

POULSBO CITY COUNCIL MEETING OF JANUARY 19, 2022

MINUTES

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

Staff: City Clerk Fernandez, Housing, Health & Human Services Director Hendrickson, Planning & Economic Development Director Wright, Police Chief Harding, Parks & Recreation Director Schoonmaker, Senior Planner Coleman, Engineer I Roberts, Consultant Phil Struck, Consultant Karla Boughton

MAJOR BUSINESS ITEMS

- * * * Representative Kilmer's Report
- * * * PRTPO 2022 Appointments
- * * * South Fork Dogfish Creek Retrofit Project Consultant Amendment
- * * * Coffee Oasis Coffeehouse 2022 Lease Extension
- * * * 2022 Comprehensive Plan Amendment Docket
- * * * Resolution No. 2022-04, Land Use Fee Schedule Update
- * * * Iverson Lincoln Survey Project Update/Consultant Contract and Budget Amendment
- * * * Crystal View Div. 2 Final Plat
- * * * Resolution No. 2022-05, Housing Kitsap ILA-Nordic Cottage Project
- * * * Executive Session re Real Estate Matters

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

Motion: Move to approve the agenda as presented.

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

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 Phillips noted the NKHS basketball team broke a record.

Mayor Erickson asked for Council concurrence on reappointment of Councilmember Stern and Transportation Engineer Bateman to the Peninsula Regional Transportation Planning Organization. The Council concurred with the reappointments for 2022.

Mayor Erickson said she is writing a letter of support to fund the school district's levy. She noted that she will be writing the letter as a citizen, and not as the Mayor.

Mayor Erickson reported she was approached by Kitsap County to have a conversation about assuming Snyder Field.

She also is having quarterly meetings with Kitsap County and WSDOT regarding SR-3, SR-307, SR-305, and SR-307.

- a. Representative Kilmer gave a briefing on the new Bipartisan Infrastructure Law, Build Back Better Act, held a Q&A session (presentation began at 8:00 p.m.)
- b. Finalized Council Committee Assignments - Erickson said the finalized committees discussed last week are in the packet for their review. Please let her know if there are any discrepancies or concerns. Livdahl asked about LTAC. She and Stern and will discuss who will chair it.
- c. Department Head Reports
 - Engineer 1 Roberts reported there are new employees starting this week in the Engineering Department (Sam Snook and Daniel Cochran); he gave an update on the Sophie Project (old city hall) and anticipated construction impacts (HDPAs will be notified about the upcoming closure).
 - Planning & Economic Development Director Wright said her department is planning for its first planning commission next week. They will be putting together a transaction report for 2021. They will also be looking at their workplan for the year.

5. CONSENT AGENDA

Motion: Move to approve Consent Agenda items a and b.

The items listed are:

- a. South Fork Dogfish Creek Retrofit Project Consultant Amendment
- b. Coffee Oasis Coffeehouse 2022 Lease Extension

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

6. BUSINESS AGENDA

a. 2022 Comprehensive Plan Amendment Docket

Senior Planner Coleman presented the agenda summary, noting Poulsbo Municipal Code 19.40.050 sets forth the procedure for docketing and reviewing proposed comprehensive plan amendments. The Planning and Economic Development Department prepares a list of proposed amendments to present to City Council. The City Council shall review the list at a public meeting and determine which, if any, of the proposed amendments shall be processed further. An overview of the 2022 applications was given:

- P-11-15-21-01 – Site Specific, Pasma Property (private property owner initiated)
- P-11-12-21-01 – Text Amendment – Planning Dept (City initiated)
- P-11-12-21-02 – Text Amendment – Parks Dept (City initiated)

Councilmember Musgrove said the applications for the City departments were blank and asked if it was a technical issue. Senior Planner Coleman said it was a technical issue, and she will get them updated and resent.

Motion: Move to approve the 2022 Comprehensive Plan Docket as set forth in the 2022 Comprehensive Plan Amendment Docket table and exhibits.

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

Motion carried unanimously.

