

POULSBO CITY COUNCIL VIRTUAL MEETING OF AUGUST 5, 2020

MINUTES

PRESENT: Mayor Erickson; Councilmembers Livdahl, Lord, McGinty, McVey, Musgrove, Phillips, Stern.

Staff: Finance Director Booher, City Clerk Fernandez, Director of Engineering Lenius, Planning Director Boughton, Senior Planner Coleman, Public Works Superintendent Lund, Police Chief Schoonmaker, Risk Manager/City Prosecutor Foster, Housing, Health, & Human Services Director Hendrickson, IT Senior Technician Williamson.

MAJOR BUSINESS ITEMS

- * * * Payable Disbursements for June
- * * * July 1, 2020 Council Meeting Minutes Approval
- * * * July 8, 2020 Council Meeting Minutes Approval
- * * * Liberty Bay Bioretention Project Acceptance
- * * * ILA Amendment with Kitsap County for Finn Hill Shared Use Path Project
- * * * County Treatment Tax Application Approval
- * * * Ordinance No. 2020-09, 2nd Quarter 2020 Budget Amendments
- * * * Public Hearing: 2020 Comprehensive Plan Amendments
- * * * Public Hearing: Land Use Housekeeping Amendments

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Erickson called the meeting to order at 7:00 p.m. and led the Pledge of Allegiance.

2. AGENDA APPROVAL

Motion: Move to approve the agenda as presented.

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

Motion carried.

3. COMMENTS FROM CITIZENS

Aiden Moore gave solutions regarding the destruction of the memorial downtown, along with the letter from Kitsap ERACE on June 11th, which gave suggestions on creating a local race equity task force.

City Clerk Fernandez read the following emailed citizen comments into the record, which are summarized below:

Thomas Wilson wrote regarding racism in Poulsbo and criticized how the City has handled the aftermath of the July 3rd event.

Angee Wahalcut Harrington thanked Councilmember Lord for attending the memorial, said she felt the July 3rd fireworks would have happened if it weren't for the pandemic, justice has not been served for Stonechild Chiefstick, and the action of ex-Port Commissioner DeSalvo was a hate crime and needed to be treated as such.

4. MAYOR'S REPORT AND COUNCIL COMMENTS

Councilmember Livdahl thanked everyone who is watching or left comments. She stated that the Council is hearing everyone, and they had a workshop on July 6 to discuss the recommendations that have been made. Racial justice is important to her and one of her top priorities.

Councilmember Lord is happy to be at the meeting. She welcomes comments and emails, even if they are cut and paste. She takes note of who sent them. They are proactively doing what they can.

Councilmember McVey noted they are entering their sixth month of dealing with COVID-19, and he thanked the residents of Poulsbo, City staff, and colleagues for their patience, hard work, and diligent efforts. This has been a tough time for everyone.

Councilmember Musgrove said he reads every email and hears every comment that comes in. He encouraged the public comments to continue.

Councilmember Phillips agreed with Councilmember Livdahl's comments, and stated that in Newport, they closed off streets for dining.

Councilmember Stern recalled the life a favorite daughter of Kitsap County. He shared the obituary of Betti Sheldon, who served as our state senator for many years.

a. Poulsbo Cares Volunteer Appreciation

Housing, Health, & Human Services Hendrickson thanked Gateway Church, Empact Northwest, and the Poulsbo Cares volunteers for all of their help during the pandemic. Certificates of Appreciation will be mailed to the individuals who volunteered during the pandemic. The Mayor and Councilmembers shared their appreciation for Poulsbo's volunteers during these difficult times.

b. Department Head Comments

Public Works Superintendent Lund stated that Fjord's one-way is almost complete. They should have the signage up by the end of the week. They opened bids for the neighborhood streets project on Monday, and they will bring everything to Public Works Committee and Council next week.

Mayor Erickson shared a video from Q13, showing businesses in Ballard moving into parking spots. Regarding the Summer Fair, she has received applications from Paella Bar/Burrata Bistro, Western Red, Slippery Pig, and Sons of Norway. She sent those applications to the Council. Businesses are showing interest in the Summer Fair. She knows there has been some safety concerns about the Summer Fair, and she wants to know what type of barriers to use. She is asking Council for permission to approve the Summer Fair administratively, then send the applications to Council for review. The third issue is Front Street. Some of the people are applying for areas on Front Street, and the Council voted to not allow Front Street to participate.

