

## POULSBO CITY COUNCIL MEETING OF DECEMBER 6, 2017

### MINUTES

**PRESENT:** Mayor Erickson; Councilmembers Lord, McGinty, Musgrove, Nystul, Stern, Thomas.

Staff: Finance Director Booher, City Clerk Fernandez, Planning Director Boughton, Police Chief Schoonmaker, Human Resources Manager Kingery, IT Manager Stenstrom, Associate Planner Coleman

### MAJOR BUSINESS ITEMS

- \* \* \* Approval of the October 18, 2017, Council Minutes
- \* \* \* Approval of the November 1, 2017, Council Minutes
- \* \* \* Approval of the November 8, 2017, Council Minutes
- \* \* \* Approval of the November 15, 2017, Council Minutes
- \* \* \* Payable Disbursements for October 2017
- \* \* \* Budget Amendment/BA#17-0411 CIPP Project
- \* \* \* Budget Amendment/BA#14-0412 Security Cameras
- \* \* \* Final Review and Approval of the 2017-2018 Mid-Biennial Budget Amendment
- \* \* \* Resolution No. 2017-16, Salary & Wages Update
- \* \* \* Public Hearing for the Disposal of the Poulsbo Library
- \* \* \* Public Hearing on the Draft Land Division Ordinance Update
- \* \* \* Public Hearing and Adoption of Ordinance No. 2017-20, Release of the Poulsbo Clinic Concomitant Agreement
- \* \* \* Port of Poulsbo Lease Agreement

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

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

#### 2. AGENDA APPROVAL

Mayor Erickson noted Business Agenda Item 6f is pulled from the agenda.

**Motion:** Move to approve the agenda as amended.

**Action:** Approve, **Moved by** Stern, **Seconded by** McGinty.  
Motion carried.

#### 3. COMMENTS FROM CITIZENS

Mayor Erickson asked for citizen comments; no comments were received.

#### **4. MAYOR'S REPORT AND COUNCIL COMMENTS**

The City Council and Mayor recognized the passing of Councilmember Henry. He will be greatly missed. Mayor Erickson will share information on any memorials when she hears about them.

Councilmember Stern introduced Mr. Jerry Block as one of the City's new Planning Commissioners.

Councilmember Thomas said he is going to start researching youth advisory councils.

Councilmember Musgrove wished Mr. Bill Austin a speedy recovery.

Mayor Erickson reported Jule Fest and Shop with a Cop happened last weekend and both were successful. She announced the Argosy Christmas ship coming into Liberty Bay tomorrow evening, and they will be joined by the NK Choir at 6:30pm. She also shared the lighted Christmas ships will be on December 16.

#### **5. CONSENT AGENDA**

**Motion:** Move to approve Consent Agenda items a through g.

The items listed are:

- a.** Approval of the October 18, 2017, Council Minutes
- b.** Approval of the November 1, 2017, Council Minutes
- c.** Approval of the November 8, 2017, Council Minutes
- d.** Approval of the November 15, 2017, Council Minutes
- e.** Payable Disbursements for October 2017
- f.** Budget Amendment/BA#17-0411 CIPP Project
- g.** Budget Amendment/BA#17-0412 Security Cameras

**Action:** Approve, **Moved by** McGinty, **Seconded by** Stern.  
Motion carried.

#### **6. BUSINESS AGENDA**

- a. Final Review and Approval of the 2017-2018 Mid-Biennial Budget Amendment**

Finance Director Booher presented the 2017-18 Mid-Biennial Budget Amendment. Presentation highlights included:

- 2017-18 Budget Changes Review
  - Revenues
    - Investment Earnings
    - Tax Projections – (Property taxes, REET)
  - Expenditures
    - Wages and Benefits
    - Contractual Changes
    - Capital Budgets
      - Amend to reflect updated City Improvement Plan (CIP)
  - Debt budgets – updated
  - Added Approved Mid Year Modifications
    - Office Clerk
    - New Police Sergeant
    - Software/Hardware Updates
    - Casual Labor – Protem Judge
    - Utilities Nelson House
- 2017-18 Final Amended Budget
  - Total Funds - \$87.5 million

