

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

AUGUST 10, 2009

Mayor Dubois called the meeting to order at 4:00 p.m. The meeting was adjourned to executive session for 30 minutes to discuss City Manager candidate qualifications. Action may be taken.

The meeting was recessed at 4:03 p.m.; at 4:30 it was announced the executive session would last an additional 15 minutes; at 4:45 it was extended an additional 10 minutes; at 4:55 it was announced an additional 5 minutes would be needed; at 5:00 it was extended an additional 5 minutes.

The Council returned at 5:05. Mayor Dubois indicated that Waldron has submitted a pool of 5 candidates. Interviews have been set for August 25. Waldron will continue conducting background investigations.

Mayor Dubois then recessed to another executive session to consider site selection or acquisition of real estate at 5:05 p.m. It is anticipated to last 30 minutes with direction to be provided to staff. At 5:35 it was extended an additional 10 minutes; at 5:45 it was extended to 6:00 p.m. The Council returned at 6:00 p.m. and Mayor Dubois indicated the regular meeting would begin in 5 minutes.

5:00 P.M. STUDY SESSION – NONE.

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, and Walt Schubert.

MOTION to excuse Paul McHugh who is on vacation made by Schubert; second by Huizinga. **Carried Unanimously.**

City Staff present: Admin. Service Director Karen Goschen, Clerk Karen Kuznek-Reese, Planning Director Dennis Lefevre, Assoc. Planner Joe Irvin, Capital Projects Manager Frank Needham, Public Works Director Ben Rankin, City Attorney Craig Ritchie, Police Chief Robert

Spinks and Interim City Manager Linda Herzog.

INTRODUCTIONS & CORRESPONDENCE

CEREMONIAL

Proclamation: Olympic Peninsula Senior Games

Mayor Dubois read and presented a proclamation to the representative proclaiming August 28 – 30, 2009 as Senior Games on the Peninsula.

REPORTS

COMMITTEE, BOARD AND LIAISON SUMMARY

United Way mid-year report – J. Moss, Executive Director, United Way of Clallam County

Jody Moss reviewed the summary that was provided in the packet. The City provided \$49,000 to fund critical services for five agencies. There is an increased need in the community and reduced funding from federal and state government funds. Many community members are seeking assistance for the first time in their lives. United Way meets annually with the City Council to discuss funding. She outlined the process that has been used with the Council. When one person is served, it affects several others in the community such as family members, health care providers, as well as others. Every \$1 invested in early learning provides \$7 to \$17 in reduced costs to education, police, court system, etc.

Affordable Housing

Huizinga reported an affordable housing charette is scheduled for Wednesday, August 19 from 4-6 p.m. at the Guy Cole Convention Center.

Planning Commission

Schubert reported the July 21 meeting included a first touch on the proposed low-impact development amendments and a request from the Planning Commissioners to the City Council asking they all talk into the microphones.

Parenting Matters

Schubert indicated that one week from Saturday, Parenting Matters is having a dinner/auction. The Schuberts have purchased a table for 8 and invited others to sit at their table.

Boys & Girls Club

Schubert reported that daily attendance at the Boys & Girls Club has been 25 teens. There are 20

in the evenings. The teens participated in Music in the Park and raised money for their program. He provided information concerning "Alex" who attends the Club.

PRESIDING OFFICER REPORT

Mayor Dubois reported she met with the Mayor and City Manager of Port Angeles and shared ideas and concerns and discussed partnering opportunities.

CITY MANAGER REPORT

Herzog explained the importance of the August 24 and August 31 meetings. There is an \$850,000 gap in revenues/expenses. Staff has been working on the revenue shortfall. Every department head and staff has been working to present their best suggestions on where revenues can be added, costs shifted and services cut. By August 31 we will need Council assumptions on how the budget should be built for 2010.

The August 31 meeting will be work program review as well as tie items to the budget. Some items may be removed from the work program due to staff resources. More information will be coming on the cost allocation plan.

INFORMATION/COUNCIL QUESTIONS INVITED

1. Cost Allocation Plan and Indirect Cost Rate

Goschen explained we will charge other operating units within the General Fund. This has not been done in the past because it is moving money within the same fund. We have only done this with funds outside of the General Fund. This does not comply with the federal rules to establish an indirect cost rate. Once an indirect cost rate is established, that amount can be charged on federal and state grant projects. The advantage is that any time we perform services for external agencies or receive grant funding, 15-20% will be added as indirect cost rate. We now only charge direct costs; none of the associated costs are included. It will also provide a better idea of costs to provide police, planning, and building. This is a different approach but will help the City comply with federal regulations for grant funding requests.

