to be able to grow.

Councilmember Stern invited County Commissioner Steve Bauer to the podium. Commissioner Bauer stated the purpose of the UGA is to define the ultimate boundaries of the City. Bauer expressed that he was more than willing to work with the City and suggested using extraterritorial jurisdiction, which would give the City more say on what goes on in the unincorporated UGA.

Commissioner Coleman suggested the City not leave pockets or islands when annexing because it will not allow the City to adequately provide services. Coleman questioned what the Council's answers would be to the Poulsbo UGA adjustment questions on page 23 of the white paper to help the Planning Commission get the answers for the Comprehensive Plan. Commissioner Stevens stated clearing up the views on these issues to be able to finalize the Comprehensive Plan is very important and having clear policies will make the process less difficult. Mayor Quade urged the Council and Commission to look over the policies and get any suggestions to the Planning Department to be included in further discussion. Councilmember Berry-Maraist stated a land capability study needs to be completed and is very important in being able to finalize the Comprehensive Plan. Commissioner Thayer stated we cannot control growth but we can have a say in what it looks like.

**6. DEPARTMENT/COMMITTEE REPORTS**

- a. City Engineer Kasiniak announced the first phase of the Noll Road Corridor Study is complete and Memorandum #1 has been produced which addresses planning assumptions, projected traffic, and possible improvements. Kasiniak noted information was posted on the City's website so citizens can make comments.
- b. Councilmember Stern reported: 1) the Kitsap Economic Development Alliance Executive Committee has narrowed its search for a director from five to three and should have a finalist by the end of the month; 2) the School Board has asked him to sit on the Capital Facilities Advisory Committee and go to the West Sound Watersheds meeting on March 20, 2008; and 3) he will be attending the Puget Sound Regional Council Economic Development Board information technology cluster tour.
- c. Finance/Administration Committee: Councilmember Stern reported: 1) the Committee is suggesting the Public Works Director salary top step be increased from \$89,706 to \$99,972 as shown on the 2008 salary data submitted to Council. Stern reported the Committee asked for Council concurrence on raising the salary to be competitive with comparable cities to attract the best applicants for the position; Council concurred; 2) the Committee's April 2<sup>nd</sup> meeting will be focusing on road maintenance and financing; 3) the Chamber of Commerce is putting out community guides and the City will be running a full-page advertisement costing \$1,475 which will be shared equally between the City and the Centennial Committee; and 4) the City went out for Requests for Bid (RFB) for updating our internet service and web hosting. We received one bid from the Port Gamble S'Klallam Tribe. The RFB required a one million dollar bond which was found to be excessive.
- d. Councilmember Erickson reported the Committee found the quarterly variance report to be very helpful in dealing with the carryover dollars, which will be discussed at the April 16<sup>th</sup> Committee Meeting. She attended the Marine Science Center Foundation Board Meeting and learned they have operating budgets for their grants and their funds have been forthcoming. At this time they have contracts with 14 different school districts.
- e. Councilmember Rudolph stated: 1) he attended the Poulsbo Historical Society meeting and they are working on producing a DVD with the information from the centennial inaugural celebration. Erica Varga is working on updating the 100 year Poulsbo book and President Bob

Hawkinson is updating the website; and 2) the Puget Sound Regional Council Destination 2030 group is working on a Regional Transportation Plan for 2040 that includes the future budget for 2030.

- f. Public Safety/Legal Committee: Councilmember McGinty reported: 1) the Police Department finished interviews for the two clerical positions and has made two conditional offers; 2) there were seventeen applications received for Deputy Chief and four candidates have been selected for interviews on April 7<sup>th</sup>; 3) the Chief met with school district personnel and they worked out a better plan for handling police activity within a school zone; and 4) Sergeant Playter's retirement party was April 16<sup>th</sup> and there was a good turnout.
- g. Councilmember Berry-Maraist stated she attended the Puget Sound Regional Council (PSRC) Transportation Policy meeting where she urged them not to cut money from the Washington State Ferries. Berry-Maraist stated at the KRCC Transportation Policy Board Meeting on March 27<sup>th</sup> she was supposed to supply the board with the City's decision on the need for more transportation centers. The Public Works Committee decided that it would not be necessary and she wanted to make sure Council was in agreement.
- h. Councilmember Lord stated she will be attending the West Sounds Council meeting on March 20th with Councilmember Stern in which they will be putting together an interlocal agreement and should have a presentation to Council in April. Lord stated the Centennial Committee is working with Dr. Roger Meyer on a reprint of his book "Poulsbo Pastimes" to be used as a fundraiser for the Centennial Committee.

## **7. CONTINUED COMMENTS FROM CITIZENS**

- a. Dan Baskins stated he feels the City's budgeting is wonderful since Poulsbo is one of the only cities with a surplus of carryover. Questions that arise in the GMA Comprehensive Plan state: 1) 100% of the land in the City's boundary is supposed to absorb 10,652 people in 17 years. Developers question how that will be done without building up or taking a look at the areas that have been labeled critical areas now but were not included in the original plan; and 2) in the UGA in the next 17 years we are expected to develop to gain 4,465 people; we have already annexed 65% of that area which makes the last 35% of the area very difficult to meet the plan. Baskins stated rural protection is a better idea than urban reserve.

- b. Bob Hawkinson stated he was interested in the future of Poulsbo and feels keeping the spirit of Poulsbo is very important. Hawkinson stated more information is needed from the City to help residents understand the issues and he hopes sewer will be available so people are not forced out of their homes.
- c. Steve Johnson stated he lives in the UGA and feels providing a guide on how annexation works and where the money from the applicant goes would be a benefit for all. Johnson stated this is the second time that this area has applied for annexation, the first time being when he was trying to annex 20 acres and was denied due to the fact the City wanted to annex a larger area. Johnson stated he was told that he needed to go to the Boundary Review Board and feels he was misled since his property was already in the UGA.

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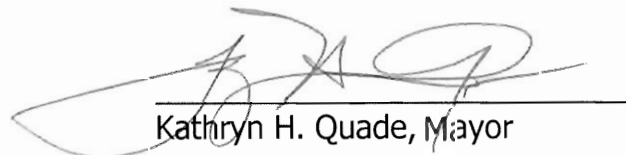
**MOTION:** Stern/Berry-Maraist. Move to extend Comments from Citizens and then adjourn the meeting.  
Motion carried unanimously.

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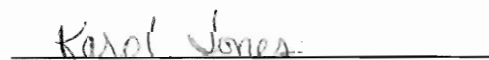
- d. Jan Wold stated Johnson Creek cannot handle the current runoff from the present growth, and wildlife is being affected. Wold stated she feels the City should put the population where the infrastructure is and creating two cities might be an option the City should look into.
- e. Marilyn Miller stated she has not been made aware of the annexation that has gone on around her and that misinformation is being distributed to neighbors. Miller stated since she is in the UGA she would like to be annexed so she can have a say on what goes on around her.

## 8. ADJOURNMENT

Meeting automatically adjourned at 10:03 PM

  
Kathryn H. Quade, Mayor

ATTEST:

  
Karol Jones, City Clerk