Councilmember Musgrove replied that they already approved the regulations, so he thinks it would be in the parameters of the Mayor's office and staff to approve. He thinks Engineering needs to answer the question about roadside barriers.

Councilmember Lord supports businesses, citywide, not just downtown for the Summer Fair. The Council primarily discussed safety issues; particularly how narrow Front Street is. She supports the applications being handled administratively. She wants to rethink downtown. If they need to lose parking spaces, so be it. It is like they are penalizing downtown if they do not allow those businesses to participate.

Councilmember Stern supports the Front Street reconfiguration, but they need to keep access to some places, like the bakery, available. He also supports using COVID money to buy removeable speed tables. They need to slow down the traffic if people want to dine in the streets.

Councilmember McVey was concerned about public safety on Front Street. Approximately two weeks ago, the governor proclaimed that bars and restaurants have further restrictions. He feels the world has changed a bit since they last discussed this, and that the Council needs to adapt and show some flexibility to help the businesses, particularly on Front Street. He supports the expansion into some parking spaces. He also believes it is important to install some temporary speed bumps to slow traffic and increase public safety.

Councilmember Phillips noted that they are doing a "Summer Fair" on the east coast, too.

Councilmember Livdahl thinks the more communities that do this, hopefully drivers will slow down. It has been so packed downtown that drivers need to slow down anyway.

Councilmember McGinty agrees with the administrative approval process. The Council can evolve. They need to start somewhere and see what they can do.

Motion: Move to adapt the Summer Fair program to include Front Street, allow administrative approval process, and allow for CARES funding expenditure of speed reduction on Front Street.

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

Discussion: Councilmember Musgrove asked who is taking primary liability in case of an accident. Mayor Erickson answered that there is a strong hold harmless agreement that businesses sign, plus they must provide a \$1 million binder that names the City as co-insured.

Motion carried.

Mayor Erickson noted that the Small Business Grant applications will be coming to Council next week. She suggests creating a citizens committee to review the applications and asked the Council to think about who they would like to have serve on the committee.

5. **CONSENT AGENDA**

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

The items listed are:

- a. Payable Disbursements for June 2020
- b. July 1, 2020 Council Meeting Minutes Approval
- c. July 8, 2020 Council Meeting Minutes Approval
- d. Liberty Bay Bioretention Project Acceptance
- e. ILA Amendment with Kitsap County for the Finn Hill Shared Use Path Project
- f. County Treatment Tax Application Approval

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

Motion carried.

6. **BUSINESS AGENDA**

a. **Ordinance No. 2020-09, 2nd Quarter 2020 Budget Amendments**

Finance Director Booher presented the agenda summary, noting budget amendments for the 2nd Quarter of 2020 were approved by Council during April, May, and June. Exhibit A includes these amendments and summarizes the revised budget by fund.

At 7:54 p.m., Mayor Erickson asked if any members of the public had any comments on the budget amendments. No public comments were received.

Motion: Move to adopt Ordinance No. 2020-09, and ordinance for the City of Poulsbo, Washington, amending the 2019-2020 Biennial Budget adopted by Ordinance No. 2018-27 to revise the revenues and appropriations from certain funds and approving an ordinance summary for publication.

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

Motion carried.

b. Public Hearing: 2020 Comprehensive Plan Amendments

Senior Planner Coleman presented the agenda summary, noting the Council set the docket for the 2020 Comprehensive Plan Amendments in February, which was delayed due to the Governor's "Stay Home, Stay Healthy" order, and includes:

P-11-15-19-01, a request to re-designate and rezone 1.18 acres of acquired parks property from Residential Low to Park; and a text amendment to Chapter 12, the Capital Facilities Plan, to incorporate minor changes recommended by the Parks staff, Parks Commission, and citizens.

P-11-15-19-02 was withdrawn by the Planning and Economic Development Department.