At 8:00 p.m., Councilmember Phillips left the meeting.

b. Resolution No. 2022-04, Land Use Fee Schedule Update

Planning & Economic Development Director Wright presented the agenda summary, noting the PED Department is recommending a minor update to the Planning Fee Schedule to:

1. Clean up a discrepancy with "Additional Submittal Review Fees" and have the additional fees apply to all land use applications;
2. Change typographical error within Deposits note from "per PMC 13.12.010" to "per PMC 3.12.010;" and
3. Increase the deposit for tree retention peer review to represent current costs.

The Planning Fee Schedule was last adjusted in 2021 and the next major update is scheduled for early 2023.

Councilmember Lord asked about the rebate citizens can get, and if the charge is based on an hourly rate, so they can calculate what wasn't used and refunded to the applicant. Planning & Economic Development Director Wright agreed that was correct. Councilmember Lord recommended for the tree retention fee, it needs to be spelled out how it is based to get the refund, rather than a general statement. Senior Coleman said when they have an application come in, they get a quote from the arborist, and do a task order. He submits a memo when he is finished and submits an invoice, and the amount is taken out of the escrow account. The applicant understands it is an escrow situation.

Motion: Move to approve Resolution No. 2022-04, a resolution of the City of Poulsbo, Washington, amending the fee schedule for Planning applications adopted pursuant to PMC 3.12.030, as set forth in Attachment A.

Discussion: Councilmember Stern asked about codifying specific fees, and if there was another method for codifying fees and provide a way to adjust fees without coming to Council. Mayor Erickson said they need to be codified for a legal and audit standard that shows a list that is adopted into the code. They are easy to modify and recognize. Councilmember Lord said for transparency, having everything codified is good for the citizens, even if it is a hassle to change every once in a while.

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

Motion carried unanimously.

c. Iverson Lincoln Survey Project Update/Consultant Contract Amendment and Budget Amendment

Phil Struck presented the agenda summary and reviewed progress on the survey and title research for Triangle Property, Lincoln Road and Iverson St, discussed the scope of work and costs associated with the proposed \$20,000 budget amendment. The proposed consultant task authorization amendment for \$7,000 would extend the schedule and provide additional budget for chain of title research and boundary line agreement.

Councilmember Lord asked if there was a state law that protects existing graveyards that you cannot encroach on the existing graves, and part of this is to be in compliance with state law. Phill Struck said he is unsure about the law, but he has encountered this before. The age of the cemetery has a historical nexus, and there would be a high degree of sensitivity, if not a legal requirement, to resolve this in a way that does not affect the grave sites.

Councilmember Stern asked what the driver is to do this work right now. Phil Struck said there are three issues, and they are related, yet separated. The first was the triangle property, the Nordic Cottage project was in development and there was

some concern about whether the title is clear on that property. The task was to develop a survey and verify if the City has clear title to that property. The genesis of Lincoln Road was somewhat between the church and the City, and the church being aware there were potentially graves in the right-of-way, and wanting to get it resolved. The Public Works site was a recognition that the site is in a transitional phase, and this is housekeeping to start getting the right-of-way established, and how to make that property more flexible for potential uses.

Councilmember Musgrove said this was reported out at last week's meeting, and it was presented to the Public Works Committee and recommended out to the Council for approval. There are separate issues all in the same project, and if necessary they could divide out cost allocations, but they are connected because they are all on the same road.

Councilmember McVey asked if they spend this additional money will they get clear title and be able to move forward with the Nordic Cottages project. Phil Struck said they will be able to move forward.

Councilmember McVey asked if the motion had to be two motions or could be done with one motion combining the two items. Councilmember Lord asked for them to be separate motions.

Motion: Move to approve the project budget amendment in the amount of \$20,000 for additional title research and survey efforts to resolve the issues at the Triangle and Lincoln.

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

Motion: Move to approve the KPG Consultant contract amendment in the amount of \$7,000 to provide additional budget for chain of title research and boundary line agreement and authorize the Mayor to sign the amendment on behalf of the City.

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

Discussion: Councilmember Lord said the only record they have for posterity is the minutes and it is worthy to separate the motions. While these items are related, they are separate actions.

