

**CITY OF SEQUIM
CITY COUNCIL MINUTES
SEQUIM TRANSIT CENTER
190 WEST CEDAR STREET
SEQUIM, WA**

MARCH 23, 2009

5:00 P.M. STUDY SESSION

Present were Ken Hays, Bill Huizinga, Erik Erichsen, Susan Lorenzen, Walt Schubert, Paul McHugh and Laura Dubois.

UGA Modifications

Others present: Dick Ecker and Dwight Hughes (Battelle), John Miller (Clallam County Director of Community Development), Steve Gray (Clallam County Planning Manager), Linda Rotmark (Clallam County EDC).

Battelle is interested in being brought into the City's UGA. This will allow them to ultimately be annexed into the City so their facility can be expanded.

The County is trying to fulfill the sewer requirement for Battelle without raising issues with the Growth Management Hearings Board.

The current zoning on Battelle allows research facilities as a conditional use. Seven of the 100 acres has been developed for a research facility and related uses. Given the needs of Battelle, its close proximity to the water, and its future expansion needs, the UGA expansion needs to be considered. Many people are involved in meetings to work out details.

Battelle has received shoreline permits and a conditional use permit for their addition and new building. Their immediate development plans have been met. A formal comp plan amendment and rezone application have been submitted to the County which met the time requirement for the following year's annual update. Preliminary plans include placing Battelle in the rural low zone, which was deemed compliant with the hearings board. Joint planning efforts will continue to expand the UGA later this year if possible. The County will need to do a SEPA determination. EIS may need to be considered. Transportation, rezoning from rural residential to a research facility designation, would support a more intensive use. There has to be assurance that the City can provide the services while still supporting the remainder of the UGA. Cultural resources and environmentally sensitive areas all need further investigation.

This needs to be a joint effort. Direction from the City is necessary and then we need to formalize the City's interest. The County will move forward on the application this year. The cost for an EIS will be borne by Battelle, if an EIS is necessary. The County is dealing with compliance issues now. Docket items start in the summer.

There are issues with creating an island of the Sun Meadows development. There are issues with the septic. Parkwood is also on septic and has issues.

It was suggested that a new designation be developed for this project. The new designation will have to be consistent with the comp plan. A comp plan amendment will be made so that if the UGA is amended it will be in place. An ordinance needs to be drafted that would allow an operative research zone. Redmond would have an ordinance with the Microsoft campus.

Staff is looking for Council support to continue to work on the UGA expansion. The County has received a petition from a neighborhood that they wanted to be removed from the UGA. He provided detailed information concerning this issue. The County's interim controls are good through mid-June. No final decisions have been made.

6:00 P.M. REGULAR COUNCIL MEETING

Mayor Dubois called the meeting to order.

PLEDGE OF ALLEGIANCE

ROLL CALL

Clerk Kuznek-Reese called roll. Council members present: Laura Dubois, Erik Erichsen, Ken Hays, Bill Huizinga, Susan Lorenzen, Paul McHugh, and Walt Schubert.

City Staff present: City Engineer Bill Bullock, Admin. Service Director Karen Goschen, Clerk Karen Kuznek-Reese, Planning Director Dennis Lefevre, Joe Irvin, City Attorney Craig Ritchie and Interim City Manager Linda Herzog.

INTRODUCTIONS & CORRESPONDENCE

Mayor Dubois recognized Steve Tharinger, County Commissioner.

CEREMONIAL

School Retirees Appreciation Week Proclamation

Mayor Dubois read the Governor's proclamation for school retirees' appreciation week.

REPORTS

EDC Quarterly Report

Linda Rotmark provided information concerning the business retention and recruitment activities. She provided information concerning the activities they have completed. She presented multipliers for various sectors with the Battelle expansion. She is visiting Japan soon and will visit Shiso City representatives. She distributed various documents to the Council.

Chamber of Commerce Quarterly Update

Vickie Maples reported that January/February visitor numbers are above last year. The VIC will begin accepting credit cards for purchases. Chamber members have increased; the kiosk is filling up. She attends Sequim Marketing Action Committee and Olympic Peninsula Tourism Commission meetings. She is working on the strategic plan for SMAC. Z maps are available for the Hood Canal Bridge closure. She will work with SMAC on 2010 Olympics. She distributed a calendar of events and asked that the Chamber be notified of any upcoming events.

COMMITTEE, BOARD AND LIAISON SUMMARY

EDC

Huizinga reported he was unable to attend the EDC meeting but reported the Carlsborg reclaimed water project was discussed.

Planning Commission

Schubert reported the Planning Commission has changed the date to discuss the Priest Road Center binding site plan; he attended a meeting at the VFW for the Lloyd Strand Veterans Relief Fund which is an organization that assists veterans' families.