P-11-15-19-03, a text amendment to Chapter 12, the Capital Facilities Plan, to update Table CFP-4 to reflect the proposed projects listed in the 2019-2025 Capital Improvement Projects.

P-11-15-19-04, a request to re-designate and rezone a portion of the property at 21310 State Hwy 305 NE from Commercial/C-3 to Residential Medium.

Comprehensive Plan amendments processed using the Type IV public review process, which requires a public hearing before both the Planning Commission and City Council. The Planning Commission recommended approval of the amendments at their March 10, 2020 public hearing.

Mayor Erickson opened the public hearing at 8:16 p.m. Hearing none, Mayor Erickson closed the public hearing at 8:17 p.m.

Motion: Move to approve Application No. P-11-15-19-01, a request to re-designate and rezone 1.18 acres of parks property from Residential Low to Park; and a text

amendment to Chapter 12, the Capital Facilities Plan, to incorporate minor changes recommended; Application No. P-11-15-19-03, a text amendment to Chapter 12, to the Capital Facilities Plan, to update Table CFP-4 to reflect the proposed projects listed in the 2019-2025 CIP; Application No. P-11-15-19-04, a request to re-designate and rezone a portion of the property at 21210 State Highway 305 NE from Commercial/C-3 to Residential Medium; and direct the Planning and Economic Development Director to prepare an adopting ordinance in support of this decision.

Action: Approve, **Moved by** McVey, **Seconded by** Livdahl.

Motion carried.

c. Public Hearing: Land Use Housekeeping Amendments

Senior Planner Coleman presented the agenda summary, noting the proposed amendments to the Poulsbo Municipal Code (PMC) are part of the Planning and Economic Development Department's on-going effort to make land use regulations more usable for residents, developers, and City staff by correcting errors, eliminating text ambiguities, codifying internal policies, and reflecting changes in state law. The proposed amendments do not involve significant changes to the code.

Amendments are included for the following PMC Chapters: 15.35, Tree Cutting and Clearing; 16.20, Critical Areas; 17.30, Boundary Line Adjustments; 18.40, Zoning Definitions; 18.70, Residential Districts; 18.80, Commercial Districts; 18.120, Design Review; 18.130, Landscaping; 18.140, Off-Street Parking; 19.20, Application Classification; 19.30, Application Review Procedures; 19.50, Public Notices; 19.70, Decision Appeal Procedures; 19.80, Time Frames from Review; and 19.90, Post Decision Procedures.

On June 23, 2020, the Planning Commission held a duly noticed public hearing and voted to recommend approval to the City Council.

Mayor Erickson opened the public hearing at 8:24 p.m.

City Clerk Fernandez read Molly Lee's written comment into the record: "Regarding addition of a whole new segment of project-specific development standards found on page 2 of Council's draft. Title 16.20.320 item 1 (1-6). This additional language that references road repair and construction with 6 new items—inserted into the Fish and Wildlife Habitat Conservation area section is outside of purview of comp plan housecleaning. Housecleaning is not changing the identity of an existing standard—

housecleaning is correction of small indiscretions that do not result in the change of a standard. Fish and Wildlife Habitat Conservation areas are very specific in that they require the need for a Fish and Wildlife Conservation area plan before the function of said area can be altered or changed. This is not housekeeping. This is considered an amendment—because, for this new language to be inserted, and for the door of opportunity now for a completely new outcome to occur to a protected area, the city must open the critical area ordinance for complete renovation so this new language does not run over existing language that is now in the critical area ordinance. Miss Boughton did open the CAO for the amendment process not too long ago. This new language must wait for the next CAO amendment process.”

Mayor Erickson closed the public hearing at 8:26 p.m.

Councilmember McGinty asked about heights. Senior Planner Coleman explained that they were thinking about adding some information about height, but after the July 8 workshop and rereviewing the code, the code explains height the way they want it to, so they pulled the amendment. She sent an email to the Council about pulling the amendment.

