

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

**AUGUST 24, 2009**

**4:00 P.M. STUDY SESSION**

Juvenile Justice

Mike Davison, Jim Madsen, and Bobby Fuller with Juvenile Rehabilitation Administration (JRA) provided information concerning their programs and state funding reductions. JRA serves the highest 2% risk and need juvenile offenders in Washington State. Approximately 500 youth per year will be released and returned to the community without re-entry services or supervision.

Mayor Dubois suggested the Council could send a letter to our representative concerning this issue.

Jody Jacobsen, Manager of Juvenile Corrections Facility, explained the services they provide for youth ages 8 – 17. Referrals are down across the United States. Sequim and Forks account for 25% of the referrals. Sequim's referrals have more than doubled since 1995. 7% of their cases are sent to JRA. She explained where the County is supportive in prevention efforts.

2010 City Budget

Herzog provided an overview and administration's suggestions concerning the 2010 budget. She asked that Council be selective and careful of cuts and consider the long-term effects. Revenues were down 20% at the end of the first quarter. Things are starting to improve. We still see a revenue shortfall of approximately \$400,000 at the year end. Operational changes will be implemented to close the gap and the General Fund will be reimbursed for costs imposed by others. It is recommended that revenues be increased. If not, we will need to make more one-time cuts and reduce services/cut programs. Next week we will show the Council how we intend to restructure resources into other services/programs that are necessary at this time. Revenues can be increased with added sales/property taxes as the economy recovers. We can increase the property tax by 1% (this amounts to an \$11,000 increase), raise utility taxes to Port Angeles levels (with possibility of reduced or deferred tax for low-income residents), obtain more grants (build strong grant writing capability into the Planning/Public Works Department), enact a B&O tax (with a tax structure that has the effect of a lower tax consequence for small businesses), and base the business license fee on the business size or impact on the City.

Herzog outlined the additional cuts that could be taken but are not recommended by staff. She asked for Council input on several items identifying their priorities.

McHugh would like to see numbers associated with the services.

Erichsen would like to discuss the other options with moving Public Works/Planning offices, such as modulars/portables next to City Hall.

#### Health & human services contributions / contracts:

- Dubois does not want to see it go away but would consider a reduction (20-25%);
- Erichsen does not believe the City should be involved in this. If the citizens want to provide funds to charitable organizations, that is their choice. It is not the City's responsibility. People do not pay their taxes for the City to give it away to charitable organizations. He is against it all together.
- Schubert feels these services are important. Some are more important than others. Criteria need to be established and if agencies don't spend it proactively, will it have to be spent reactively? It is a City function. This would be a wonderful topic for a town meeting. We could ask the people what they want.
- McHugh would support less contributions and agrees with Schubert.
- Huizinga, Lorenzen and Hays (20%) agree to a reduction.
  - Herzog will come back next week with possibilities.

#### Park development & community beautification:

- Lorenzen feels the City should spend less on park development and the same on community beautification. The beautification equates to tourist dollars. People comment on the flower baskets.
- McHugh agrees. The City should be spending less on park development right now. He suggested shifting the burden from the beautification infrastructure in City rights-of-way to the adjoining property owners. The property owners benefit.
- Dubois agrees to wait for development. The flower baskets are an icon and she would not advocate cutting that service.
- Hays would like to see less on park development and to find a way to maintain community beautification.
- Erichsen agrees on less on park development and community beautification. He suggests the City develop a proposal to SMAC because it does impact tourism and SMAC could possibly help to fund the flower baskets.
- Schubert and Huizinga agree.

#### SRO, in light of lost School District funding.

- Lorenzen prefers to keep the SRO and maintain the program.
- McHugh stated that if the school district doesn't feel the program is important to fund, then we should not provide an SRO.
- Hays, Huizinga agree.
- Erichsen stated the school district does not think the program is necessary if they do not see fit to fund the SRO. He does not see the need for another police officer on staff.
- Schubert stated even at half funding, it does not mean you still couldn't use an SRO at the high school. You're going to spend it one way or the other, either being proactive or reactive. He would like to keep it.
- Dubois agrees to keep it the same.

Citizen service hours at “front desk” in City Hall, Police Department, and Public Works/Planning and reducing 2-3 hours staff time (i.e., 37 hour work week for front counter)

- McHugh is not sure we can continue to afford to staff the counter full time. The City does need to make it easy to pay utility bills online or with credit cards. The website should also list email accounts or direct extensions.
- Dubois agrees to fewer hours and wants to see numbers.
- Schubert thinks we have to consider this option and see what the numbers are.
- Erichsen is for less.
- Huizinga less.
- Hays feels it will have a cascading effect. He sees this as a last resort.
- Lorenzen suggests keeping the time the same. She wants furlough as a last resort.

Police volunteer program?

There was consensus to continue to maintain this program.

Building permit / inspection services?

- Lorenzen stated if there are fewer inspections, then put in less time. Are the FTEs now doing things that are needed? This is dictated by the number of permits going through the system.
- McHugh looks forward to the presentation concerning Public Works restructuring. He is hopeful that we are able to see some savings as a result of the restructuring. He would say less.
- Dubois feels this question is inadequate. Permits and inspections should go up and down as customers come through the door. How much efficiency can we get by cross training/restructuring?
- Hays, Erichsen agree.
- Schubert agrees with McHugh. We need to look at the City doing the work versus private industry and the City doing the work versus working with the County.
- Huizinga needs to see the restructuring plan before making a decision on this service.

Code compliance program?

There was consensus to maintain this critical program. There is a need to make it easier for the code compliance officer to enforce.

Emergency preparedness effort?

There was consensus to maintain this program.

Crime prevention outreach?

There was consensus to maintain this program.

Animal control service?

All agreed to maintain this service, except Erichsen who wants to see less. Lorenzen suggested offering pet licenses through the veterinary offices.

What about sustainability? Revenue increases to consider? Can Council accept an increase in

revenue for any of these items: property tax increase; Port Angeles level of utility tax; B&O tax? We will have to have increased revenue.

- McHugh is willing to take a few years to get to the sustainability level. He will continue to support property tax; is willing to discuss a utility tax (recognizing the necessity to raise the tax.). B&O tax is regressive. It would be difficult to create jobs and bring businesses to our community. He is opposed to any system that tries to exempt certain people. It has to be fairly applied regardless of anything. Business license fees are one of the worst things we do. Many people operating in Sequim do not have a business license. He is opposed to increasing business license fees.
- Lorenzen agrees with McHugh. Compliance and management of business licenses is an issue.
- Dubois supports utility taxes increase to the Port Angeles level. We need to get revenues up. Maybe they can be lowered at a later date. She supports the property tax; is unsure about a B&O tax; is the staff time involved worth collecting a \$25?
- Hays agrees but would be willing to look at other successful models being used for B&O and business license. Many communities do pay a master business fee.
- Erichsen is not in favor of raising taxes; cuts can be made to make the City livable; we need to do things so that we don't have to raise taxes.
- Schubert is against the 1% tax increase; against raising utility tax, against all the taxes; we should live within our budget like we expect our residents to do. What we will accomplish and will fund is a matter of priorities.
- Huizinga is against all taxes.
- McHugh suggested Sequim "lite." Do we need to street sweep every week? Provide the citizens the kinds of City we enjoy but how can we do it in a way that preserves what we have and is more cost effective? Too much of the savings are coming from the tax side.

Spinks stated there are outside costs such as 911 services. This year will be an easy increase. However, the 2011 increase equals the equivalent of a full-time FTE. There is no place else to go. There are some costs where if there isn't growth in revenue, we maintain the 911 service but lay off an employee.

Dubois called a five-minute break at 6:45.

### **6:55 P.M. REGULAR COUNCIL MEETING**

Mayor Dubois called the meeting to order. Items E & J are removed from the consent agenda

### **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: Admin. Service Director Karen Goschen, Clerk Karen Kuznek-Reese, Planning Director Dennis Lefevre, Capital Projects Manager Frank Needham, Public Works

Director Ben Rankin, Police Chief Robert Spinks and Interim City Manager Linda Herzog.

## **INTRODUCTIONS & CORRESPONDENCE**

### **CEREMONIAL**

### **REPORTS**

#### **COMMITTEE, BOARD AND LIAISON SUMMARY**

Lorenzen attended a Clallam Transit board meeting. They had \$.25 county-wide fares to get to the fair Thursday through Saturday.

#### **PRESIDING OFFICER REPORT**

Mayor Dubois attended a meeting with University of Washington pharmacy students about the prescription drug take back program. She also attended the Affordable Housing Charette, Utility Committee meeting, Clallam Transit System meeting. She stated she received a formal letter of resignation from Interim City Manager Linda Herzog. Linda Herzog has done a wonderful job. She accepts her resignation effective September 2. We will have interviews tomorrow with a reception to meet city manager candidates tomorrow from 5:30 to 6:30.

Schubert stated it has been a pleasure to get to know Linda. She was a wonderful relief after the Chief. Huizinga stated it has been a great pleasure serving with her. The next City Manager will have a tough act to follow. Erichsen commented about what a great job Linda has done. We will miss you.

#### **CITY MANAGER REPORT**

Herzog reported that staff will provide information concerning potential effects of I-1033 on City services. This will be on a September agenda.

There was discussion concerning the City joining the Port Angeles Business Association. It was agreed this will be included in the 2010 budget.

## **INFORMATION/COUNCIL QUESTIONS INVITED**

1. Policy concerning financial support for festivals/special events in the City of Sequim

Damian Humphreys, Marketing Manager for Quality Inn and soon to be Holiday Inn Express, stated he is a member of SMAC and worked with Linda Herzog on this issue. This policy was discussed by SMAC. The policy needed some "tweaks." Herzog indicated this will come back with Scott Nagel's comments being incorporated.

Joe Borden, 1041 Spruce Court, Irrigation Festival chairman, supports the documents as written.

Scott Nagel, Executive Director of Lavender Festival, supports the plan and proposal. He will submit his notes on some of the verbiage to make sure it is clear. The Lavender Festival is a non-profit. Only about 8,000 people come to the farms. This is all going to the free street fair. Lodging tax funds have been used for marketing of all types of festivals, regardless of size. The Lavender Festival should be able to take advantage of lodging tax marketing funds. The festival is large and did pretty well this year. We are always competing for tourists. We need that marketing money. We don't make a lot of money off the festivals. This is a good resolution of this issue.

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

Ron Gilles, 274 W Cedar, is here on behalf of the Chamber. Bill Littlejohn had asked him to make general comments. A copy has been provided to the City Clerk. He then read the letter into the record, which asked to see completion of a water rate study; extend reuse water to projects; growth keeps a City alive; review of GFC increases to water, sewer permit fees and design review. All these increases are impacting current and future construction.

Jim McIntyre, Port of Port Angeles Commissioners, announced the Port Commissioners selected Jeff Robb as the new Executive Director. He thanked the Council for support of \$10,000 as partnership funds for Kenmore Airlines grant.

**PUBLIC HEARINGS** (None)

**CONSENT AGENDA**

2. Approve/Acknowledge
  - a. City Council Meeting Minutes 7/27/09
  - b. City Council Meeting Minutes 8/10/09
  - c. Claim Voucher recap dated 8/24/09 total payments \$1,528,792.93
  - d. Comprehensive Emergency Management Plan
  - f. Ordinance No. 2009-011 revisions to SMC 2.34 and 18.24 re Design Review Board
  - g. Change Order for Installation of Simdars Road Pressure Reducing Valve
  - h. Change Order for Fir Street Sewer Project
  - i. Appointment of Sequim Speaks members

**MOTION** to approve as read made by Lorenzen; second by Hays. Aye by Huizinga, Schubert, Erichsen, Hays, Dubois, Lorenzen. Nay by McHugh. **Motion carries.**

**UNFINISHED BUSINESS**

- 3 Sub Area Plan Request for Proposals

Erichsen, McHugh and Lorenzen were against spending any money for consultants at this time.

Hays does not feel we have the expertise onboard to move forward. The sub area is the most important piece of legislation the City will ever pass. To grow well and develop is important. Without the sub area there will not be any developed growth in this community.

Schubert supports moving forward. \$15,000 is a lot of money especially with the current financial situation. It is nothing compared to the amount of money wasted the last couple of years.

**MOTION** that City staff seek a consultant for the scope of work described as Town Center Sub Area Plan Marketing Analysis for a cost not to exceed \$15,000 made by Schubert; second by Hays.

Don Hall appreciates the discussion. You don't know where the sub area will be. Where will City hall go? This should be put on hold until some other issues are resolved.

Ron Fairclough stated Jim Casey wrote an article about growth in Lynnwood. He grew up there. When he moved there as a kid, the place looked like Sequim. There were farm lots and dirt roads. He was there when it grew. You could not find the center of Lynnwood or Alderwood. It is important. It's been a joke since they moved city hall out of the downtown. It is important to decide where city hall will be located. He has a fancy idea. It was created by Frank Lloyd Wright. You make your 2<sup>nd</sup> and 3<sup>rd</sup> floors your main floors and have causeways going across. Once you get started, the developers will fall in behind. You don't need to build a large city hall. Start small. The City could then buy the property where the apartments are located. You have real estate developers that say you can get more bang for the buck by going out of town.

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

4. Return of ARRA funds for Washington Street sidewalk project

Rankin explained the many costs associated with grant compliance. He recommends returning the money.