2. Utility Tax for Garbage, Water & Sewer

There was concern that now is not the time to raise taxes. Individuals are having as much trouble meeting their commitments as the City.

Herzog indicated this will be discussed at the next meeting as well as I-1033.

3. SMC Revisions to support Low Impact Development

Lorenzen indicated these revisions do not reflect the previously approved motion. In R-II the maximum should be five; R-III should be 6-10.

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

Debbie Seavy, owner of Oasis Sports Bar & Grill, stated the proposed gambling tax only affects her business. Is it worth implementing this tax? Is it fair that one business is singled out? Many small businesses in the City are struggling. It is difficult to stay afloat right now. They just took a 9% tax increase from the state in liquor taxes. She does not want to lay off more people. Pulltabs and gambling are a stimulant for her business. It is an expensive activity to run. Gross sales tax is tough. Gross sales can be less than what they make in a day on this activity. They do not make money in poker but it brings additional revenue in sales. This tax might cause them to give up gambling. It is a minimum amount they bring in to the Oasis. This would bring less people in to their business. She appreciates the Council's help to stay afloat.

William Holbrook lives in Dominion Terrace. Why does it appear as if one business was singled out to "pick on"? He drove through Sequim tonight and perhaps the City should prohibit all the gasoline businesses on the south side of Washington Street as an idea to apply new taxes? There is one filling station on the south side and several on the north side. Why did you pick this particular business to apply a new tax to?

Pat Clark indicated that Ken Troup passed away on Friday at the age of 51. Ken Troup should be remembered. He was an honest and wonderful guy. Chief Spinks added Ken was always a professional.

Ritchie provided an update concerning the City Manager recruitment process. Today they met with consultants. They are proceeding to set up interviews and getting community and staff involvement on the City Manager recruitment process. There are five applicants and a full day of interviews will be conducted on August 25. The schedule will be announced shortly.

PUBLIC HEARINGS (Legislative)

4. Design Standards: Proposed amendments to Chapters 2.34 and 18.24 SMC (continued from 7/27)

Mayor Dubois read the rules and opened the public hearing at 7:05 p.m.

Lefevre stated these revisions are recommended by staff and the Design Review Board (DRB). Five applications have gone through this process. Some areas needed revisions. The applicability of these standards on a duplex is draining on staff resources. The recommendation includes applying these standards to a five-unit structure and above rather than a duplex project. The Planning Commission has recommended approval.

Ann Hall reviewed additional revisions including when a public meeting is necessary. Presently when one DRB member comments on an issue, it is provided to the remaining DRB members. If the majority agrees on the comment, a public hearing is held. This created a legal issue. The revisions indicate that if a majority comments on an issue, a public hearing is conducted. The

Planning Commission does not support this revision. The builders association does.

Lefevre added that the DRB recommends graphics enhancement. This is a project the DRB will address in the next phase. The other issue that has come up was the applicability to new construction, alterations, add-ons or rehabilitation of existing structures. That will need to be addressed at a later date by the DRB.

Dubois was concerned about encouraging the addition of Garry Oaks near any building. This will be reworked.

Don Hall agrees with the Mayor. The Garry Oaks are slow growing. It is important to urge Council to continue these standards on an interim basis until it is completed. With all the new businesses coming into town it is important to have these.

Troye Jarmuth stated she has been working on this project since 2000. This standard is good. There will always be flaws. The Garry Oaks are a guideline. She is concerned about 18.24.034 administrative approval. In the original document it did not take a majority of the members. That has worked out nice. She would like to strike the majority requirement and cited an example of the problems associated with that revision. She would like to require the DRB to provide an annual report. It would benefit the DRB to have a check and balance in place. It would be wonderful if this document could scope out single-family projects. We need to take baby steps. It is working right now. Perhaps a second document could be drafted that would only address single-family dwellings. She is pleased with the DRB. They work well with the Planning Director. She hopes the Council agrees.

Dave Neidhardt had previously signed to speak and was not in attendance at tonight's meeting.

Mayor Dubois asked for additional speakers.

There was Council agreement to change to a minimum of 2 members making comments; the DRB would provide an annual report to the Planning Department, Planning Commission and City Council; the word "shall" should be removed from the guidelines; and soften the language concerning Garry Oaks.

Hall indicated that the Planning Commission's concerns have been included in the code revision. Hays offered to assist with illustrating. He asked that a list be created showing the intent and that he be provided a few at a time.

The public hearing was closed at 7:33 p.m.

MOTION to direct staff to make the agreed-upon changes, and prepare a final Ordinance and Findings of Fact for the Council to adopt at the August 24, 2009 meeting made by Erichsen; second by Hays. **Carried Unanimously.**

5. Ordinance No. 2009-037 Title 12 amendments re Street Standards (continued from 7/27)

Mayor Dubois indicated the same rules apply and opened the public hearing at 7:37 p.m.

Lefevre this provides additional direction in code for street standards which are in Chapter 17.32 but were not addressed in Title 12.

Mayor Dubois asked for additional speakers. Hearing no response, the public hearing was closed at 7:39 p.m.

MOTION to approve Ordinance No. 2009-037 creating linkage for street standards from Title 12 to Title 17 of the Sequim Municipal Code and waive the second reading made by Lorenzen; second by Erichsen. **Carried Unanimously.**

NEW BUSINESS

6. Intent to Commence Annexation Proceedings – Foxfire Lane – ANX09/001

Irvin reported that once an application is received, the staff has 60 days to bring an annexation request to Council. The Council can accept, geographically modify or deny an annexation request. If Council chooses to accept the geographic area as proposed by staff, it can also be tied with an annexation agreement addressing future utilities, installation, and GFCs. There is one parcel not included in this annexation. Irvin has talked with this owner. Staff recommends modifying the area to include the parcel which would eliminate a small island. He explained what the process entails. No maintenance would be required of Foxfire Lane as it is a private street.

Chief Spinks added that not having any of these islands is helpful to the Police Department. The Department is the first responder to these areas and currently receives nothing from that.

MOTION to authorize the applicants to take the first non-binding step in annexation and to circulate a petition for the proposed annexation area based on approval of the modified geographical area of annexation 09/001; the simultaneous adoption of the Comprehensive Plan designation and zoning district; the assumption of all proportionate City indebtedness and assumption of adding utilities and general facilities charges made by Schubert; second by Huizinga. Aye by Huizinga, Schubert. Nay by Erichsen, Hays, Lorenzen, Dubois. **Motion fails.**

Mayor Dubois will not vote for this because of the small size. We are working toward a policy where the Council has said no more small annexations.

MOTION to authorize the applicants to take the first non binding step in annexation and to circulate a petition for the proposed annexation area based on approval of the modified geographical area of annexation #09/001 to include the entire island; the simultaneous adoption of the Comprehensive Plan designation and zoning district; the assumption of

all proportionate City indebtedness and include an annexation agreement regarding utilities and infrastructure made by Lorenzen; second by Hays. Aye by Lorenzen, Dubois, Hays, Huizinga. Nay by Erichsen and Schubert. **Motion carries.**

7. Local Match for Marketing Program Grant

Herzog stated the Port of Port Angeles is applying for a \$400,000 grant to mount a marketing program for Kenmore Air and the retention of scheduled air service from Port Angeles. The draft proposal was distributed. The marketing program will begin January 2010. The Port is requesting partnership with the jurisdictions benefitted by air service. The City of Port Angeles, Clallam County and Port of Port Angeles are in agreement. They are requesting 10% match for the grant. Approximately \$10,000 is needed. Staff recommends that a proposal be taken to SMAC for their recommendation on whether a partnership should be authorized and whether the City should fund an amount up to \$10,000. This would include \$5,000 in 2010 and \$5,000 in 2011. This would market the entire region as well as Kenmore Air.

Jeff Robb added this will market the North Olympic Peninsula. There are a large number of passengers from Sequim using Kenmore. The goal is to bring people from outside of the area. The marketing campaign is a draft. This has to be to US Department of Transportation by August 28. The City of Port Angeles has agreed in principal to transfer \$10,000 from their lodging tax funds; the Port, Clallam County and Kenmore have agreed to fund \$10,000 each; and the Port will also provide in-kind of approximately \$20,000. There is \$8 million nationally for airports to use. We are competing for \$400,000. The Port has paid \$13,000 for a consultant that is out-of-pocket. The Port will administer the grant for in kind of \$20,000. The grant will be refined heavily if it is received. They are also working with the chambers, City of Forks, and industrial/commercial businesses. They are not looking for their financial support, only letters of support.

Linda Rotmark suggested this grant is also a show of commitment from Kenmore. In the fall of 2008 they indicated it was not penciling to serve the area. They went through a hard look at themselves in January and February and looked for suggestions from others. They have taken those suggestions to heart. This marketing grant is important. Kenmore is working hard to have an interline relationship with Alaska Airlines. Kenmore will market the Peninsula's assets. Kenmore allows the Port to receive funding from the FAA to keep its capital improvements current. There are many companies that use the airlines on a regular basis. One-third of their ridership has a zip code of 98382.

