

POULSBO CITY COUNCIL MEETING OF FEBRUARY 7, 2018

MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, Director of Engineering Kasiniak, Planning Director Boughton, Parks & Recreation Director McCluskey, Associate Planner Berghoff, IT Manager Stenstrom.

ABSENT: Councilmember Musgrove

MAJOR BUSINESS ITEMS

- * * * Council Position No. 7 Swearing In – Abby Garland
- * * * Tree Board Appointment – Joe Seals
- * * * 2017 Donation Report
- * * * Approval of January 10, 2018, Council Meeting Minutes
- * * * Approval of January 17, 2018, Council Meeting Minutes
- * * * Approval of January 27, 2018, Council Meeting Minutes
- * * * Payable Disbursements for December 2017
- * * * Safety Enhancement Plan
- * * * Proposed Smaaladen Utility Extension Agreement
- * * * Whitford Final Plat
- * * * Public Hearing and Ordinance to Extend Interim Development Regulations of Self-Serve Mini-Storage Use in C-3 Zoning District
- * * * Kitsap County ILA for Finn Hill Improvements Project
- * * * Council Committees Selection

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

Motion: Move to approve the agenda as presented.

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

Motion carried.

3. COMMENTS FROM CITIZENS

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

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

a. **Council Position No. 7 Swearing In**

Mayor Erickson administered the oath of office to Abby Garland for Council Position No. 7.

b. **Tree Board Appointment**

Mayor Erickson presented the agenda summary, noting one Tree Board position become vacant with the resignation of Bill Lockard. Parks & Recreation Director McCluskey and Mayor Erickson has met with Mr. Joe Seals, and Mayor Erickson recommends appointing Mr. Seals to fill a term ending December 31, 2020.

Motion: Move to confirm the Mayor's recommendation of Mr. Joe Seals for appointment to the Tree Board as presented.

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

Motion carried.

c. **2017 Donation Report**

Mayor Erickson reported on the 2017 donations: \$53,352.95 and 1786.70 hours.

Mayor Erickson announced the Poulsbo Historical Society Cod Fish Fundraiser at the Sons of Norway on March 24; Meet Your Match February 13 at City Hall with Kitsap Humane Society; reported on the KEDA Decision Makers Breakfast; and shared a picture of the 8th Avenue house that has been demolished to add additional park space to the City. She welcomed Councilmember Garland on her appointment.

Councilmember Thomas welcomed Councilmember Garland. He gave a report on the AWC City Action Days last week, and a meeting last night with the US Navy regarding the their draft environmental assessment for naval special operations training that is planned to be done in our area. The assessment is available in the Poulsbo Library.

Councilmember Lord reported the AWC City Action Days was a great trip and having our own city lobbyist will be a great benefit to the city. She congratulated Abby and welcomed her to the Council.

Councilmember Nystul said the North Kitsap School District is having an election and ballots are due Tuesday. He welcomed Councilmember Garland to the City Council.

Councilmember Stern congratulated Councilmember Garland on her appointment.

They had nine applications, and eight applicants who came and interviewed with them on Saturday. What stood out was all applicants commitment to community. He reported on the AWC City Action Days last week. He is very proud of the commitment of this council, mayor and community.

Councilmember Garland thanked her colleagues for this opportunity. She is looking forward to what lies ahead.

Councilmember McGinty welcomed Councilmember Garland. He also reported on the AWC City Action Days.

5. CONSENT AGENDA

Motion: Move to approve Consent Agenda items a through d.

The items listed are:

- a.** Approval of January 10, 2018, Council Meeting Minutes (Fernandez)
- b.** Approval of January 17, 2018, Council Meeting Minutes (Fernandez)
- c.** Approval of January 27, 2018, Council Meeting Minutes (Fernandez)
- d.** Payable Disbursements for December 2017 (Booher)

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

6. BUSINESS AGENDA

a. Safety Enhancement Plan

Director of Engineering Kasiniak presented the proposed Safety Enhancement Plan schedule and outline. This plan will allow for potential WSDOT funding opportunities to enhance safety features throughout the City. This plan is for both vehicular and non-motorized safety enhancements. The plan is estimated at \$25,000, and the proposed plan would be funded \$10,000 by the Speed Reduction program and \$15,000 from traffic impact fees. A budget amendment will follow.

