

## **POULSBO CITY COUNCIL MEETING OF MAY 5, 2021**

### **MINUTES**

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

Staff: Finance Director Booher, City Clerk Fernandez, Planning & Economic Development Director Boughton, Senior Planner Coleman, Engineer 1 Burgess, ...Josh Ranes, Parks & Recreation Director Schoonmaker, Public Works Superintendent Lund

### **MAJOR BUSINESS ITEMS**

- \* \* \* Minutes of March 10, 2021, Council Meeting
- \* \* \* Excuse Councilmember McGinty from 4/21/21 Council Meeting
- \* \* \* Amendment to Contract No. 2020-13, Design and Construction Services for Rotary Morrow Community Park
- \* \* \* BA# 21-0202 LED Street Light Conversion Project
- \* \* \* ESRI Agreement (GIS Software)/Budget Amendment
- \* \* \* New Maintenance Shop Roofing Contract
- \* \* \* Planning On-Call Consultant Contract Selection
- \* \* \* Resolution No. 2021-06, Land Use Fee Schedule Update
- \* \* \* Resolution No. 2021-07, Engineering Fee Schedule Update
- \* \* \* Building Department Update and Staffing Request
- \* \* \* Countywide Planning Policies

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

Mayor Erickson called the virtual meeting to order at 7:01 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** Livdahl.

Motion carried unanimously.

#### **3. COMMENTS FROM CITIZENS**

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

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

Councilmember Livdahl said COVID vaccine appointments are available for walk ins at Safeway and Rite-Aid Pharmacy. She stopped by the new location of Greens on Your Way on 305 & Hostmark.

Councilmember Lord wished everyone a happy Cinco de Mayo. She said we need to support our local businesses and the new businesses venturing forth. She encouraged everyone to get vaccinated.

Councilmember McGinty said he is glad the Governor gave us a couple more weeks to get back on track with the phases.

Councilmember McVey said in addition to Big Leaf Maple opening, he shared that a new barbershop has opened up downtown called Timeless Cuts, Site One Landscape Supply is open on Viking Way, Pape Machinery in the Hudson Auto Building on Viking Way, and Greens on Your Way opened a new restaurant in the 305 Plaza.

Councilmember Musgrove shared he is fully vaccinated. He said he wasn't sure if he wanted to do it. He said while the older people are more at risk, the more adults that get vaccinated, the fewer the children need to do so. So, he is doing it for the kids, if nothing else. West Sound Magazine does an annual readers choice "best of list," and the City of Poulsbo was rated as the best City in the West Sound, and several businesses in Poulsbo also won awards. He shared the history and meaning of Cinco de Mayo.

Councilmember Phillips congratulated the new businesses and all the old businesses who are still around despite COVID. He said the high school winter sports are starting up.

Councilmember Stern shared a photo of a façade improvement of a building downtown. It is a visible representation of resurgence in Poulsbo. He said tax increment financing is a new tool to help grow Poulsbo for economic development. He said the state approved it because we cannot take any cut of their property tax, but we can capture the entire value of the property value increase for up to 25 years and can bond against it to do public infrastructure. This could be used for the abandoned Albertson's building. We could bond for the public infrastructure (stormwater) and in partnership with the private development, get the development done.

Mayor Erickson asked the Council to save May 26 for a Council workshop for Countywide Planning Policies (CPPs) and the American Rescue Plan Act (ARPA). She said there was a pop-up clinic at St. Olaf's last night in partnership with Pacific Wellness Clinic, which targeted our Hispanic citizens. She was elected vice president of PSRC last week. She also announced City Hall is open, and as long as we are in phase three, our doors are open for

counter service (meetings still virtual). She said next week she will bring forward language for a policy that City employees should be vaccinated against COVID.

**a. Department Head Reports**

Public Works Superintendent Lund said crews will be out tomorrow putting up flowerpots downtown.

Parks & Recreation Director Schoonmaker said they are updating their PROS plan, and a survey is up asking for citizen input on the City's website.

Civil Engineer Ranes thanked everyone for their continued patience with the construction project.

**5. CONSENT AGENDA**

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

The items listed are:

- a.** Approval of March 10, 2021, Council Minutes (Fernandez)
- b.** Excuse Councilmember McGinty from 4/21/21 Council Meeting (Fernandez)
- c.** Amendment to Contract No. 2020-13, Design and Construction Services for Rotary Morrow Community Park (Schoonmaker)
- d.** BA# 21-0202 LED Street Light Conversion Project (Lund/Booher)
- e.** ESRI Agreement (GIS Software)/Budget Amendment (Stenstrom/Booher)
- f.** New Maintenance Shop Roofing Contract – Nazarene Church Building (Lund)

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

**6. BUSINESS AGENDA**

**a. Planning On-Call Consultant Contract Selection**

Senior Planner Coleman presented the process staff took and the award recommendations for the selection of On-Call Consultant Contracts in the following categories: Planning Development Review, Engineering Development Review, Landscape Architecture, Urban Design and Architecture, Graphic Design, Public Participation, and GIS.

**Motion:** Move to approve the selected consultants for On-Call Consultant Services in Planning Development Review, Engineering Development Review, Landscape Architecture, Urban Design and Architecture, Graphic Design, Public Participation, and GIS; authorize the Director of Planning and Economic Development to finalize the contracts; and authorize the finalized contracts to be placed on the future consent agenda for approval.

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

Motion carried unanimously.

**b. Resolution No. 2021-06, Land Use Fee Schedule Update**

Senior Planner Coleman presented the agenda summary, noting the Planning Department is recommending updating the Land Use Review Fee Schedule to reflect the past two years of salary increases. Land Use Application fees were last adjusted in 2019. This Resolution will update the 2019 fee schedule by adjusting per the two year negotiated salary increase. This adjustment will increase all application fees and staff hourly charge by 6%. They also added a new service for third party review to expedite review.

Councilmember Lord said this was reviewed at Planning & Economic Development Committee. This captures the costs of staff time and allows new tools to be able review projects in a sensible way. It is vital to stay on top of the reality of our staff time and the actual hours that it takes to get a project expedited. She supports this update.

Councilmember Musgrove said in a general sense this is following our policy of growth paying for growth and we recoup actual costs as much as possible from that growth. The increased cost of appeals is warranted, the past ones have been very substantial, and much higher than what is being proposed in the schedule.

Mayor Erickson said we cannot hire staff for this increased workload. We are creating a plan B for surges. Eventually surges will die down, and we won't need to re-arrange staff.

**Motion:** Move to approve Resolution No. 2021-06, a resolution of the City of Poulsbo, Washington, amending the fee schedule for land use applications adopted pursuant to PMC 3.12.030, as set forth in Attachment A.

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

Motion carried unanimously.

**c. Resolution No. 2021-07, Engineering fee Schedule Update**

Engineer 1 Burgess presented the agenda summary, noting the Engineering Department is recommending updating the Engineering Fee Schedule and Grading Permit application fees to reflect the past two years of salary increases. Engineering Application fees were last adjusted in 2019. This resolution will update the 2019 fee schedule by adjusting per the two-year negotiated salary increase. This adjustment will increase all application fees and staff hourly charge by 6%.

Councilmember Lord reported the Public Works Committee reviewed and recommended approval.

Councilmember Musgrove said he appreciates that when we negotiate union contracts that we don't charge the increase rate until we get there. We are not pre-charging for increases coming down the pipe.

**Motion:** Move to approve Resolution No. 2021-07, a resolution of the City of Poulsbo, Washington, amending the fee schedule for land use applications adopted pursuant to PMC 3.12.030, as set forth in Attachment A.

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

Motion carried unanimously.

#### d. **Building Department Update and Staffing Request**

Engineer 1 Burgess presented the Building Department update and staffing request. Presentation highlights include:

- Staffing levels and vacancies
- Top priority is filling the Building Inspector position and total costs to fund the position
- Number of building permits issued 2016-2021 YTD 04/20/21
- Building permit pipeline of approved not issued permits and permits under review
- Developer construction permit status
- A budget amendment would be prepared for this position by the Finance Department as part of their salaries and benefits amendment

Councilmember Lord said this was presented at Public Works Committee, and it was shocking to realize how hard staff is having to work under the current workload. We have had a quality level of service, and this will help us protect that, and help staff not get so overwhelmed that they cannot keep up.

**Motion:** Move to approve a 2021 budget amendment in the amount of \$66,000 and authorize the Director of Engineering to hire a Building Inspector for the Building Department.