The Boys & Girls club kicked off the 2009 Campaign for Kids. This annual fundraiser provides support for general operations of the club. 350 attend the club each day. He provided a statement about Nicole Pruden, activities coordinator at the Boys & Girls Club, whose whole life was changed through the Club.

SMAC

Erichsen reported he was provided with Lavender and Irrigation Festival contracts and an RFP for the Sequim coordinator to replace Pat McCauley. These items were discussed at the SMAC meeting. It was the consensus of the committee that LTAC funds should not pay the permit fee for Lavender Festival. From past performance the Lavender Festival did not bring hotel/motel tax money to Sequim. Port Angeles hotels were advertised and used. It was the consensus of the committee that the Irrigation Festival is not intentionally a tourist attraction but an historical community institution. The City has always been an integral part of this festival. As an equal partner the City should volunteer their participation to celebrate the long history of this festival institution.

It was the consensus of the committee that the Chamber should be contracted to fulfill the SMAC coordinator for the remainder of 2009. When the 2010 budget is being prepared an RFP for the 2010 contractor should be solicited. Vickie Maples had indicated she would present that request to the Chamber Board and respond. The Chamber Board has approved that additional role.

Chamber of Commerce

Hays attended the Chamber Board meeting where he provided an update on the Sequim Speaks committee. He, Linda Herzog and two committee members will provide information at the Chamber lunch tomorrow. That will lead up to the public meeting on Sequim Speaks. The board members spoke about the SMAC contract. There was consensus that would work for the remainder of the year. It allows Vickie and her team the time to put together a program and plan for the remainder of the year. There was also discussion concerning a community photo this year as part of the Irrigation Festival.

Clallam Transit System

Lorenzen attended a CTS board meeting that included an update concerning the Gateway. The next meeting of PRTPO is April 10 in Blyn.

PRESIDING OFFICER REPORT

The Mayor stated she attended a Shiso Sister City meeting. They will be sending 11 students to Japan this year. Work has begun for fundraisers. The Japanese Counsel will return this year and will participate in the Irrigation Festival parade. Things are moving forward with the Earth Day celebration.

CITY MANAGER REPORT

- a. Public Works Director Update
- b. Economic Stimulus Grant
- c. Storage for Seized Vehicles

In addition to the above-listed items in the packet, Herzog provided information concerning a community photo which is scheduled for Saturday, April 11 at 3pm at the intersection of Washington Street and Sequim Avenue. The intersection will close for 15-30 minutes for the photo op.

Tonight's agenda, item 11, included a request from Irrigation Festival to close Washington Street from 9am to 5pm on May 2. The staff recommended disapproval of that request. Staff and Fire District personnel met with festival planners and have developed a plan that will work for the Washington Street merchants and public safety. Washington Street will remain open and the parking area will be closed for parking between Second and Washington. This will allow vendors to set up in those spaces. This will allow the shoppers to utilize the sidewalk and still maintain traffic flow. The City still needs to investigate logistics to make sure it will work. It is the intent to engage the storefronts in the City core by having booths along Washington Street.

Joe Borden added the attempt is to engage downtown businesses to get them to participate and provide business. The Hood Canal Bridge closes May 1. They want to make this a hometown event. He thanked the staff for their support. He withdrew item 11 on the agenda because Washington Street will not need to close.

Herzog indicated the City's participation in festivals will follow the SMAC recommendations. They will discuss this further with the festivals and bring back a resolution to the Council.

Herzog stated tonight's agenda includes a 4-month contract with InsideOut Solutions for the SMAC coordinator position. Council approval is recommended for this contract through the end of April. A new contract with the Chamber for the remaining 8 months will be brought for approval on April 13.

Herzog has reviewed the Police Department Manager position and the responsibilities of the position. This will be a half time position for 2009 and HR will advertise this week. Once we have experience with the part-time position, we will reassess to determine if there is a need and then budget to restore the position to full time in 2010 if necessary.

Herzog stated there are legal ramifications including potential litigation dealing with Item 9, water meter replacement. This item will include an executive session for 15 minutes with Council action. Alternatively this matter could be referred to the Utility Rate Task Force or sent back to staff for further review for long and short term options as well as estimated costs.

Herzog indicated that the City-wide work program will be presented to Council on April 6. This process will allow the Council/staff to work together on many items. She will get an agenda packet out by April 1. She would like to meet individually with Councilors to go over the packet prior to the April 6 meeting. It was agreed to start this meeting at 5 p.m.

INFORMATION/COUNCIL QUESTIONS INVITED

1. Concurrency -- update ordinance status

Ritchie provided an update on the ordinance to set levels of service which has several requirements. There is a concurrency recordkeeping requirement that is included in the ordinance. As soon as capital facilities and transportation is available from the consultant, we will have all we need for levels of service and what needs to be included in the Comp Plan.