Councilmember McVey asked about the public comment. Senior Planner Coleman explained that the Growth Management Act allows them to amend development regulations at any time. The Comprehensive Plan is the only one they can only amend once a year. Ultimately, those can be built in habitat management areas right now, and there were no standards. They had standards like this in their wetland section. This provides more standard and structure to roads being built in Fish & Wildlife conservation areas. And no matter what, they will have to provide a habitat management plan with the science behind this. This provides an administrative tool to what they had previously and that is why they did not consider it a major amendment.

Councilmember Lord asked about the other comment, which has to do with Boundary Line Adjustments. Senior Planner Coleman said it is a minor tech impact; it does have some impact. This applies for properties within the City, and this does not apply to the UGA. This language requires new lots to subdivide in the future to make sure they will get the density in there eventually. There is a handful of lots that would apply to this.

Motion: Move to approve the Land Use Housekeeping Code Amendments as set forth in Exhibit A to the July 29, 2020, staff report; and direct the Planning and Economic Development Director to prepare an adopting ordinance in support of this decision.

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

Motion carried.

7. COUNCIL COMMITTEE REPORTS

Public Works Committee: Councilmember Lord reported they had a long discussion about the MBR feasibility/satellite sewer plants, which was presented to Council at the last meeting. An advisory committee would need to be established soon because it is a six-year process and Parametrix has come up with a pre-planning schedule. The Committee recommended the Engineering Department move forward with getting a consultant selected. The Committee unanimously voted to add another vehicle to the Public Works fleet, which was surplus through the City. They discussed the Fjord one-way project and received an update on Johnson Parkway.

Planning and Economic Development Committee: Councilmember Lord reported they discussed the CARES small business grants. They need a committee to figure out how to split the money. They had a long talk about the TV Jones building request of up to 35 feet. The committee will have a special EDC meeting on either the 12th or 19th to discuss the Port of Poulsbo letter they were all sent.

Housing, Health, and Human Services Committee: Councilmember Musgrove reported there were questions about sanitizer and mask availability. The Mayor said she would check with the City to see if they have masks that they can release. There was a question about Gateway and how much longer they will be open. The Fishline agreement is almost ready. HHH Director Hendrickson is on the CDBG panel, which is a lot of work. They discussed their primary goals of their housing plan, which looks at individuals with under 60% median income. The Mayor is going to start working on ideas for the Klinge property and the triangle next to the library for some of the small housing units that were requested by Gateway for shelter. The committee unanimously agreed to use two properties for small shelters. They are canceling the August 19 meeting.

Finance-Administration Committee: Councilmember Stern reported the City is in a \$1 million deficit halfway through the year. Each Councilmember will be receiving a Financial Status Report from June 30, which will be on the agenda next week. Action will have to be taken to make up the deficit.

Councilmember Musgrove asked about the shortfall, and the Mayor answered that they are burning through the cash much quicker than anticipated. The shortage is caused by an increase in about \$300,000 over their projected expenditures and about a \$600,000 shortage in their revenues. She was surprised by how quickly it happened.

Finance Director Booher clarified that they built the budget using \$1.5-1.6 million in reserves in 2020. They were hoping not to hit them that hard. They did not anticipate using half of it up by June. They will be proactive and take some steps to address the

shortfall they are seeing sooner this year. This is the kickoff of the 2021-2022 budget cycle.

8. BOARD/COMMISSION REPORTS

Councilmember Musgrove noted they held the Business Recovery Taskforce on Monday, and it was pretty quiet. Most of the crises have passed at the moment. Businesses will come forward with any needs they might have.

9. CONTINUED COMMENTS FROM CITIZENS

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

10. MAYOR & COUNCILMEMBER COMMENTS

Councilmember Musgrove was happy to see some of their volunteers recognized at tonight's meeting.

Councilmember Stern believes that once the COVID crisis is over and they can have large gatherings, he requests that Poulsbo change its Independence Day celebrations back to July 4th instead of July 3rd.

11. EXECUTIVE SESSION

At 9:06 p.m., Mayor Erickson recessed the Council into executive session to discuss personnel matters per RCW 42.30.110(1)(g) for 30 minutes. No actions were taken.

12. ADJOURNMENT FROM EXECUTIVE SESSION

At 9:36 p.m., the Council adjourned out of executive session.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk