

## POULSBO CITY COUNCIL MEETING OF DECEMBER 8, 2021

### MINUTES

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

**Staff:** Finance Director Booher, City Clerk Fernandez, Director of Engineering Lenius, Parks & Recreation Director Schoonmaker, Senior Planner Coleman, Engineer 1 Burgess, Senior Accountant Gaines, Police Chief Harding, Public Works Superintendent Lund

**ABSENT:** Councilmember Stern

### MAJOR BUSINESS ITEMS

- \* \* \* Ordinance No. 2021-14, Adoption of the Mid-Biennial Budget Amendment
- \* \* \* Ordinance No. 2021-15, Establishing Transportation Benefit District
- \* \* \* Resolution No. 2021-13, Adopting Housing Action Plan
- \* \* \* First Reading of PROS Plan Adoption
- \* \* \* Summer Fair Update

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

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

#### 2. AGENDA APPROVAL

Mayor Erickson said item 4a was a duplicate from last week's meeting, and will be removed from tonight's meeting.

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

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

Motion carried unanimously.

#### 3. COMMENTS FROM CITIZENS

City Clerk Fernandez read the following emails into the record:

- Ron Nunes wrote against relaxing rules for accessory dwelling units in the Housing Action Plan.

- Lynn Myrvang wrote against adoption of the Transportation Benefit District and asked if there were other ways to fund the road improvements.

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

Councilmember Livdahl said tomorrow Kitsap Regional Library is hosting a Zoom anti-racism learning circle. They are doing this monthly (second Thursday of the month from 5-6pm). She said on December 11 is the lighted ship parade as well as caroling and a bonfire.

Councilmember Lord said lighted ship parade begins at 4:30 p.m. She said the HDPA has done an incredible job decorating downtown.

Councilmember Musgrove said the Association of Washington Cities puts on webinars about diversity, equity, and inclusion. They also have an equity resource guide. He said the Chamber of Commerce moved into their their new location on Jenson and Iverson next to Big Leaf Maple Bakery. The new Chamber President is Gary Zambor.

Councilmember Phillips said shop with a cop was a great event. He said there are lot of opportunities to donate gifts to kids. Also, Santa will be coming through the neighborhoods on the fire trucks with Poulsbo Fire.

Mayor Erickson said she had never seen so many people at Yule Fest before. The bazaar at the Sons of Norway was packed. She went to Shop with a Cop and came back down to Yulefest for the procession and the bonfire lighting. The Kitsap Sun reported 4000 people going through the Sons of Norway. It was an amazing afternoon. She also announced Olmsted has 750 free trees that need to be planted this weekend; five Douglas fir trees per person.

At 7:14pm, Councilmember McVey joined the meeting. He announced the Human Rights Conference this Saturday from 9am-4pm sponsored by Kitsap County.

##### **a. Department Head Reports**

Public Works Superintendent Lund said to drive safe and be careful, it is hailing right now, and the roads are white.

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

None.

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

**a. Ordinance No. 2021-14, Adoption of the Mid-Biennial Budget Amendment**

Finance Director Booher presented the 2021-22 mid-biennial budget amendment for adoption which included a review: 2021-22 budget changes review for general fund revenues and expenditures and other fund revenues; mid-year modification requests; capital project updates from CIP; various wage and benefits changes.

Councilmember Musgrove commented that \$99MM is a big figure, but a great deal of that funding is state and federal funding and the City is tasked with using it well.

**Motion:** Move to approve Ordinance 2021-14, an ordinance of the City of Poulsbo, Washington, adopting the mid-biennial budget amendment of the City, for the fiscal years 2021/2022 commencing January 1, 2021, and approving an ordinance summary for publication.

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

**b. Ordinance No. 2021-15, Establishing a Transportation Benefit District**

Finance Director Booher presented the agenda summary, noting the ordinance is to establish a Transportation Benefit District as allowed by Chapter 36.73 RCW. The ordinance specifies the boundaries as the corporate limits of the City of Poulsbo as they now exist or may hereafter be altered by future annexation, defines transportation capital improvements as defined and delegated for TBD funding in the annually updated City's Transportation Improvement Plan, and allows the board to impose a vehicle license fee of up to \$20.

Councilmember Lord asked for clarification on Section 5, Item B. It says the State law allows this district to assess other taxes, fees, charges, and tolls and impose increases in the same for the uses and purposes identified in Section 6, which is use of the funds. Her concern is they have already identified there will not be any automatic increases without councilmatic approval, so she is confused on this section.

Finance Director Booher said the ordinance was written by City Attorney Haney who has written these types of ordinances for other jurisdictions. The intent is to have a \$20 TBD fee, which will increase car tab fees by \$20.

Councilmember Lord said she was more concerned about the verbiage in 5b. Councilmember Livdahl noted the section says when it is approved by voters. Mayor Erickson said her understanding from the City Attorney is anything additional must be voted on by the City Council. Finance Director agreed, a vote will be needed by the people for other taxes aside from the \$20 fee.

Councilmember Musgrove said he understands this is not popular with inflation; however, it is justified as required for the City to access certain grants that are not available unless you have utilized all available local tools, which includes the TBD tab fee. It will also only be used for funding improvements to residential streets. He asked if the Council agreed that they do not intend to increase above \$20 in the future, and that TBD funds will add to, not replace, existing Neighborhood Streets funding. This should be an increase for the street maintenance.

Councilmember McVey concurred with most points, but he is not willing to commit to never raising it beyond the \$20; that is not fair to future Councils. He is prepared to vote for this tonight. They have had many conversations on the need for these funds and the deferred maintenance in the neighborhood streets.

**Motion:** Move to approve Ordinance 2021-15, an ordinance of the City of Poulsbo, Washington, establishing a Transportation Benefit District; specifying the boundaries for the Transportation Benefit District; specifying the Transportation Improvements to be funded by the Transportation Benefit District; and authorizing the Transportation Benefit District Board to establish an Annual Vehicle License Fee and other charges as authorized by Chapter 36.73 RCW; providing for severability and establishing an effective date.

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

**Discussion:** Councilmember Lord said was for this to be a Neighborhood Street focus and a way to fulfill constraints by grant applications. This ordinance does not specify it is for Neighborhood Streets; it is very broad.

Councilmember Livdahl said they know where their gaps are, and Neighborhood Streets are in need of repair. She agrees generally with what has been said. They don't necessarily need to increase the fee, but having the option is smart. She commented on Lynn Myrvang's request to access other funding to do this needed work and the City knows that ARPA and CARES is limited, and the funding they have available is for infrastructure projects (sewer/water). Some streets may be impacted by improving the infrastructure of those streets. We cannot just fix streets with that designated funding.

Councilmember McGinty said he spent a lot of time talking with the Mayor and staff to learn why the City needs this additional funding. He eventually concluded this was the right thing to do. He may not like having to do, but agrees it needs to be done.

Councilmember Musgrove said they could put into the record the intent of the passing council as to the intent of what they are passing and why they are passing it. That was his intent with his previous comments.

Councilmember Lord said she supports this from the philosophy of when they intend to do this to help themselves supplement neighborhood streets and she supports keeping this limited. She does not want to hamstring a future Council. She is concerned about how broad the ordinance is written, it does not zero down to their intent. She is concerned about the overarching descriptions of what it could be used for and the possible other things the Council could do to supplement this funding. She supports this with the understanding that it is needed, specifically for neighborhood streets funding and not increasing the fee year after year. She is comfortable with the fact it takes a Council vote to increase the \$20.

Councilmember McVey said they control the budget. If something comes before them that isn't what they want, they can vote it down. He is comfortable with that. Councilmember McVey called for the question.

Motion carried unanimously.

**c. Resolution No. 2021-13, Adopting Housing Action Plan**

Senior Planner Coleman presented the agenda summary, noting Poulsbo was awarded a \$40,000 grant from the Dept of Commerce to complete a Housing Action Plan (HAP). The funds were authorized as part of HB1923 to increase residential building capacity in WA communities. The HAP identifies strategies Poulsbo may implement to support housing opportunities for residents at all income levels. Providing a sufficient supply of both market-rate and income-qualified affordable housing also supports stability, vibrant neighborhoods, and economic vitality. A City Council workshop was held on November 10 and several amendments were identified. The City Council reviewed those amendments on December 1.

Councilmember Lord responded to the comment about ADUs increasing from 1 to 2. She said any change to that will go through a process with public input and opportunity to weigh in. This is a policy document.

**Motion:** Move to approve Resolution No. 2021-13, a Resolution of the City of Poulsbo, Washington, approving the city's housing action plan as a guiding document with recommendations for future housing policy, planning, and regulatory amendments to improve housing options that are safe and affordable for the entire community.

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

**Discussion:** Councilmember Musgrove said it is nice to know this is a living document. We are getting the basic framework in there. He said emergency tools should be retained as emergency tools, for example ADUs and residences in non-residential areas should be used as gap fillers, not primary tools for planning housing. He would like to prioritize development of the UGAs as a primary tool in the Housing Action Plan.

Councilmember McVey asked how long of a time frame is the plan intended for. Senior Planner Coleman said there is no set structure yet from the State as far as how often it needs to be updated, but they are looking at it as the same cycle as the Comp Plan.

Motion carried unanimously.

#### **d. First Reading of PROS Plan Adoption**

Parks & Recreation Director Schoonmaker and Senior Planner Coleman presented the agenda summary, noting Poulsbo updates its PROS Plan every six years, as required by the Washington State Recreation and Conservation Office (RCO), to maintain eligibility for federal and state grant programs. The PROS Plan is also meeting the Growth Management (GMA) requirements, by identifying parks and open space goals and policies, including a demand and needs analysis based upon the city's assigned population allocation, and identifying future parkland acquisition and park development improvements which will be included in the City's Capital Facilities Plan. If approved by the City Council via resolution on December 15, this functional plan will be included in the 2022 Comprehensive Plan Amendment process.

Councilmember McVey asked who establishes the level of service (LOS) guidelines and have they done a study to see how Poulsbo compares to other cities its size. Senior Planner Coleman said the LOS is set by the PROS plan after quite a bit of research. They looked at where they fit for similar or adjacent jurisdictions, and we are in the middle.

Councilmember McGinty asked if the property on Hwy 3 and old dump site was put in the analysis. Senior Planner Coleman said it is under the parks properties. Mayor Erickson clarified the 125-acre parcel is still owned by the County.

Councilmember Musgrove thanked Parks & Recreation Director Schoonmaker for providing a check in and heads up for the missing Chapter 7. It is a great idea to make it a standalone to give it the time and effort it deserves. He asks how the intent of the plan matches up with the mission statement of the Parks & Recreation department.

Councilmember Lord said at the Community Services Committee they had their first look at this and had a chance to ask questions and the committee is recommending

approval once it gets to that point. They had a conversation about the park acreage that is in tables in the document. They discussed if they could use the acreage the city has in Liberty Bay as part of the parks inventory since it is a recreational body of water. The Committee encouraged this be annotated into the document that it is partially fulfilling part of our park average requirement. Mayor Erickson said it became more germane when they created the water trails and maps. It is a recreational asset.

Councilmember McVey asked if there were any concerns the committee had. Councilmember Lord said none were raised at the committee.

Councilmember Musgrove appreciates the good look of all of our assets. It is good to see who can use these properties best as they move forward.

Parks & Recreation Schoonmaker said the pop-ups in the park added more input (even though the survey numbers seemed low. They got valuable feedback. There are a couple of properties that will soon come before the Council to be donated to the City that will help increase the numbers.

#### **e. Summer Fair Update**

Engineer 1 Burgess presented the agenda summary, noting businesses are utilizing public right-of-way under the current 2020 Summer Fair extension. This program is set to expire December 31, 2021. City Council committed to extending the summer fair until December 31, 2022, and requested a formal presentation of renewed requirements and costs prior to making a motion. The presentation outlined the responses to Council comments from the October 6th City Council meeting and proposed the 2022 Summer Fair Streatery Permit requirements.

Councilmember McGinty said there has been discussion about the spaces not being used to their capacity. With that in mind, are there any thoughts on enforcement when they are not using it for the minimum time requirement. Engineer 1 Burgess said they feel the payment of fee will encourage businesses to use their streatery space. The application requires them to identify which months they want to use the space, it is not open ended. As far as enforcement, that is something they can look at if they want to formalize this outside of the COVID-19 measure. They have advised the business owners who have designed these spaces that they should be designed in a way that they can be quickly removed. That is going to be a requirement of the new application.

Councilmember McVey said they might want to consider a minimum number of days of the week the space must be used. They want to avoid taking up parking spots for streateries that are only being used a couple days of the week. Another clarification they have in there is the winter use would be limited to covered areas. He asked what would be considered a covered area. Does it include umbrellas, tents, or hard structures. Engineer 1 Burgess said they have examples like Western Red and Burrata

Bistro. They must be covered and weather resistant. Director of Engineering Lenius said they are open to different types of covered areas; it is what makes it eclectic. The important factor is that it is stable during the weather. It could be a certain type of umbrella if it were anchored.

Councilmember McGinty asked about the chairs at Hot Shots which are covered, and what about the winery, would they be required to remove that, and what is considered to be the winter season. Engineer 1 Burgess said they are primarily concerned about structures in the roadway. In adverse weather the tables and chairs can be removed or taken down at night, but the larger structures need to be more weather resistant. Director of Engineering Lenius said their thought process was related to uses with the spaces using the parking stalls. If they didn't have a covered dining area, it is unlikely for it to get the full usage during the winter. That is why they incorporated that thought process. They haven't defined winter, but they left it flexible.

Councilmember McVey encouraged a grace period for coming into compliance with the new requirements (30 or 60 days).

Councilmember Lord said by allowing totally flexible design which doesn't meet a particular standard, does that mean we are not issuing building permits for the structures and not inspecting their stability for safety. Engineer 1 Burgess said the department looks at each proposal's dimensional plan to make sure they are fitting in the confines of the existing permit. They work with the installers and walk down with the building department to make sure they are doing it correctly. They provide oversight and advice on how to construct. The permittees provide their own insurance. Director of Engineering Lenius said they do not issue building permits in the right-of-way.

Mayor Erickson said winter should be November 1 through March 1. The Council agreed.

Councilmember Musgrove asked if we have a draft permit. Engineer 1 Burgess said they kept the existing permit form, because it was reviewed by the City Attorney, and added the specific requirements for dimensions and the date range will be specific requirements under bullet points. They understand the end user may not be hiring an architect or a builder, so they wanted to keep the application user friendly.

Councilmember Musgrove said if they have unsecured tables and chairs, and take them off the streets, is it permissible. Is there a minimum number hours it needs to be available during businesses hours, or is it all of the business hours of the using business.

Mayor Erickson said she thought she heard Councilmember McVey say he thought they should be open a minimum number of days during the week.

Councilmember McVey thinks they should have some sort of minimum requirement, especially on Front Street in the parking stalls/right-of-way. It isn't fair to occupy the space 7 days a week, but only use it one or two days a week. He was suggesting perhaps 5 days week. He also recognized the summer fair/streateries program has been a success in the city and has saved businesses who have been able to use the spaces. He commended the Mayor and her staff for being flexible during these challenging times. It has added vibrancy and revenue to our City, and it has helped many merchants during a difficult period with the pandemic. He also added many of the reason for why this process was started are still with us unfortunately.

Councilmember Musgrove asked about private use during business hours and if the merchants can deny use to anyone except customers. He understands the tables and chairs are fine as long as they clear ADA, so just to clarify, the tables and chairs that were scattered downtown do or do not come under permitting, structures, or any other requirement. Mayor Erickson said they are open, and not exclusive to any one business. No permit is required, it is like a park bench. He asked about a grace period to do the change of the existing ones. He asked about the negative impact to all of the businesses downtown equaling \$10,000 for each parking space taken. He thinks they need to be addressed as they move forward.

**Motion:** Move to approve extension of the Poulsbo Summer Fair until December 31, 2022, and to incorporate the streatory permit application and fee requirements as presented.

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

**Discussion:** Councilmember McVey said he supports the permit requirements. If they need to make some adjustments, they can bring it back. Mayor Erickson said they will tweak it and make it usable to all of the merchants downtown. But they do need to charge people for using some of these spaces and need to go forward to having more regulations on this.

Councilmember Lord questioned if they need to amend the motion to allow a grace period. Engineer 1 Burgess said they will start reaching out to the business owners and come up with an individual plan for each of them. They want them to reapply or commit to removing their structures by the end of the year, and they will have a grace period of 30 days for any modifications or additions and work with them on a case-by-case basis.

Councilmember McGinty asked Engineer 1 Burgess to be clear that these are temporary right now, not permanent.

Motion carried 5-1, Councilmember Musgrove voted no.

## **7. COUNCIL COMMITTEE REPORTS**

Public Works Committee: Councilmember Musgrove reported they have new hires in the Engineering Department (Engineering Tech and Construction Inspector). Engineer 1 Burgess will be out January and February. They discussed the expired Bainbridge Island Disposal contract and negotiations continue on proposed rate increases. They received an update on the Westside Well progress with an upcoming budget amendment, the Systemic Safety Project which will also have a budget amendment due to additional expenses, and the Lincoln Road survey update (related to the triangle property).

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

Mayor Erickson said at the Kitsap Regional Coordinating Council yesterday and they had a tough conversation about population allocation through 2036. They want us to figure out our allocation, but they don't want to talk about the type of housing or the number of units everyone is expected to produce. If you have an allocation of people, but don't talk about the housing, you won't be able to discuss the type of zoning you will need in order to house them. The cities of Port Orchard, Poulsbo, Bainbridge Island the urban growth area of Kingston have to split up 29,000 additional people. She is concerned that without them talking about what type of housing they will be allocated to, we will have an expectation that we will grow when we don't have the capability of growing. The other piece is they are being told it is difficult to expand our urban growth area (UGA). If Poulsbo must take 8,000 and they won't let Poulsbo get bigger, that means a material change in how we house our people. The Council needs to have this conversation. She will do more homework, and then schedule a workshop on what the ramifications are. She heard Mr. Nunes' comment tonight about not wanting ADUs. At KRCC she noted Poulsbo has taken in most of its UGA and we don't have any more space. The Bremerton Mayor responded they all have space, they have air space, which means going up. She is not sure that is what the people of Poulsbo want. We need to make sure the character of our community is protected.

Councilmember Lord thanked Mayor Erickson for attending these meetings and representing Poulsbo. She supports a workshop. She would appreciate getting an understanding of they won't allow UGA expansion.

Councilmember McGinty said he supports the Mayor. They have run into this problem before, and they have to look at this from a wholistic view.

Councilmember Musgrove thanked the Mayor, and said it is their responsibility to give the policy so the Mayor can represent them knowing she has their support and can stand in confidence at these meetings.

Mayor Erickson said she will organize more information and get workshops scheduled so they can make the right decision for Poulsbo.

## 9. CONTINUED COMMENTS FROM CITIZENS

Rick Eckert said tonight there were a lot of good discussions, and they have his support. He wished them Merry Christmas.

## 10. MAYOR & COUNCILMEMBER COMMENTS

Councilmember Livdahl reminded everyone to shop local while they do their holiday shopping.

Councilmember Lord thanked the Council and Mayor for going through a number of difficult topics tonight, and she respects the dissension. She thanked them for being cordial and respectful with each other, so they can agree to disagree and move forward.

Councilmember McGinty thanked the Mayor for the work she is doing.

Councilmember McVey wished everyone happy holidays.

Councilmember Musgrove said he loves streateries and tables and chairs and things that can create a positive experience for visitors and business owners. It comes down to ethics and he has to do his job, whether he loves it or not. He asked everyone to be kind, caring and considerate.

Mayor Erickson said they don't always have to agree, but they have to be respectful to each other.

## 11. ADJOURNMENT

**Motion:** Move to adjourn at 9:23 p.m.,

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

Motion carried unanimously.

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Rebecca Erickson, Mayor

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Rhiannon Fernandez, CMC, City Clerk