Motion carried unanimously.

d. Crystal View Div. 2 Final Plat

Engineer 1 Roberts presented the agenda summary, noting the infrastructure for Division 2 of the plat of Crystal View, a 46 lot plat located adjacent to Sunset Ridge, has been completed to the satisfaction of the Engineering, Planning, and Public

Works Department. Division 2 completes the remaining 25 of the total 46 lots. Division 1 of Crystal View was final platted in April 2021. Division 2 is the final division in the Crystal View Plat. Crystal View Division 2 as proposed for final plat, conforms to the terms of preliminary plat approval as addressed in the final plat staff report. Given that Crystal View Division 2 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 approve Crystal View Division 2 final plat.

Councilmember Stern said he understands some of the prices have increased rapidly. Mayor Erickson said they have increased in price; they are nice homes with an amazing view. The developer has done a good job on a job site that had difficulties.

Motion: Move to approve the Final Plat of Crystal View Division 2.

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

Motion carried unanimously.

Councilmember Musgrove asked if there are ways to get requirements due to the 12% grade for things like de-icing or snow removal, for it to be required of them instead of the City. Engineer 1 Roberts said they set their maximum grades to amounts they feel they can accommodate and so our maximum road grade is 12% and it will become a City road for us to own and maintain.

e. Resolution No. 2022-05, Housing Kitsap ILA-Nordic Cottage Project

Housing, Health & Human Services Director Hendrickson presented the agenda summary, noting Housing affordability and housing displacement are growing problems in the City of Poulsbo which require prompt attention. The City's Affordable Housing Tax Force, in its 2020 Final Report, recognized the pressing need for temporary and permanent housing for individuals making 60% of less of area median income. The City's Housing Action Plan lists the creation of "equitable housing solutions" as one of five City housing goals-and calls out the importance of partnering with nonprofit organizations to make progress in this area. City Council passed a resolution, in 2020, dedicating land at the Triangle Property (609 NE Lincoln Road) for affordable housing. The Mayor and H3 Director are bringing forward an agreement that creates a partnership with Housing Kitsap to design and manage the "Nordic Cottage" project on this site. Housing Kitsap is legally authorized to assist as a project manager of construction projects undertaken by governmental entities and is willing to provide such services to the City. This agreement will give the City the ability to make preliminary design plans for the site and apply for state and federal funding. \$7,000 is authorized to Housing Kitsap under this agreement. They have

been working on this ILA for six months, and the City Attorney has given a lot of effort and time to get this ILA ready for Council consideration.

Councilmember McVey wondered since we don't have clear title to this property yet, if the timing for this is appropriate. Mayor Erickson clarified the City does have clear title (twice), she apologized for that not being clear in the last presentation.

Councilmember Musgrove said he asked an identical question at the Housing, Health & Human Services Committee with the same concerns, and he said we are virtually a green light or clear title on this. Assuming that to be true, he will be supporting the ILA.

Councilmember Stern asked why the City sought clear title twice over. Councilmember Lord said there has been a hiatus that has been discovered to not actually be a hiatus of the property, the private property against the triangle. There are two lots that date back to the 1901-1907 era of creating the triangle, and it all has to do with a little street that ran in front of that, and another street it intersected into. The street that ran in front was called the Albert Street, and another street, and it had to do with historical confusion on a piece of property. She said there are many areas in Poulsbo, old town in particular, that have old histories on the configurations of their boundary lines, they even exist pre-county-taking-them-over, let alone pre-City-bringing-them-into-the-city. When you get these oddball property areas, you find some real anomalies that are difficult to try to delineate and ascertain. She asked for more scrutiny on this because it wasn't just that she asked scrutiny on this, but she asked scrutiny on Lincoln down to the church, because she knew the gravesite was an issue on where the right-of-way line is located. But on the triangle line, they are trying to do something on a piece of property that is adjacent to two private property owners who have historically had access to their property off of the triangle. And, there was an assumption that everything was okay, and you cannot operate on assumptions, we had to make sure everything worked in total accord with what they wanted to do. There are utilities under that edge of that property, and access to two private pieces of property, historically back 100+ years. So, she asked, as long as they are doing this, to dig a little deeper and make sure we can ascertain comfortably our own boundary line. She knows Phil Struck has talked about how this is a cooperative way to handle it, and you can do boundary line agreements rather than boundary line adjustments.