In response to Mayor Erickson, Director of Engineering Kasiniak said the invitations to join the committee should be sent out shortly if this budget amendment is approved tonight. For Phase 1, there will be 2-3 meetings. There will be more meetings in Phase 2. The goal would be to adopt the plan in April.

In response to Councilmember McGinty, Director of Engineering Kasiniak said they are starting to develop a list of people to invite to the committee and they will reach out to various groups who have knowledge of the different areas of the city.

Motion: Move to approve the safety enhancement plan and the budget amendment to follow.

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

b. Proposed Smaaladen Utility Extension Agreement

Associate Planner Berghoff presented the agenda summary, noting an Utility Extension Agreement (UEA) for four connections is requested for two properties located adjacent to Finn Hill Road. The applicant anticipates proposing subdivision of the properties into four lots and construction of four single family residences. UEA requires approval by City Council. Per PMC 13.14.010.B annexation feasibility determination is necessary prior to UEA decision, and staff concludes after a property owner survey that annexation of the area identified is unlikely to be successful. Authority to annex territory and provision of utility services is at the sole discretion of City Council, and there is no appeal.

In response to Councilmember Lord, Associate Planner Berghoff said in order to develop the two lots, they would have to have septic and well, and we could say we are not going to provide utilities. By providing utilities, we are saying to the applicant that they can approach the County and request a short plat. If they approve the short plat, we will recognize that it meets our standards for development within the city. The drawing will be an attachment to the utility extension agreement. There is a condition on the utility extension agreement that the development and the approved short plat be in compliance with this drawing. The City has the option to not allow the hook up if our conditions are not met.

Councilmember McGinty added this was discussed at Public Works, Mr. Lindsey came in with a list of conditions that was 33 pages that he has to follow in order to get access to this. On a higher level, it is within our UGA, ultimately, they are going to be annexed into the City. The utilities are very close, and to get connections they have to sign a non-opposition to annexation in the future. The assessed value being at 59% right now in an annexation petition does not sound like it will be successful. The committee recommends not proceeding with the annexation and grant the application for the utilities. They will be building within city standards. The density will be identical to what we have in our growth plan.

Councilmember Lord added the applicant would have to adhere to the short plat configuration in order to have this work. Associate Planner Berghoff agreed something substantially similar would be needed.

Councilmember Thomas said philosophically when city services are provided, it should be provided to people inside the city limits. Otherwise, those within the city are carrying the burden. It is a shame we didn't have enough interest for the annexation petition to work. But the property is in our UGA, and we expect at some point to annex this area. It is better to have something that conforms with our systems rather than a legacy system that we have to deal with at some other time. The logic of this makes sense to him.

In response to Councilmember Lord, Associate Planner Berghoff said the utility connection fees would be charged for each unit, that is a standard set amount. It is around \$12,000. Then they would have the monthly rates for water and sewer use. Impact fees that would not be coming to the City.

Motion: The City Council shall hereby determine unfeasible at this time circulation of an annexation petition for property located in the vicinity of Finn Hill Road intersections with Karkainen Lane and Rasmussen Court, Planning File 10-31-17-01.

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

Motion carried.

Motion: The City Council shall hereby approve the Smaaladen Utility Extension Agreement, Engineering File 10-31-17-01.

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

Motion carried.

c. Whitford Final Plat

At 7:52pm, Councilmember Stern recused himself, because he has a professional relationship with this the principal of this development.

Engineer I Roberts presented the agenda summary, noting the infrastructure for the plat of Whitford Strand Cottages, a seven-lot plat located adjacent to Fjord Drive, has been completed to the satisfaction of the Engineering, Planning, and Public Works Department. Whitford Cottages proposed for final plat conforms to all the terms of preliminary plat approval as addressed in the final plat staff report. Given that Whitford satisfies the terms of preliminary approval and conforms with Title 17 of the Poulsbo Municipal Code, the City Engineer respectfully recommends that the City Council approves Whitford Strand Cottages final plat.

In response to Councilmember McGinty, Planning Director Boughton said there is no public access to the beach, only private access.

Councilmember Lord said they talked at one point about the opportunity to help with the traffic on Fjord Drive by having a different configuration of one lane, which are a little different than what the drawings show. She wondered what happened with that idea. Engineer I Roberts said that concept is still on the City's radar, but it would be a city-driven project not tied to the development. It could be tied into the safety enhancement project. It is separate from the plat approval.

In response to Councilmember Lord, Planning Director Boughton said the little park will be hydroseeded with grass. Councilmember Lord said it would be nice to have some vegetation between the public area and the private area.

Motion: Move to approve the Final Plat of Whitford Strand Cottages.

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

Motion carried.

At 7:59PM, Councilmember Stern returned to the meeting.

d. Public Hearing and Ordinance to Extend Interim Development Regulations on Self-Serve Mini-Storage Use in C-3 Zoning District

Planning and Economic Development Director Boughton presented the agenda summary, noting The Poulsbo City Council passed Ordinance 2017-15 on August 16, 2017. This ordinance established a six-month interim development prohibition on self-serve mini storage facilities in the C-3 zoning district. After the emergency ordinance was enacted, the City Planning and Economic Development began developing an update to Chapter 18.80 Commercial Zoning Districts of the Poulsbo Municipal Code, which the prohibition of self-serve mini storage in the C-3 zoning district would be included. An extension of the interim development regulation ordinance is necessary to allow city staff time to bring forward and begin the public review process of a complete commercial zoning amendment package. Pursuant to RCW 35A.63.220 and 36.70A.390, the City Council is authorized to extend the interim development prohibition as long as a public hearing is held and findings of fact are made. A public hearing is scheduled for February 7, 2018 beginning at 7 p.m. or shortly thereafter, and will be an opportunity for the City Council to hear public comment regarding extending the interim prohibition for an additional six-months.

At 8:04pm, Mayor Erickson opened the public hearing.

Andrew Sherrard asked if the intention of the City is to make the ban permanent. Planning Director Boughton said the amendment package that staff will be bringing forward will have it as a proposed permanent regulation after it goes through public process of the Planning Commission and the City Council.

Andrew Sherrard wanted to ensure where there is clearly demand for this type of service inside of the City, it was approved and evaluated when it was originally built. He thinks it is critical for the places we already have use established that we continue to allow the maintenance and development within the boundaries of that area, and expansion of those facilities. It is important from a consistency of how you manage land use policy and how you think about interests that are vested inside of an established use that you let that use to continue going forward. He has concern when permitted uses get flipped over, because they have implications for ongoing activity in that place.

Danny Claplan spoke in support of the moratorium continuing due to the impact it will have on the neighborhood if there is not a permanent change to the zoning.

At 8:10pm, Mayor Erickson closed the public hearing.

Councilmember Nystul noted on Table 18.80.030 and C3 he sees a list of things that could be argued to be substantial impact to the neighbors. He has a concern that they are addressing one issue that is of concern to the residents when there is a whole list of other permitted uses that could have a similar effect. He also said there are two existing businesses that are in the zone, and a change to the table would now make them non-conforming uses, and that creates a new ball game for those existing businesses.

Councilmember Lord noted there are going to be possibly eight workshops with the Planning Commission, Economic Development Committee, and the City Council regarding this regulation, which gives many opportunities for public involvement.

Motion: Move to approve Ordinance 2018-04, an ordinance of the City of Poulsbo, Washington, extending the adoption of interim development regulations prohibiting self-serve mini storage in the C-3 Zoning District for an additional six-month period;

adopting findings in support of the extension providing for severability; and establishing an immediate effective date.

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

Vote: Motion passed (**summary:** Yes = 5, No = 1, Abstain = 0).

Yes: Garland, Lord, McGinty, Stern, Thomas.

No: Nystul.

e. Kitsap County ILA for Finn Hill Improvements Project

Director of Engineering Kasiniak presented the interlocal agreement for the Finn Hill Improvements Project. Presentation highlights included:

Project scope

- 10 ft shared use path
- Olhava way to Vinland Elementary

Interlocal Agreement

- KC pays for portion of improvements outside of UGA
- Rhododendron Lane between Finn Hill road and Vinland Elementary
- Estimated at \$375,000
- Overall project cost estimated at \$2,075,000
- \$800,000 Safe Routes to School Grant
- \$275,000 TIB Grant
- \$375,000 Kitsap County
- \$625,000 City (Budgeted in 2017 CIP \$530,000 Olhava TIF and \$95,000 BA General TIF)

Next Steps

- Design underway
- Right of way starting
- Construction Fall 2018

Motion: Move to approve the ILA with Kitsap County and a budget amendment of \$95,000 to follow in order to update the financial participation of all organizations involved in the project.

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

f. Council Committees Selection

Mayor Erickson updated the Council on the selections that had been received by each councilmember. The Council discussed which committees and liaisons they would like to participate on during 2018-2019. Committees were chosen as listed below.

Council Committees

<i>Committee</i>	<i>Councilmember</i>	<i>Councilmember</i>	<i>Councilmember</i>
<i>Finance/Admin</i>	Stern	Thomas	McGinty
<i>Public Works</i>	Musgrove	Lord	Nystul
<i>Community Services</i>	Garland	Lord	Thomas
<i>Public Safety</i>	Garland	Nystul	McGinty
<i>Economic Development</i>	Lord	Musgrove	Stern

Committee Liaisons

<i>Committee</i>	<i>Councilmember</i>
<i>Community Services – Parks Board</i>	Stern
<i>Community Services – Tree Board</i>	TBD
<i>Economic Development – Chamber</i>	TBD
<i>Economic Development - HDP</i>	TBD
<i>Economic Development - Port</i>	TBD

Appointments

<i>Deputy Mayor</i>	McGinty
<i>Alternate Deputy Mayor</i>	Lord

Non-Committee Liaisons

<i>KRCC – Alternate</i>	Stern
<i>Poulsbo Historical Society</i>	Erickson
<i>Tribal Liaisons – Suquamish & S'Klallam</i>	Stern & TBD
<i>West Sound Watershed Council</i>	Thomas
<i>Board of Health – Alternate</i>	Lord

<i>CENCOM</i>	Garland
<i>Lodging Tax Advisory Committee</i>	Nystul
<i>KRCC TransPol</i>	Nystul

7. COUNCIL COMMITTEE REPORTS

Economic Development/Tourism Committee: Councilmember Lord reported committee's guest Russell Steele, and he gave an overview of his 17 years' experience as the CEO for Port Madison Enterprises; discussed the draft economic development strategy plan (business development and expansion section, and community character and higher education component); and reviewed the 2018 Planning Department Work Plan.

Finance-Administration Committee: Councilmember Stern reported they reviewed the 10-year trend on both the sales tax and the real estate excise tax (Finance Director Booher gave a brief presentation); and they will review the executive function and the budget that supports it, and what it will look like in three to four years (succession planning).

Public Works Committee: Councilmember McGinty reported they discussed the status of the Public Works facility, as well as other items already discussed at tonight's meeting.

8. DEPARTMENT HEAD COMMENTS

Finance Director Booher said they went through a software upgrade. Right now, citizens cannot pay utility bills online. They are hoping to get this resolved by tomorrow. They can take credit card payments over the phone and will waive the three-dollar fee.

Director of Engineering Kasiniak said this week Phase 2 of the Sewer Interceptor Lining Project will start. There will be occasional shoulder closures. It is planned to be completed by March 2.

Planning Director Boughton said they held two meetings with the Edward Rose team and their consultants this week.

9. BOARD/COMMISSION REPORTS

Mayor Erickson reported at Kitsap Transit they are still working hard towards the fast ferries, reservation systems, and management of the boats with the understanding that the Kingston boat should start in six months. The new boat is in transit to our area. At Kitsap Regional Coordinating Council, the Puget Sound Regional Council was soliciting comments about the new Vision 2050. They expect to have \$1.8MM more people in the Puget Sound region by 2050. At the Department of Emergency Management, their director is retiring, and a new director should be there in the next couple of months. At the Board of Health, Dr. Turner talked about the flu epidemic. They think it is peaking,

but there are still a lot of people going into the ER. They also reported on the Pollution Identification and Correction project and food born illness and restaurant scores. Housing Kitsap is moving forward with drawings of the Almira property, which is a large apartment building next to Kitsap Mental Health.

Councilmember Stern attended the Puget Sound Regional Council Economic Development District meeting today. They talked about artificial intelligence combined with autonomous vehicles that might be a revolution on the cusp. It could come quickly and will come from the private sector.

10. CONTINUED COMMENTS FROM CITIZENS

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

11. MAYOR & COUNCILMEMBER COMMENTS

Councilmember Thomas attended the Friends of the Cemetery meeting on January 26. They are working on a proposed cemetery plan to present to the city.

Mayor Erickson said Mr. Austin brought in a new design of a cupola for the Poulsbo Cemetery.

Councilmember Stern said the funding came through from the state capital budget for Fishline. Danielle Murphy said Fishline is thankful to receive that money from the capital budget. They could be open by next spring.

12. ADJOURNMENT

Motion: Move to adjourn at 9:22 PM,

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

Motion carried unanimously.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk