

## POULSBO CITY COUNCIL MEETING OF MAY 11, 2022

### MINUTES

**PRESENT:** Mayor Erickson; Councilmembers Livdahl, Lord, McGinty, Musgrove, Stern  
**Staff:** City Clerk Fernandez, Engineer I Roberts, Human Resource Manager Kingery,  
Planning and Economic Development Director Wright  
**ABSENT:** Councilmember McVey and Phillips

### MAJOR BUSINESS ITEMS

- \* \* \* Excuse Absences for Councilmembers Livdahl and McVey
- \* \* \* 2019 Stormwater Management Manual Adoption Workshop & Public Hearing
- \* \* \* Ordinance No. 2022-06, to Adopt the Storm Water Manual
- \* \* \* Public Facilities District Appointment
- \* \* \* Resolution No. 2022-10, Personnel Handbook Update
- \* \* \* PW Director and Assistant City Administrator Positions
- \* \* \* Resolution No. 2022-11, Revised Salary and Wages
- \* \* \* Ordinance No. 2022-07, Special Event Ordinance Update
- \* \* \* Discussion: Update on PC Evaluation and Recommendation on the Multifamily Tax Exemption Program

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

Mayor Erickson called the hybrid 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** Lord, **Seconded by** Musgrove.  
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 Musgrove said the Poulsbo Garden Club Annual Plant Sale at Raab Park is this Saturday. The Farmer's Market is also on Saturday.

Councilmember Livdahl said Viking Fest is happening this year. There will be a street dance and Front Street will be closed all day Saturday.

Councilmember Stern thanked the Mayor and her staff for hosting the Public Works Board that was here last Friday morning. He thanked the IT staff, the City Clerk's Office and the support of the Department of Commerce in their preparation. He also noted for the AWC Annual Conference, they will need to choose three voting delegates for the business meeting.

Mayor Erickson discussed all the events happening during Viking Fest. It will be very busy.

Mayor Erickson said Housing Kitsap (HK) raised rents for five of their buildings. The rent raise will not affect the vast majority of tenants, because the tenants pay a percentage of their incomes. The raise allows HK to collect more funding from the Department of Agriculture.

She had a breakfast meeting with the Kitsap County Association of Realtors.

She noted the OPMA is changing as of June 1. The City will continue to keep its meetings hybrid after June 1. The committee meetings will become hybrid as well beginning June 1.

She has a settlement agreement presented by the City Attorney for the opioid epidemic and asked the Council for concurrence for her signature. The City of Poulsbo will not receive any funds, since our population was not high enough at that time, but this will allow more money into Kitsap County. The Council concurred with the Mayor signing the agreement.

**a. Department Head Reports**

Engineer 1 Roberts said they plan on paving the upper portion on Johnson Parkway on May 25.

Planning & Economic Development Director Wright said the Planning Commission met last night to talk about the vision statement of the 2025 Comprehensive Plan. The Commission is going to request to change their meetings to begin at 6:00 p.m. and update the code at a future meeting.

City Clerk Fernandez asked to be notified by the end of the week who plans to be in the parade.

**5. CONSENT AGENDA**

**Motion:** Move to approve Consent Agenda item a.

The item listed is:

- a. Excuse Absences for Councilmembers Livdahl and McVey

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

## 6. BUSINESS AGENDA

### a. 2019 Stormwater Management Manual Adoption Workshop & Public Hearing

Engineer 1 Roberts presented the agenda summary and presented the 2019 Stormwater Manual Adoption and associated amendments to PMC 12.02.030. To comply with the NPDES permit, the City is required to adopt the 2019 Stormwater Management Manual for Western Washington (2019 SWMMWW or 2019 Manual) by July 1, 2022. Poulsbo Municipal Code section 12.02.030 established adopted stormwater design manuals and needs to be revised by ordinance to adopt the new manual. This is considered a Development Regulation and thus it goes through a Type IV Process which includes a Planning Commission Public Hearing and recommendation as well as a City Council workshop & Public Hearing. Following the public hearing an ordinance will be adopted to amend the PMC. The proposed amendments were publicly released March 18, 2022, and Planning Commission held a workshop and Public Hearing on April 26, 2022. Planning Commission recommended approval of the proposed amendments.

Councilmember Musgrove said we use to use the Department of Ecology manual, and now we use the stormwater management manual. He asked who writes that manual. Engineer 1 Roberts said the Department of Ecology writes it.

Councilmember McGinty asked if this creates an impact to development as far as cost or time, or is it the same. Engineer 1 Roberts said from the design perspective, if you design it to the 2019 manual, there are slight differences, but most of it is consistent.

Councilmember Stern asked if there are any impacts on utility rates structures now or anticipated. Engineer 1 Roberts said all of the easy parcels in Poulsbo have been developed, what is left are the complicated parcels that will require growing O&M components to the project due to site constraints and getting the most bang for their buck.

Councilmember Stern asked about the Poulsbo Village (Albertsons) and if this new manual will have an impact on future development or redevelopment. Engineer 1 Roberts said it will impact the redevelopment of the old Albertson's building. The 2014 manual would have had that same impact, though. Mayor Erickson clarified the impact means they will need to address the additional stormwater requirements to redevelop the property. Stormwater regulations is one of the big barriers.

Councilmember Stern said the tax increment financing that was passed may be a tool we want to keep in mind for a project at the Village.

At 7:28 p.m., Mayor Erickson opened the public hearing to adopt amendments to PMC 12.02.030, adopting the 2019 Stormwater Management Manual for Western Washington. Receiving no comments, Mayor Erickson closed the public hearing at 7:29 p.m.

Councilmember Lord commended staff on their work on this project; it takes lots of research and dialogue.

**Motion:** Move to approve the stormwater manual adoptions amending Section 12.02.030 as set forth in Exhibit A of the staff report; and adopt an ordinance amending the section of code and providing for severability and establishing an effective date.

**Moved by** Lord, **Seconded by** McGinty.

**Action:** None.

**b. Ordinance No. 2022-06, Adopting Stormwater Manual**

Engineer 1 Roberts presented Ordinance No. 2022-06, to amend PMC 12.02.030 making effective the adoption of the 2019 Stormwater Management Manual for Western Washington.

**Motion:** Move to approve Ordinance No. 2022-06, an ordinance of the City of Poulsbo, Washington, amending Section 12.02.030 of the Poulsbo Municipal Code, in order to adopt the 2019 Stormwater Management Manual for Western Washington and remain in compliance with the current NPDES permit; providing for severability and establishing an effective date of July 1, 2022.

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

Motion carried unanimously.

### c. Public Facilities District Appointment

Mayor Erickson presented the agenda summary, noting that in general, as provided in RCW 36.100.030, the KPFD Board of Directors is authorized to acquire, construct, own, remodel, maintain, repair and operate sports, entertainment and convention facilities or regional centers and related parking facilities as defined in RCW 35.57.020.

KPFD Directors are appointed to four-year, renewable terms and serve without compensation. Here are some job duties:

- Govern and provide general oversight of the KPFD, as well as the public facilities projects developed and/or funded by KPFD;
- Hold public meetings on current and proposed public facilities projects;
- Play an integral part in developing ways to pay for the KPFD public facilities projects;
- Provide financial oversight of KPFD funding used for construction, maintenance and operation of public facilities projects;

Mayor Erickson recommended re-appointing Mr. Daron Jagodzinske to a four-year term July 1, 2022, to June 30, 2026. The Kitsap County Board of County Commissioners will re-appoint him at the June 13, 2022, Commissioners meeting.

Councilmember Musgrove said he has been doing a great job, and he looks forward to the PERC and the North Kitsap Recreational Center and fields.

**Motion:** Move to concur with the Mayor's recommendation for reappointment to the Public Facilities District as presented.

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

Motion carried unanimously.

### d. Resolution No. 2022-10, 2022 Personnel Handbook Update

Human Resource Manager Kingery presented the agenda summary, noting the Personnel Handbook update includes one change, which is the addition of the "Juneteenth" holiday observed on June 19. Juneteenth is currently a federal holiday and has already been included in the collective bargaining agreements for Teamsters Local 589 and the Poulsbo Police Officers Association. The holiday will be added to Section 8.14 of the Personnel Handbook. This section is located on page 49 of the handbook.

**Motion:** Move to approve Resolution No. 2022-10, adopting the 2022 Personnel Handbook.

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

Motion carried unanimously.

**e. PW Director and Assistant City Administrator Positions**

Human Resource Manager Kingery presented the agenda summary, noting two new positions are being requested, Public Works Director and Assistant City Administrator, though this will not result in an increase in FTEs (full-time equivalent).

Mayor Erickson would like to reinstate the Public Works Director position which was eliminated in 2014. The Public Works Director will oversee both the Engineering and the Public Works Operations divisions to maintain the level of collaboration between the two departments that is necessary for a growing City. The focus of the Public Works Director will be on resources and strategies for long term utility planning.

The new position of Assistant City Administrator will acknowledge the increased roles and responsibilities currently being performed and which are necessary to support and assist the Mayor who acts in the capacity of City Administrator. The Finance Director currently assists the Mayor with policy creation and interpretation.

Both positions will be filled internally, therefore the cost is an increase in wages only. The Engineering Director position will be eliminated, and the Finance Director position will remain on the salary schedule but will not be backfilled nor funded.

**Motion:** Move to authorize the new positions of Public Works Director and Assistant City Administrator.

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

Motion carried unanimously.