Motion: Move to approve Resolution No. 2022-05, a resolution of the City Council of the Poulsbo, Washington, declaring the City Council's approval of an interlocal agreement between the City and the Kitsap County Consolidated Housing Authority to develop the Poulsbo Nordic Cottage Project.

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

Discussion: Councilmember Lord said she is in support of the City's philosophy to provide affordable housing, and she supported the Council's position to tackle the Nordic Cottages as its first attempt. She respects the Mayor and her vision and effort. She is not trying to disparage any of that. She has a lot of experience in protecting positions for the future. This ILA will move us forward, but her questions are to help refine it and to make sure our record is clean and clear.

The resolution talks about a street address, not a legal description, that is not usually how you put legal documents together. That also applies to the previous resolution that they have passed. She would recommend that the legal description get put into the new resolution, rather than the street address of 609 Lincoln.

The resolution refers to the resolution they passed in September, 2020-20, which talked about our desire to allocate two different properties in the City, the Triangle Property and the Klingle property equally, as properties that we would designate/allocate as places that we could put affordable housing on. It was an allocation of those two properties, and it did not refer to the resolution they passed earlier this year, 2020-03, which was accepting the Affordable Housing Task Force's recommendation. So, if we are going to be clear on one resolution, and refer back to another resolution, we need to track it back further so that people down the line in the future (council, mayor, participants) have a trail to follow. We need to reference properly the resolutions that are the history of this since it is semi-alluded to.

She does not know where they excluded the Klingle Property to consider for affordable housing. They designated the Nordic Cottages. She is throwing it out there if somebody can clarify if at some point they took an action and said they are only going to focus on the triangle property, not the Klingle Property.

We are obligating future Councils to move forward, so she asked who is going to administer the occupants and manage the property after this is all said and done.

Regarding the ILA, she already talked about the exhibits that are missing (the two resolutions), they are mentioned in passing in the ILA but not by reference, and the legal descriptions should be in there and not a street address.

On page 2 there is a duration termination area, and it talks about three years from now (2025) and she is going beyond that to the next page (3) where it references the people that are administering this, and it refers to the Mayor, and those should be

gender neutral terms, it refers to the mayor as "her" only in one spot -- recommends "her" gets changed to "the" instead because the termination of this has an extension period that could go past the Mayor's current term. On page 4, it talks about the way this is going to be administered under the ILA, and Section 4.5 notes it includes the staff of the City along with the Kitsap Housing Authority staff. City staff include directors from H3, Engineering, Planning, Finance, Public Works Superintendent, and the Mayor, all of those people are going to meet under the ILA at a minimum of every two weeks during the duration of this contract. Every two weeks for three years plus. She wants to make sure that is understood by all parties involved. Is the staff aware they are going to have to participate every two weeks once this gets signed?

On page 5 it talks about the revenue sources, which they passed that tax, which is wonderful. They have some anticipated revenue. It talks about the obligations of the City on expenses that we are going to be responsible for, and are obligating potentially future councils beyond 2025, because there are some revenues sources they cannot control. We want to make sure the wording is clear in there and okay. She knows City Attorney Haney looked this over, but did that come up to his attention?

On page 6 it talks about how it is going to happen where we have the actual contracts developed. The housing authority has the bulk of that responsibility, but she wanted to make sure the interviews are with the City. In section 8.1.4, page 6, it doesn't say the interviews will be including the City. She wants to make sure we have a say in who does this.

Councilmember McVey wanted to make a motion to table this agenda item.