MOTION that staff be directed to explain to the Sequim Marketing Action Committee the Port of Port Angeles proposal for the City of Sequim to participate in the local financial match for preparation of a federal grant, administration of the grant, and implementation of a marketing program, the intent of which is to retain scheduled air service between the Port of Port Angeles Airport and Seattle; and that the SMAC be asked to advise the Council of the amount of such financial support up to \$5,000 in 2010 and \$5,000 in 2011 from the Lodging Tax fund; that staff be directed to prepare a letter for the Mayor's signature expressing Sequim's support for the marketing effort as

described in the Port of Port Angeles draft grant proposal; that the City Council encourage the Sequim-Dungeness Valley Chamber of Commerce, the Sequim Marketing Action Committee and other marketing entities and business leaders to support the marketing campaign described in the Port of Port Angeles grant proposal made by Lorenzen; second by Hays.

Herzog stated this will go to SMAC for their recommendation for the 2010 and 2011 budget. The proposal to SMAC will be that you recommend that the SMAC budget include \$5,000 for this purpose in 2010.

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

Mayor Dubois called for a recess at 8:45 p.m. The meeting reconvened at 8:57 p.m.

CONSENT AGENDA

8. Claim Voucher recap dated 8/10/09 total payments \$319,008.20
9. Request for Proposals – Sequim Marketing Action Committee Coordinator
10. Pitship Bridge Bid Award (City acting as agent for North Olympic Salmon Coalition)
11. Adopt Resolution R-2009-08 a Resolution of the City of Sequim Establishing Policy and Procedures for Issuance of City Proclamations, Certificates of Appreciation and Certificates of Recognition
12. Accept \$9,999 American Recovery & Reinvestment Act (ARRA) Grant (purchase of LiveScan fingerprint identification machine)
13. Approve Scope of Work for Reclaimed Water Distribution Project/Phase 2
14. Contract with Cable Franchise Negotiator

MOTION to accept Consent Agenda as presented made by Lorenzen; second by Hays. **Carried Unanimously.**

UNFINISHED BUSINESS

15. Review draft Comprehensive Emergency Management Plan

Maris Turner indicated that Volumes 1 and 2 are complete. They have been sent to the State of Washington and Clallam County Emergency Management for review. The City plan mirrors the County plan. Volumes 3 and Volume 4 are works in progress. Volume 3 is an individual department resource guide. Volume 4 is a resource guide and will be kept at the Emergency Operations Center (EOC) or Emergency Communications Center (ECC). She described what is included in each volume.

Erichsen stated that prior to Council approval of the plan, he would like to see a scenario of an emergency situation and go through how the plan works showing everyone what they need to do.

Chief Spinks stated there is no money in the Police budget for any overtime to provide that situation. Council is the policy board. You should all report to City Hall if it still exists. First responders perform the majority of work.

16. Approve Police Department Remodel

MOTION that Council authorize Interim City Manager and staff to immediately proceed with the work described as Option B, not to exceed a total of \$300,000 made by Hays; second by Lorenzen. **Carried Unanimously.**

17. Appointment of Sequim Speaks members

MOTION to appoint all 9 City applicants to the respective quadrants made by Hays; second by Erichsen. **Carried Unanimously.**

Council members then selected quadrant representatives as follows:

- Northeast quadrant
 - Lorenzen selected Craig Stevenson
 - Schubert selected Albert Friese
- Southeast quadrant
 - Dubois selected Sue Erzen
 - Hays selected Mike McAleer
- Northwest quadrant
 - Erichsen selected Susan Weidemier
- Southwest quadrant
 - Huizinga selected Bill Jensen

McHugh will be provided the opportunity to select 2 representatives. These appointments will be ratified at the August 24 meeting.

GOOD OF THE ORDER

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

EXECUTIVE SESSION

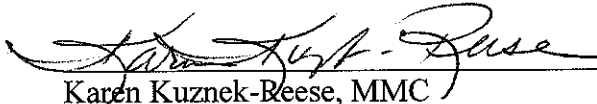
NEXT MEETING DATE

Mayor Dubois announced the next meeting dates of August 24, 2009 4:00 p.m. executive session/5:00 p.m. study session/6:00 p.m. regular meeting and August 31, 2009 5:00 p.m.

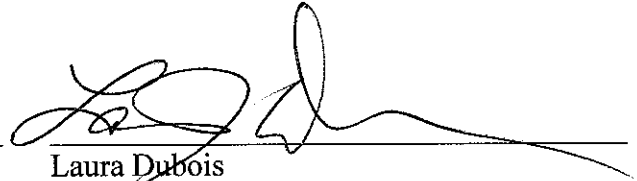
ADJOURNMENT

MOTION to adjourn at 9:35 p.m. made by Erichsen; second by Hays. **Carried**
Unanimously.

Respectfully submitted,



Karen Kuznek-Reese, MMC
City Clerk



Laura Dubois
Mayor

Minutes approved at a regular Council meeting held on August 24, 2009.