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

e. **Countywide Planning Policies (CPP) Presentation**

Sophie Glass, Kitsap Regional Coordinating Council, gave a presentation on the Countywide Planning Policies Update. Presentation highlights included:

- Kitsap CPP Update Overview
  - What are Countywide Planning Policies
  - CPP Update Goals
  - How policy intersects with action
  - Approved timeline
- Overview of CPP Elements
  - Guiding Questions
  - Vision
  - Policies for Updates and Ratifications
  - Element A – Countywide Growth Pattern (CW)
  - Element B – Urban Growth Areas (UGA)
  - Element C – Centers of Growth (C)
  - Element D – Rural Land Uses and Development Patterns (R)
  - Element E – Countywide Strategies for the Natural Environment
  - Element F – Contiguous, Compatible, and Orderly Development (D)
  - Element G – Siting Public Capital Facilities
  - Element H – Transportation
  - Element I – Housing
  - Element J – Countywide Economic Development (ED)
  - Element K – An analysis of fiscal impact (F)
  - Element L – Coordination with Tribal Governments (CT)
  - Element M – Coordination with Federal Governments inc. Navy (CF)
  - Element N – Roles and Responsibilities (RR)
- Public Engagement

Ms. Glass noted Element D is missing from the draft document that was released, because there are still several questions with what is proposed to be a rural center. There are two points of view: 1) Rural Centers (Limited Areas of More Intensive Development – LAMIRD) are places that have historically been part of Kitsap and certain jurisdictions felt these needed to be recognized as centers and need to have a basic level of rural service, whereas the other opinion is that 2) by calling it a "Rural Center," it might imply that there is growth that should be targeted there and it creates confusion when we talk about a vision of growth across Kitsap being based around centers that perhaps the notion might unintentionally draw growth and transportation dollars. Over the next several weeks, policy makers of KRCC will have conversations

about this and they hope they can reach agreement. Then there will be a separate comment period for rural centers.

Councilmember McGinty asked for examples of areas where this is being considered. Ms. Glass said Suquamish, Manchester, Keyport.

Mayor Erickson said the argument is if you call it a "center for growth," that defeats the purpose of the Growth Management Act (GMA), which is the rural areas are not suppose to grow, they are suppose to move into the cities. The County wants to have funding from various funds to support transportation infrastructure in these rural centers. If you build road and transportation infrastructure in rural centers and have language like infill, you are going to have growth. The cities have banded together with the Suquamish Tribe in opposition to this. The biggest concern is Manchester right now, with the fast ferry being added to Southworth. It is in the middle of nowhere and there will be a large push for transportation infrastructure into that area and a pressure to have it grow. That has not been an acceptable GMA policy. We want the rural lands to stay rural and the growth to occur in the cities. It is a fight over money as well.

Councilmember Musgrove said there are conflicts between the intentions of the GMA and the actual real effects of what you do. If you designate a center, then de facto you are opening the door to growth in perhaps in areas where it is not appropriate or planned. Conversely, when you do center picking, you are picking winners.

Mayor Erickson noted Kitsap County has a pattern of taking rural areas and not converting them into cities (Silverdale and Kingston). Having growth go everywhere is very expensive from an infrastructure standpoint.

Regarding Element G, Councilmember Stern said Poulsbo experienced having convicted ex-felons being housed on the other side of City limit boundaries where there was no process for review or public comment. He asked how that would be addressed. Ms. Glass said she will send a copy of the RCW that lists the facilities that pertain to this element.

Councilmember McGinty asked if density was discussed. Mayor Erickson said they have not discussed density yet.

Councilmember McVey put in a plug to look for ways that jurisdictions can work together more effectively particularly in terms of economic development. He mentioned an Albertsons building that has been vacant for six years. It is an important regional space on SR-305.

Councilmember Lord recommended that more of an overarching stakeholder list include all the ports (especially water-based ports).

Councilmember Musgrove said business organizations should have a high interest in this, all this directly impacts what happens to them. However, right now those people have their hands full just trying to survive. They need to be part of it and have simplified overviews presented to them. He said it would be great if they were able to present to business organizations, to give a short presentation tailored to them to give them a quick synopsis. Ms. Glass said they will be meeting with KEDA, and they also have Chambers of Commerce on their list. They will make an offer to attend their meetings and give a short presentation. Councilmember Musgrove added the Small Business Development Center would be a good one to include. Councilmember Lord said they should include the Historic Downtown Poulsbo Association. Mayor Erickson said they should reach out to school districts as well.

Mayor Erickson said this would go next to the Poulsbo Planning Commission and then to the City Council in a workshop on May 26.