Mayor Erickson said when she was first elected to Council, Councilmember Dale Rudolph took her aside and he told her you don't ever "gotcha" in council. When you have a problem with something on the agenda, you speak up before it hits the Council so the staff has a chance to address your concerns. This has happened a couple of times in the last couple of weeks where she has been gotcha'ed. If you have a problem with something that is on the Council agenda, the courteous thing to do is to let her know in advance. Last week it was the Council Rules and Procedures and it was pulled, this week it is this. She has no problem with the Council asking questions and getting information. That is their job. She does have a problem with them getting in the weeds as they are policy makers. If they have a concern about something coming in front of them, please read the agenda packet and let her know

in advance so she can take efforts and energy to get it fixed. That is the courteous way to treat the Mayor and the staff at the City of Poulsbo. In the future she asked that it be done that way. It would be helpful to move their work product forward.

Councilmember Lord said it took time for her to go through this, and she wants the Council to know what the issues are. And the issues are, is this in the best interest for the City financially. She is in favor of providing this, even at the Triangle property. She wasn't going to vote against this, she just wanted to raise the issues.

Housing, Health & Human Services Director Hendrickson said Councilmember Lord made some comments that made sense to her, but nothing that was so dramatic that they have to stop the process from moving forward. She respectfully asks the Council to reconsider the instinct to table. If we don't have an ILA in place with Housing Kitsap, she cannot go after grants and she cannot present a preliminary budget for them to look at to consider. She cannot even get sketches made to tell neighbors and people who have been asking her for months what we are considering doing. This ILA gives us a partner to sketch out preliminary ideas that we can share with the Council and the public and asked the Council to consider moving forward so she can show them more as what this might look like and make a decision in the future.

Councilmember Lord said she is not opposed to voting in favor of this, she wanted to get caution on the record.

Councilmember Livdahl does not support tabling this. The Housing, Health and Human Services Committee was alerted to the fact that this would be coming directly to Council and skipping committee because it has been such a process and time sensitive. We are trying to move forward with getting real information and we need this partnership. We were made fully aware we wouldn't have a chance to discuss this in committee and it the committee agreed to it. This does not commit us to the cottages if they are not feasible. The attorney reviewed this, and while she agrees with some of the editing, she feels they need to get this going.

Motion carried unanimously.

7. COUNCIL COMMITTEE REPORTS

Public Safety/Legal Committee: Councilmember McGinty reported the court is scheduled for February 14 to get upgraded for hybrid hearings. Trials are suspended until March 9 with 34 pending. The police department is down about 3 people on injury, they are

going to pull the SRO to put on patrol duties. They will come up with a comprehensive report on staffing issues in February. The Navigator had over 259 interactions from March 2021 to December 2021 (209 within Poulsbo).

Councilmember Musgrove suggested they might to start thinking about a plan like they have done with the replacement for police cars on a scheduled basis and put more of these plans in place for personnel on a similar forecasted plan to make the process a lot easier since it would already be laid out.

8. BOARD/COMMISSION REPORTS

None.

9. CONTINUED COMMENTS FROM CITIZENS

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

10. MAYOR & COUNCILMEMBER COMMENTS

Councilmember Lord said she is an honorable member of this body and she respects all of her colleagues and she is trying her best to keep them on the straight and narrow. She respects the Mayor's position and is not trying to obstruct anything. She is sorry if she came across this way, and they are all working for the same purposes, which is for the very best for Poulsbo's citizens.

Councilmember Musgrove asked everyone to be kind, caring, and considerate.

At 9:04 p.m. Councilmember Phillips returned to the meeting.

11. EXECUTIVE SESSION

Motion: Move to go into executive session for 30 minutes per RCW and possibly returning back from executive session for a decision.

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

Motion carried unanimously.

At 9:07 p.m., Mayor Erickson adjourned the meeting into a 30-minute executive session to discuss real estate matters per RCW 42.30.110(1)(b).

At 9:37 p.m., Mayor Erickson reconvened the meeting into open session.

Motion: Move to authorize the Mayor to take actions in relation to the property acquisition as discussed in executive session.

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

Motion carried unanimously.

12. ADJOURNMENT

Motion: Move to adjourn at 9:38 p.m.,

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

Motion carried unanimously.

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Rebecca Erickson, Mayor

ATTEST:

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Rhiannon Fernandez, CMC, City Clerk