**Motion:** Move to approve the City of Poulsbo's 2017-2018 Mid-Biennial Budget Amendment.

**Action:** Approve, **Moved by** McGinty, **Seconded by** Nystul.  
Motion carried.

**b. Resolution No. 2017-16, Salary & Wages Update**

Human Resources Manager Kingery presented the agenda summary, noting the 2018 Salary Schedules include the following changes:

- Teamsters: Per union contract, the salary schedule is increased by 2%.
- Poulsbo Police Officers Association: Per union contract, the salary schedule is increased by 2.5%.
- Management: Wage rates are increased by 2% (historically the same increase as Teamsters); salary review adjustments
- Non-Represented: Wage rates are increased by 2%

- Elected/Appointed Officials: Wage rates are increased by 2% for Mayor and Judge; City
- Council Positions 5-7 wages increase from \$6,000 to \$9,000 annually.
- Casual Labor: Minimum wage is increased from \$11.00 to \$11.50 per hour

Councilmember Thomas said the Finance-Administration Committee worked with Human Resources Manager Kingery on this the last few months. He commends her on her work.

Councilmember Stern commended Councilmember Nystul for his work on smoothing out the step chart.

**Motion:** Move to approve Resolution No. 2017-16, adopting the 2018 Salaries and Wage schedules, the salary and wage schedule last amended by 2017-15.

**Action:** Approve, **Moved by** Thomas, **Seconded by** McGinty.

Motion carried.

Councilmember Lord thanked everyone who was involved with proposing the biennial budget. It has run smoothly. Mayor Erickson said we have a talented team and thanked Finance Director Booher and her team.

In response to Councilmember Musgrove, Finance Director Booher said the Salary & Wages Resolutions has all of the increases per contracts and cost of living increases. The schedule is what we will be paying people in 2018, and the schedule was built into the budget.

In response the Councilmember Musgrove, Councilmember Stern said the updates on the new minimum wage laws and sick leave requirements will be reported out by the Finance Committee this evening, and will come before the full Council next week.

#### **c. Public Hearing for the Disposal of the Poulsbo Library**

Finance Director Booher presented the agenda summary, noting RCW 39.33.020 requires the City Council to hold a public hearing before disposal of surplus real property. The City plans to dispose of surplus property known as the Poulsbo Library located at 700 NE Lincoln Rd, Poulsbo, WA, 98370. The intent is to turn the Library over to the Library District for their operations.



At 7:23pm, Mayor Erickson opened the public hearing, and receiving no comments, she closed the public hearing at 7:24pm.

Councilmember Stern is pleased with this action. The City's core function is health, safety, and welfare. The library is not core to the City, so it is being turned over to a core constituency to guarantee its use in perpetuity.

**Motion:** Move to approve disposal of surplus property known as the Poulsbo Library located at 700 NE Lincoln Rd, Poulsbo, WA, 98370 with the intention to develop an agreement with the Library District to turn the Library over to them for their operations.

**Action:** Approve, **Moved by** Lord, **Seconded by** Stern.

Motion carried.

#### **d. Public Hearing on the Draft Land Division Ordinance Update**

Planning Director Boughton gave a presentation on the 2017 Land Division Ordinance Update. Presentation highlights included:

- Review process, introduction, types of land divisions
- Significant new or revised provisions
  - Boundary Line Adjustment (17.30):
    - Clarify the minimum and maximum density requirements (17.30.040.B)
    - Set forth the City as the responsible party for recording of the BLA (17.30.050.C).
  - Short Subdivision (Short Plat) (17.40):
    - Define what may constitute a tract, and requirements of identifying and managing tracts (17.40.020.C);
    - Establish some limitations on contiguous short plats (17.40.020.D);
    - Establishes a new "Final Review Requirements" (17.40.060);
    - Eliminates the requirement that short plats be reviewed by the PC prior to approval, except for Infill Short Subdivisions;
    - Establishes expiration and ability to extend expiration (17.40.080);
    - Establishes new provisions for short plat modifications prior to recording (17.40.090).
  - Preliminary Subdivision (17.50):