**MOTION** to authorize the City Manager to send a letter to WSDOT requesting termination of the \$170,000 grant from WSDOT for Washington Street sidewalk improvements made by Lorenzen; second by Erichsen. **Carried Unanimously.**

5. Request to rename Spruce Street pocket park to June Robinson Memorial Park

Jeff Edwards reported that the Park Board has requested renaming the Spruce Street pocket park to June Robinson Memorial Park. Lakeside Industries has donated the parking lot pavement; Bill Littlejohn donated topsoil for the park as well.

**MOTION** to authorize the Parks Coordinator to proceed with the renaming of the Spruce Street Pocket Park to June Robinson Memorial Park and to waive the three touch rule by

Council made by Schubert; second by Huizinga. **Carried Unanimously.**

6. Appointments to Sequim Marketing Action Committee

**MOTION** to appoint voting members as follows:

Red Caboose B&B Charlotte or Olaf Protze; Quality Inn Damian Humphreys and Cedarbrook Gary or Marcella Stachurski; Chamber of Commerce Jean Wyatt; Sequim Open Aire Market Mark Ozias and Olympic Peninsula Tourism Commission Diane Schostak made by Erichsen; second by Lorenzen. **Carried Unanimously.**

7. Partnership with Port of Port Angeles and Kenmore Air and payment of \$5,000 in 2010 and \$5,000 in 2011 from hotel/motel funds

Erichsen stated SMAC was reluctant to offer the full amount. He does not believe we should go contrary to the committee's recommendation. If we don't have a viable airline on the Peninsula, we will have difficulty getting Battelle to increase their operations. He cannot support the City staff recommendation for the full \$10,000.

Damian Humphreys stated SMAC members were concerned with the ending fund balance. There are 3 who fund the tax. All 3 voted against the full amount of \$5,000. Sequim does not receive the same benefit as Port Angeles. No one on the committee was against Kenmore Air. Everyone was in favor. This is more a community project than tourism. Lodging tax dollars are for tourism and putting heads in beds. Jeff Robb made the presentation to them and made it clear the grant would proceed with/without Sequim's participation. We will get to be at the table to help with marketing. He asks that the Council support the SMAC recommendation.

Mike East worked with Kenmore Air in the past. Cars were rented year round by people flying in on Kenmore Air. He encourages the City to work with Kenmore Air and go with the advertising program. It will pay benefits to Sequim. Many people renting cars were constantly asking directions to events in Sequim. You will get your money back and it will be money well spent.

**MOTION** that the City of Sequim make a contribution from the lodging tax fund of \$3,500 in 2010 and another \$3,500 in 2011 as an expression of the City's partnership and support for the Port of Port Angeles Small Community Air Service Development Grant Proposal to the U.S. Department of Transportation made by Hays; second by Erichsen. **Carried Unanimously.**

**NEW BUSINESS**

**GOOD OF THE ORDER**

The Sequim Speaks members will be notified of their appointment. Hays indicated Sharon Delabarre has offered to meet with the group to help get them started.

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

**EXECUTIVE SESSION** Mayor Dubois announced an executive session to discuss property acquisition. It should last 15 minutes and action is anticipated. The meeting adjourned to executive session at 8:25 p.m. At 8:40 it was announced an additional 10 minutes. The meeting reconvened at 8:50 p.m.

**MOTION** to authorize City staff to enter into an option to purchase Property A made by Schubert; second by Huizinga.

Hays does not support either option. They asked for a benefit analysis to determine best locations for city hall to serve the community. We don't have a sub area plan and details about how city hall may or may not fit into that. He cannot support either option. Erichsen agrees.

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

**NEXT MEETING DATE**

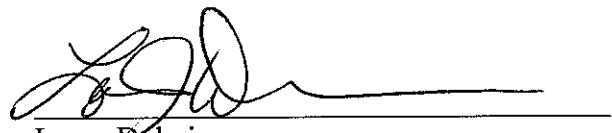
Mayor Dubois announced the next meeting dates of August 25, 2009 for city manager interviews at 9:00 a.m. and go to executive session at 7:00 p.m., and then August 31, 2009 at 5:00 p.m.

**ADJOURNMENT**

**MOTION** to adjourn at 8:53 p.m. made by Hays; second by McHugh. **Carried Unanimously.**

Respectfully submitted,

  
Karen Kuznek-Reese, MMC  
City Clerk

  
Laura Dubois  
Mayor

Minutes approved at a regular council meeting held on September 14, 2009.