Councilmember Stern thanked Ms. Glass for giving an outstanding presentation. He commended Planning & Economic Development Director Boughton who has done an outstanding job in leadership for the land use committee comprised of the planning directors throughout the county. Mayor Erickson said there was heavy lifting in the "Centers" Chapter and Karla rewrote it herself. She said Karla has done a great job with this. Ms. Glass said it has been a joy to watch Karla's graceful leadership through the process.

Councilmember Musgrove said they have started looking at this in the Planning & Economic Development Committee, this is important, a few words here or there can make a huge difference. Fortunately, we have professionals (Boughton & Coleman) to guide us through this.

Mayor Erickson emailed the draft to the Council. If they have questions, please reach out to her or Planning & Economic Development Director Boughton.

## 7. COUNCIL COMMITTEE REPORTS

Economic Development/Planning Committee: Councilmember Lord highlighted what is being worked on: Shoreline Master Plan Update, Housing Action Plan (consulting helping with that, goal is to finalize it in June to fulfil GMA requirements for the Comprehensive Plan); Commercial Land Analysis draft is coming in May or June (no hard deadline, but coordinates with Comp Plan Update); and Buildable Lands Analysis. They received an update on the overall development review (huge waves of activity with three major downtown projects happening simultaneously).

*Housing, Health, and Human Services Committee:* Councilmember Livdahl reported the committee discussed distinctions regarding what Housing, Health & Human Services does in housing verses Planning & Economic Development and Community Services Committees; positive COVID case in City Hall; City Hall is open (closed for lunch); new emergency communication software (Nixle) – text “Poulsbo” to 888-777 to receive alerts from the City on emergent messages; received the 1<sup>st</sup> Quarter Fire Cares report; Nordic Cottage update (water line has to be moved – need to find grant funding); the Chamber of Commerce said vaccines should be incentivized (partner with local businesses – small denomination gift cards). The Committee recommended restoring KEDA and Lobbyist Services contracts back to original funding levels with American Recovery funding.

*Finance-Administration Committee:* Councilmember McVey reported they received a Real Estate Excise Tax Report (67% of budget for 2021 in first three months) and Sales Tax Report (revenues are up 33%). They discussed the American Rescue Plan Act funding (the Mayor sent out a draft spreadsheet to gather ideas as they wait for guidelines on how to spend the funds).

*Public Works Committee:* Councilmember Lord reported they discussed potential solar-powered, trash-compacting garbage receptables downtown; hazardous waste event at Decant Facility in September in coordination with Kitsap County; Raab Park Caretaker moved in last weekend; need a policy on new connection fees; sewer storage project is a critical project recommended by BHC (we need to anticipate major storm events and have a way to capture overflow of stormwater); update on the overall sewer situation with the siphon issues (Council Workshop on May 19, Sewer Advisory Committee will attend); Noll Road North project update (bypass road around the roundabout will be removed by June 15).

## **8. BOARD/COMMISSION REPORTS**

Councilmember Stern noted the known units that will be built in Poulsbo from the Planning & Economic Development newsletter, and it implies 1339 separate units, which does not include ones in pre-application. That is an incredible population growth. Mayor Erickson said that is why it is important they get the Countywide Planning Policies correct, so they can have the funding sources to deal with the transportation impacts.

Mayor Erickson said at Kitsap Transit they received a comprehensive report on what transit has done to deal with the pandemic and transit is trying to figure out a way to offer a free month pass for vaccinated riders; Health District passed an equity resolution regarding public health (available online) and received an update on COVID numbers; Kitsap 911/CenCom voted to add a resolution to the ballot to raise sales tax (1/10<sup>th</sup> of 1%) to build a new radio station for the County (\$41MM project to pay for all of the capital); and Housing Kitsap interviewed for a new Executive Director.

## **9. CONTINUED COMMENTS FROM CITIZENS**

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

## **10. MAYOR & COUNCILMEMBER COMMENTS**

Councilmember Musgrove noted a federal judge vacated the CDC's eviction moratorium. It would be good to get a short statement of what the situation is in Poulsbo/Kitsap County to help inform locals of what is going on.

Councilmember Phillips encouraged everyone to eat and shop local, and thanked the police and fire department staff for their work.

## **11. ADJOURNMENT**

**Motion:** Move to adjourn at 9:07 p.m.,

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

Motion carried unanimously.

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Rebecca Erickson, Mayor

ATTEST:

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Rhiannon Fernandez, CMC, City Clerk