- Define what may constitute a tract, and requirements of identifying and managing tracts (17.50.020.C);
- Sets forth how development in phases or divisions shall occur (17.50.040.C);
- Moves provisions regarding utilities to other section of the ordinance;
- Establishes new provisions for preliminary plat modifications prior to recording (17.50.070);
- Provides additional clarifications for the construction of model homes (17.50.080).
- Binding Site Plan (17.60):
  - Permit type has changed from Type III to Type II in previous code update, therefore deletion of outdated sections (i.e. removal of Planning Commission review);
  - Provides new "Final Review Requirements" section (17.60.070);
  - Set forth the City as the responsible party for recording of BSP (17.60.080);
  - Establishes expiration and ability to extend expiration (17.60.090);
  - Establishes new provisions for binding site plan modifications prior to recording (17.60.100).
- Final Plat (17.70):
  - Moves instructions for surveys, certification and improvement requirements to other sections of the ordinance;
  - Consolidates sections regarding the review process by the City.
- Land Division Standards (17.80):
  - New section that establishes standards that apply to each of the methods of land division. In general, the provisions were found in the land division type chapter, and are now consolidated into this section. These include survey instructions, utilities, easements, improvements, bonding and maintenance requirements.
  - Clarify when and how utilities are to be underground (17.0.040);
  - New section setting forth street standards, including frontage improvements and required routes for ingress and egress and emergency access requirements (17.80.050);

- New section setting forth requirements for street connectivity (17.80.060).
- Plat Alterations and Vacation (17.90):
  - New section establishes procedures for changes to recorded subdivisions, short subdivisions and binding site plans. Primarily set forth by requirements of 58.17 RCW.
- EDC Recommendations
  - Title Report: Recommends "within 90 days of submission, or as set forth on the application form."
  - Mode Homes (17.60.080): Recommends keeping maximum of 4 per division.
  - Maintenance Bonds (17.80.100 E): Recommends keeping timeframe at 2 years.
  - Signatures: Recommends keeping draft language.
  - Review Authority: Recommends a change to 17.100.040.
  - Enforcement Authorization (17.110.010): Recommends keeping draft language.
- Changes since receiving current draft
  - Councilmember Nystul email

Councilmember Lord reported they had a healthy discussion at the committee meeting, and it was great to go through in depth on all of the questions. They were satisfied with staff's recommendations. They tackled the model home issue, and the other various housekeeping issues that were brought up. They recommend approval of staff's recommendation to the rest of the Council.

In response to Councilmember McGinty's question if he came in with two parcels and wanted to subdivide into six or seven plots, Planning Director Boughton said he could do two short plats. They can do contiguous short plats up to nine lots.

At 7:42pm, Mayor Erickson opened the public hearing.

Mr. Barry Margolese spoke in support of the Council adopting the suggested changes.

At 7:45pm, Mayor Erickson closed the public hearing.

Councilmember Musgrove added specifically on the bonding question, he said the concern was quite often we receive these features into the City after the bonds have expired or been retired. The short answer is when the bonds are coming short, inspections are done at that point. So, if there is any reason to use the bond, we

know it before they are retired. Effectively, even though there is a two-year limit, it is still flagged and addressed while the bonds are still active.

Councilmember Lord added the bonds for expensive constructions are stormwater features, and those are controlled by the Department of Ecology. They are bonded until 90% of the homes are built. It is a different time frame. They are often one of the last ones to be released.

Councilmember Lord said they are trying to maintain Poulsbo's character. One way they achieve this is by having tight control on development, although it is creative control. It allows flexibility. The City wants to be user friendly for developers, but also assure they are hanging onto its character and quality of life. It is a fine balance. She appreciates our planning development staff's ability to put this together, and all the workshops held to iron out the wrinkles.

**Motion:** Move to approve the City Council modified November 2017 Land Division Ordinance as identified as Exhibit A to the City Council Public Hearing Staff Report as well as modifications identified during the City Council deliberations, which include Mr. Nystul's findings; and direct the Planning and Economic Development Director to prepare an adopting ordinance in support of this decision.