**f. Resolution 2022-11, 2022 Revised Salaries and Wages.**

Human Resource Manager Kingery presented the agenda summary with resolution for revision to the 2022 Salary Schedules as noted:

- Elected/Appointed Officials: None
- Management: (1) deletion of the Engineering Director position from Range 33; (2) addition of the Public Works Director position to Range 34, and (3) addition of the Assistant City Administrator position to Range 36
- Teamsters: None
- Poulsbo Police Officers Association: None
- Non-Represented: None
- Casual Labor: None

**Motion:** Move to approve Resolution No. 2022-11, adopting the revised 2022 Salaries and Wage schedules effective May 16, 2022.

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

Motion carried unanimously.

**g. Ordinance 2022-07, Special Event Code Update**

City Clerk Fernandez presented the agenda summary, noting the City of Poulsbo created the position of Special Event Coordinator in 2022, with the intent that this position would take over the special event permitting process. The code changes the approver to the Parks & Recreation Director or their designee from the City Clerk or their designee and changes the location on where to submit the application. Additionally, a definition was added for "sporting events" as our insurance provider WCIA requires additional insurance (participants' coverage) for sporting events and our code did not clearly define what sporting events were. City Attorney Haney reviewed and approved the proposed ordinance as written.

Councilmember Livdahl said this was discussed at the Community Services Committee and recommended approval.

**Motion:** Move to approve Ordinance 2022-07, an ordinance of the City of Poulsbo, Washington, amending the Poulsbo Municipal Code 5.30.020 to update the definition of administrator and add the definition of sporting event; PMC Sections 5.30.030 and 5.30.040 to update the office for submitting a permit to; providing for severability and establishing an effective date.

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

Motion carried unanimously.

**h. Update on PC Evaluation of the Multifamily Tax Exemption Program**

Planning and Economic Development Director Wright presented the agenda summary memo and exhibits, noting the Planning Commission (PC) was tasked to evaluate the MultiFamily Tax Exemption (MFTE), as stated in the Housing Action Plan and the Commercial Land Market Analysis. The MFTE was identified as a tool that could be used to encourage affordable housing because it provides property tax exemption on eligible multifamily structures to encourage housing in targeted areas.

The PC began their evaluation of the program on February 8, 2022, after a briefing to the Planning and Economic Development Committee on January 26, 2022. The PC met a total of three times on the topic (February 8, March 8, & April 12) and three members of the PC met with the Kitsap County tax assessor (April 4) to get answers to specific tax implication questions raised at subsequent PC meetings.

After deliberation and discussion, the PC ultimately recommended that the City Council not proceed with the MFTE program. The memo provides a chronology of events with attachments that include the questions raised by the Planning Commission and responses by staff. The Planning and Economic Development committee were briefed on the PC's recommendation on April 27, 2022.

Councilmember Lord complimented the Planning & Economic Development Director Wright and the Planning Commission for their work on this. She asked if this could be revisited in the future. Planning & Economic Development Director Wright said they could pursue it at a later date, the door does not close if they do not adopt it at this time.

Councilmember Musgrove said he watched the Planning Commission's discussion and felt they made logical conclusions and supports their recommendation.

**Motion:** Move to not proceed with the MultiFamily Tax Exemption, as recommended by City of Poulsbo's Planning Commission.

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

Motion carried unanimously.

## 7. COUNCIL COMMITTEE REPORTS

Public Works Committee: Councilmember Lord reported they received the Systematic Safety Project update (bids were opened April 27 and we received one bid); Kitsap Public Health District Water Quality Sampling Contract renewal update (to be in compliance with the NPDES permit); an overview of all the city-owned properties; and the Lincoln Cottages street deviation request.

Lodging Tax Advisory Committee: Councilmember Stern reported the committee is meeting later in May, it will be a reorganization meeting. They are anticipating a new member coming on board after it is approved by the Council (Fairfield Suites)

## 8. BOARD/COMMISSION REPORTS



Mayor Erickson said she is going to ask the ad-hoc Art Committee to get together for some public art at Vanaheimr. She also noted Flicka will be installing some Swedish horses near their building.

**9. CONTINUED COMMENTS FROM CITIZENS**

None.

**10. MAYOR & COUNCILMEMBER COMMENTS**

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

Councilmember Lord encouraged everyone to enjoy the days as they get closer to Viking Fest.

**11. EXECUTIVE SESSION**

**Motion:** Move to go into executive session and the Council will adjourn from there.

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

Motion carried unanimously.

At 8:01 p.m., Mayor Erickson adjourned the meeting into a 20-minute executive session to discuss real estate matters per RCW 42.30.110(1)(b). No action was taken.

**12. ADJOURNMENT**

At 8:21 p.m., Mayor Erickson adjourned the meeting.

DocuSigned by:  
  
12C4BDCB4DDD40B...

Rebecca Erickson, Mayor

ATTEST:

DocuSigned by:  
  
D21DA14DCC754A8

Rhiannon Fernandez, CMC, City Clerk