Dubois would like to know if Henderson & Young will address vehicle miles traveled, pedestrian/bicycle traffic. Lefevre can address that with them during their conference call.

Lorenzen thanked Ted Miller for his work in bringing this forward.

2. Affordable Housing Needs Assessment Report

Lefevre distributed a packet of materials. Huizinga stated the third section has misnumbered pages. There is nothing missing. These documents are available on our webpage. The consultant will give a report on April 27.

3. Latecomer extension – Rhodefer Road signal

Bullock stated a latecomer agreement received preliminary approval in May 2007 in anticipation of the movie theater completion. This anticipated signal is on the 6 year TIP. This was City initiated for impacted properties to pay their fair share of the cost. The theatre design has not yet begun. We are now asking for a 2-year extension to see if the signal can be constructed. This is being brought forward because the litigation involving the movie theater is completed. The final latecomer will come forward at a later date. Dubois indicated there is a discrepancy in the estimated costs. Bullock will see what was actually adopted and provide information when this comes to Council in April.

PUBLIC COMMENTS *(For Items Not on the Agenda – Please limit comments to 3 minutes)*

Don Hall it is daylight savings time and the restroom clock on Sequim Avenue indicates an incorrect time.

Joe Borden, Irrigation Festival Chair, announced that the Sequim Community Photo will be taken on April 11 at 3 p.m. He invited everyone to attend. Festival items and the photo will be available. The cost of the photo is \$15. The last community photo was done in 2000 when the bypass was opened. Irrigation Festival rack cards were presented. The Hood Canal Bridge closure will present challenges. Many out of town vendors and floats are still coming.

Emily Westcott, 853 N. Oxford Way, thanked the Council for the school retirees appreciation. She is a retired school employee. She invited the Council to the kickoff dinner this Saturday at 7 Cedars Casino beginning at 5pm. Tickets are \$30 each.

Jim Casey, the editor of the Sequim Gazette, introduced himself and looks forward to meeting with everyone. He is proud to be at the Gazette. He promises to be accessible to anyone wanting to discuss news content, editorial, etc.

Jacques Dulin, 237 N Sequim Avenue, invited everyone to a presentation he will give on March 31 at 7:30 am at the Port Angeles Business Association at Joshua's Restaurant. He thanked Linda Rotmark for providing information concerning Angel Investing. He will discuss what the local entrepreneurs are doing as time permits. He will tell everyone what is going on behind the scenes with inventors/entrepreneurs.

A five-minute break was called at 7:20 pm. The meeting was reconvened at 7:30 p.m.

PUBLIC HEARINGS **(Quasi-Judicial)**

4. The Foothills

This is a continued public hearing. Mayor Dubois asked for any appearance of fairness issues. There were none. The hearing was reopened at 7:30 p.m.

Lefevre stated staff has reviewed testimony from the February 9 public hearing, listened to the tape, and reread the minutes from Council comments. The staff report addresses each individual item.

Bullock addressed the road configurations. He recommends a configuration that develops Provence Lane.

Steve Smith, 71 Strawberry Lane, stated direction from Council was different from City staff, so they spent time and money on maps. The map shows traffic flowing away from the herb farm boundary. Smith is willing to complete the JARPA and comply with Bell Creek issues. This permit would allow them to clean up what they could.

Gary Stachurski, 1345 S. Sequim, asked what happens to the existing South Sequim Avenue.

Irvin responded that the City has no plans to improve South Sequim Avenue at this time. It is not on the 6-year TIP.

Roger Moeder stated the cul-de-sac dimensions do not meet City standards. With the new plan, a fire hydrant or two would need to be moved.

Bullock stated the City needs a radius of 50'. Dave Cummins indicated it is labeled incorrectly and should be 50'.

The public hearing was closed at 8:05 p.m.

MOTION to approve Major Subdivision 08/003 subject to the mitigation measures established in SEPA File 08/010, and the Findings, Conclusions, Standard/Special Conditions of Approval as amended and includes the map dated March 2 made by McHugh; second by Schubert.

Amendment to the MOTION to include that applicant shall apply for a JARPA permit to clean up the Bell Creek area in the development and clean it if the JARPA permit is approved and the applicant shall grant an easement to DOE, Department of Fish & Wildlife, and the City for purposes of creek restoration made by Dubois; second by Hays.

Steve Smith indicated that is acceptable to him. This is what he has worked through. He would like to see Bell Creek canyon look nicer and be improved.