**Action:** Approve, **Moved by** Lord, **Seconded by** Thomas.

Motion carried.

**e. Public Hearing and Adoption of Ordinance No. 2017-20, Release of Poulsbo Clinic Concomitant Agreement**

Planning Director Boughton presented the release of the Poulsbo Clinic Concomitant Agreement. Presentation highlights included:

- Proposal is to release the Poulsbo Clinic concomitant agreement that is attached to the old police station site.
- Release of concomitant agreement is a Type V permit and requires a public hearing and decision by City Council.
- If released by City Council, any future development or redevelopment of the site will be regulated under the current development regulations in place at the time of permit submittal.
- The site is 367 Hostmark Avenue – the site of the old police station.
- The Comprehensive Plan is Commercial and Zoning is C-1 Downtown.
- The subject site is .57 acre; a vacant office building and public parking on currently on the site.

- In 1987, the owner of the property filed a request to expand the existing doctor's clinic by approximately 3000 square feet. The zoning at the time was Public Use, and the comprehensive plan designation was Business/Commercial.
- The rezone to Business/General for the site was approved through Ordinance 87021, and required a concomitant agreement for the 3000 square foot expansion.
- The rezone and concomitant agreement were recorded June 4, 1987.
- City records indicate the 3000 square foot expansion did not occur, and the City acquired the property in 1991 for use as its police station.
- The City's police operations moved into new city hall in 2011.
- Concomitant agreements are considered a contract and are recorded to the property, and identified in title report. In order to convey property to a new owner with clear title, the concomitant agreement needs to be released.
- City records indicate the 3000 square foot expansion did not occur, and the City acquired the property in 1991 for use as its police station.
- The City's police operations moved into new city hall in 2011.
- Concomitant agreements are considered a contract and are recorded to the property, and identified in title report. In order to convey property to a new owner with clear title, the concomitant agreement needs to be released.
- Staff report addresses each of the four criteria and recommends a finding for each.
- In conclusion, Planning staff has determined that the requested release of the Poulsbo Clinic Concomitant Agreement is consistent with the four decision criteria, and recommends approval.
- If the Council moves to approve the release of the concomitant agreements, an ordinance will need to be brought forward formalizing the release and adopting findings and conclusions. An ordinance is included in the packet.

At 7:58pm, Mayor Erickson opened the public hearing, and receiving no comments closed the public hearing.

**Motion:** Move to approve the requested Poulsbo Clinic Concomitant Agreement release, as identified in staff report Exhibit B.

**Action:** Approve, **Moved by** Lord, **Seconded by** Nystul.

Motion carried.

**Motion:** Move to approve Ordinance 2017-20, an ordinance of the City of Poulsbo, Washington, Adopting Findings and Conclusions; approving the Poulsbo Clinic

Concomitant Agreement release, Planning File 11-01-17-01; authorizing the Mayor to execute and record an instrument releasing the concomitant agreement; providing for severability and establishing an effective date.

**Action:** Approve, **Moved by** Lord, **Seconded by** Stern.

Motion carried.

**f. Easement on 367 Hostmark Street – Old Police Station Site**

Agenda item pulled.

**g. Port of Poulsbo Lease Agreement**

Planning Director Boughton presented the agenda summary, noting the Poulsbo City Council intends to convey to Western Washington University the Marine Science Center, and has identified a date of December 31, 2017, to complete conveyance. This year, the City and WWU staff have worked diligently on the details, that upon their conclusion, would allow the final conveyance. One of the details to complete is an amendment to the Port of Poulsbo/City tidelands lease agreement, which recognizes the recent boundary line adjustment and to identify that no leased area is associated with the Marine Science Center parcel to be conveyed to WWU. The City Attorney has drafted an amendment to the lease agreement. The Port of Poulsbo Commissioners reviewed the lease agreement amendment at their November 16, 2017 meeting, and have approved the amendment. Upon acceptance by the City Council, the lease agreement amendment will be signed by both parties.

Councilmember McGinty asked if the lease amendment would affect the Port of Poulsbo's ability to keep their DNR funding. Planning Director said that is her understanding, and the Executive Director did not indicate any concerns about their arrangement with DNR changing. Mayor Erickson said effectively we are keeping our deck. Planning Director said the other city owned parcels retain that ten-foot uplands.

Councilmember Lord said we have a wonderful working relationship with the Port. She appreciates Councilmember McGinty's concern. She said as we move forward, the funding is earmarked for maintenance of bulkhead repairs. She thinks the idea of using it for the buoy is a great idea, but we would probably have to have an amendment to the lease.

Mayor Erickson said we are fixing something. We leased the deck for the Marine Science Center to the Port of Poulsbo. As we go through things, we are fixing errors as we come across them.

Councilmember Lord said we are granting that building to a wonderful institution who is going to maintain it into perpetuity and provide classes to students. It is a great legacy that we had it, preserved it, and are now able to turn it over to a great use.

**Motion:** Move to approve the proposed amendment to the Port of Poulsbo/City of Poulsbo tidelands lease agreement included as Attachment B to the staff memo and authorize the Mayor to sign the lease amendment on behalf of the City of Poulsbo.

**Action:** Approve, **Moved by** Nystul, **Seconded by** McGinty.

Motion carried.

Councilmember Stern said the City is hoping the conveyance will go before the WWU Board of Trustees this month for final action.

## 7. COUNCIL COMMITTEE REPORTS

*Finance-Administration Committee:* Councilmember Stern reported on the committee's discussion regarding the council vacancy process. He read into the record a memo from the City Clerk regarding the current vacancy and the City having 90 days to fill the vacancy. He referred to the Council Rules & Procedures, Section 8, for appointing a councilmember. The committee discussed two options the City could take, either 1) receive applications through the end of the year, and have interviews on January 6, or 2) receive applications through January 15, 2018, and schedule interviews for January 27, 2018, starting at 9am.

After discussion, the Council concurred to have the applications open on December 15, 2017, and close on January 15, 2018. A special council meeting will be held on Saturday, January 27, 2018 at 9am to interview candidates.

Councilmember Stern continued his committee report, noting they discussed a grant signature authority process; I-1643 changes to sick leave policy and minimum wage (the Personnel Handbook will be amended at the December 13, 2017, meeting); updating the Council Committees Ordinance; Councilmember Stern will join the National League of Cities (and cover cost with his council travel/training budget); and received an update on sales tax and real estate excise tax.

*Economic Development Committee:* Councilmember Lord reported they spent lots of time on the Land Division Ordinance review. They discussed the old police station easement situation that needs to be resolved, received a report from the Port of Poulsbo on the timeline for building their breakwater; the cleanup of Dogfish Creek by the Suquamish Tribe; Edward Rose is looking for a three-year extension on their master plan;

and there needs to be an analysis done on our buildable lands. She also noted the December 23 meeting is rescheduled for January 3, and the January 24 meeting is pushed to January 31.

Public Works Committee: Councilmember Musgrove reported they met November 29, and most of the things discussed have been talked about at Council. They are cancelling the December 27 meeting. They had an update regarding split meters from Nelson House electric meter; Liberty Bay Bioretention and TIB grants will be coming forward; the Nelson Parking Building Amendment will be coming forward for \$13K; and an amendment to the Noll Road Parametrix contract.

**8. DEPARTMENT HEAD COMMENTS**

None.

**9. BOARD/COMMISSION REPORTS**

Councilmember Nystul announced KRCC TransPol meets tomorrow.

**10. CONTINUED COMMENTS FROM CITIZENS**

Mayor Erickson asked for citizen comments; no comments were received.

**11. MAYOR & COUNCILMEMBER COMMENTS**

Councilmember Musgrove encouraged everyone to enjoy the sunshine.

Councilmember Erickson said the first Tuesday of every month are elected regional boards. There was a lot of heavy lifting, especially in Transit. It was tough.

**12. ADJOURNMENT**

**Motion:** Move to adjourn at 8:47 PM,

**Action:** Approve, **Moved by** McGinty, **Seconded by** Stern.

Motion carried unanimously.

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Rebecca Erickson, Mayor

ATTEST:

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Rhiannon Fernandez, CMC, City Clerk