Vote on the amendment. **Carried Unanimously.**

Vote on the main motion. Aye by McHugh; Lorenzen, Dubois, Hays, Schubert, Huizinga. Erichsen abstains. **Motion Carries.**

Schubert stated staff is currently working on code revision to Title 13 which will address reclaimed water requirements. It is important to get that done. We are missing out on

opportunities to get reuse water into developments.

Herzog indicated that is in the work program and will be back by April 13 with further information.

Hays would like to ask staff to add the piping. Lefevre will follow up with the applicant.

McHugh stated it has been his experience with Highland Irrigation District requirements that the cost of the second system is almost the same as the domestic water system. That needs to be discussed further to decide if the City can provide the utility.

CONSENT AGENDA

5. Approve/Acknowledge
 - a. City Council Meeting Minutes – March 9, 2009
 - b. Claim Voucher recap dated March 23, 2009 total payments \$846,094.18
 - c. 2009 Contract for Boys & Girls Club
 - d. 2009 Contract for Chamber of Commerce
 - e. 2009 Contract for Sequim Open Aire Market
 - f. Jan-Apr 2009 Contract for InsideOut Marketing
 - g. Cell Tower lease negotiation / consultant contract
 - h. Final Cost Change Order #3 – Water Reclamation Facility Expansion

MOTION to approve the consent agenda as presented made by Hays; second by Lorenzen. **Carried Unanimously.**

UNFINISHED BUSINESS

6. Discuss UGA/Battelle adjustment of UGA policy direction

MOTION to authorize staff to continue the coordinated effort to prepare materials in support of expansion of the City of Sequim urban growth area to include the Battelle landholdings, amend the Comprehensive Plan and Sequim Municipal Code to reflect this use and proceed with annexation of this property upon completion of the UGA expansion made by Lorenzen; second by Schubert. **Carried Unanimously.**

7. United Way recommendations for grant funding

Goschen read a statement provided by Jody Moss who was unable to attend this meeting. She outlined the process that was used by the funds distribution committee, as addressed in the City's Resolution R2007-14.

McHugh stated that United Way has performed the tasks they were asked to complete. The Council should award the agencies as recommended. This resolution can be addressed later in the year.

MOTION to award health and human services grant funding as follows made by McHugh; second by Schubert.

Erichsen does not support the motion unless the Senior Center is included. The Senior Center meets two of the criteria listed in the resolution.

Hays will vote for it and appreciates the opportunity to discuss this at a later date. Lorenzen would also like to see the Senior Center included.

Dubois will approve the motion as presented. She would like to review this again during the budget cycle.

Vote on the motion. Aye by McHugh, Lorenzen, Dubois, Hays, Schubert, Huizinga. Nay by Erichsen. **Motion carries.**

8. Adopt Ordinance 09-004 Authorizing Bond Issue for Keeler and Ordinance 09-005 System of Registration for Bonds

MOTION to adopt Ordinance No. 2009-004 providing for a System of Registration for Bonds and adopt Ordinance 2009-005 Authorizing the Bond Issue for financing Keeler Memorial Park made by Lorenzen; second by Hays.

Goschen indicated the interest rate is at 3.95%

Vote on the motion. **Carried Unanimously.**

9. Contract to purchase Sensus Meters

McHugh would like this matter to be referred to the Utility Task Force.

10. Review interfund loan policy and WRF interim financing

Goschen indicated this would create a policy to provide consistency for lending excess cash to other funds and provide procedures.

Erichsen would like to add that the funds will be used for the identified purpose. Procedures should include for the anticipated length of the loan. Under procedure 5d the loan funds were used only for the specifically approved purpose.

This will be brought back with a resolution.

NEW BUSINESS

11. Closure of Washington Street on May 2, 2009 for Irrigation Festival -- WITHDRAWN

GOOD OF THE ORDER

Hays read a statement concerning the investigation. He has no interest in pursuing this matter any further.

PUBLIC COMMENTS *(Please limit comments to 3 minutes each)*

EXECUTIVE SESSION – Pending Litigation

Mayor Dubois announced executive session for potential litigation with action. It will last 15 minutes. The meeting was recessed at 9:00 and reconvened at 9:15.

Dubois indicated several options were provided. It was agreed to refer this matter to the Utility Committee.

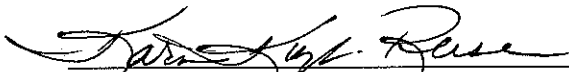
NEXT MEETING DATE – April 6, 2009 (Special Meeting)


This will be a special meeting on the work plan which will begin at 5:00 p.m.

ADJOURNMENT

MOTION to adjourn at 9:15 p.m. made by Lorenzen; second by Huizinga. **Carried Unanimously.**

Respectfully submitted,


Karen Kuznek-Reese, CMC
City Clerk


Laura Dubois
Mayor

Minutes approved at a regular council meeting held on April 13, 2009.