

**CITY OF SEQUIM  
CITY COUNCIL MEETING MINUTES  
SEQUIM CIVIC CENTER  
152 WEST CEDAR STREET  
SEQUIM, WA  
OCTOBER 22, 2018**

**WORK SESSION**

1. ICMA Code Compliance Update

Chief Crain reviewed the recommendations made by the ICMA team. Animal control takes up a lot of Lisa's time. She also has code enforcement, parking and building inspections. It had been suggested that animal control be contracted out. The county does not have the capacity to take on this function. When we contract out, we also lose control and quality of service. Staff recommends Lisa stay in the Police Department and continue to do the things that she is doing well. Perhaps we can add an FTE in the future for the compliance role. The new code enforcement reporting software and a collaborative approach will also help.

Barry indicated that the International Property Maintenance Code will be brought as a discussion item to the council advance. He provided information concerning the Volunteer Assistance Program which would be a neighbor helping neighbor program.

The Administrative Remedies Program deals with people that would prefer to come into compliance but may not be aware they are out of compliance.

The Rental Property Registration Program would include registration, periodic inspections and enforcement. This would be resource intensive. How would we bring properties into the program if they do not register? The Fire Department does do periodic property inspections and could serve as a model.

The recommendations that staff feels are most doable include realignment of roles and responsibilities, adopt the International Property Management Code, purchase a dedicated software module/tracking system, and the administrative remedies program.

The Volunteer Assistance Program would take a considerable amount of staff time to create a neighborhood presence and work with the community. Miller feels this is important. Lake suggested partnering with Habitat for Humanity. Bush indicated to get to this level is a bigger program and we cannot roll all of this out and be successful.

2. Property Tax Briefing

Connie Anderson provided history on property taxes. Property taxes are limited to \$10 per \$1,000 of assessed value. This is then divided between various agencies. The City of Sequim can levy up to \$1.60. The City has an estimated \$1 billion assessed value. 1.414 is the estimated levy rate. AV went up for 2018. In 2011 the City banked their capacity. Banked capacity fluctuates and is based on the assessed value. The state has new education funding laws that will rely on property taxes. Staff recommends the 1% allowable levy increase. This does not keep up with the rate of increase in expenses.

Pratt asked if the assessed value includes OMC and the marina. Connie will find out.

### 3. Q3 2018 Financial Report for the City of Sequim

Hagener explained that the City is in a good financial position. Sales tax is up 20%. We will recommend this be allocated to one-time projects in the budget amendments. Permitting activities are up 58%. Our expenses are 4% less due to open positions and timing of service-related expenses. Parks projects were delayed so there is delay in revenue and expenses. Lodging tax revenue is up 37% for this year and REET is up 37%. Equipment Reserve is very close to the amount set. The City has very high cash and investment balances. The TBD still receives funding and taxes are 21% over budget. A total of \$765K has been spent on TBD projects

## **PLEDGE OF ALLEGIANCE**

### **ROLL CALL**

Present: William Armacost, Bob Lake, Ted Miller, Candace Pratt, Dennis Smith, Jennifer States, Brandon Janisse

## **CHANGES TO THE AGENDA**

Mayor Smith stated student liaisons will be leaving early so he would like to move up their report.

MOTION made by Lake; second by Miller to have student liaison report after this changes portion. Carried Unanimously.

### Student Liaison Report

Katie reported on their annual events. They have begun with Winter Wishes where donations are collected from the community and gifts are provided to students that may not necessarily receive anything at Christmas.

Eva reported Haunted Hallways Halloween event is for the community. Different classes have events/activities set up for the community. On October 27 the football team is in the playoffs. The choir has their first concert Thursday.

## **CEREMONIAL**

## **PUBLIC COMMENTS**

## **PUBLIC HEARINGS**

4. 2018 Year-End Budget Amendments and Ordinance No. 2018-010  
Authorizing Unforeseen Expenditures for 2018

Mayor Smith read the rules and opened the public hearing at 6:08 p.m.

Hagener explained that sales tax revenues are higher than anticipated. We will use \$73K to improve equipment reserves and get us closer to policy compliance; \$40K to Long Term General Debt Reserve; \$120K to Rainy Day Fund; \$110K to one-time projects and \$115K to capital facilities for solar panels on the Civic Center in 2019. We have also added \$13K for a grant that was received for a program to track Public Records Requests; \$10K for code compliance software; and \$30K for the code scrub.

The hiring of an Arts Coordinator has also been accelerated.

Mayor Smith asked for speakers. Hearing no response, the public hearing was closed at 6:11 p.m.

MOTION to adopt Ordinance No. 2018-010 Authorizing Unforeseen Expenditures for 2018 as identified in Exhibit A and the updated Exhibit B made by States; second by Lake. Carried Unanimously.

#### 5. Resolution R2018-24 Adopting 2018 Comprehensive Plan Amendments

Mayor Smith read the rules and opened the public hearing at 6:13 p.m.

Berezowsky stated this is an amendment to discontinue the requirement to develop a Subarea Plan prior to developing land in the Economic Opportunity Areas (EOAs). This was one of the recommendations in the report provide by Hovee.

The second amendment is to the narrative in Land Use policy 3.6.1. This narrative states that a Subarea Plan in the Economic Opportunity Area must be completed prior to development occurring, other than for single-family housing.

The third amendment strikes the phrase “within the framework of Sub Area Planning of EOAs” in Land Use policy 3.6.3.

Staff is recommending removing the Subarea Plan requirement in the EOAs. The western EOA would have a difficult time going through the SAP process because there are 30 different properties with 19 different owners. Subarea planning is something that someone could decide to do without it being a requirement.

Mayor Smith asked for speakers. Hearing no response, the public hearing was closed at 6:22 p.m.

MOTION to approve Resolution R2018-24 adopting the Planning Commission’s proposed 2018 Comprehensive Plan amendments modifying Figure 3.6, Policy LU 3.6.1 and Policy 3.6.3 and therefore removing the requirement in the Comprehensive Plan to complete a subarea planning process prior to development other than single-

family residential being allowed in the City's two Economic Opportunity Areas (EOAs) and authorize the Mayor to sign said resolution made by Pratt; second by Janisse.

Miller feels that a SAP provides an additional layer of protections in a development. Eliminating the Subarea Plan is going to haunt us in a future development.

There was discussion concerning eliminating the Subarea Plan requirement and the next steps.

Berezowsky stated that if Council agrees with the Planning Commission, staff will bring development and design standards, along with other policy documents, to the Council outlining what can occur in EOAs. We now need to create the regulatory framework for a new project.

Amendment to the motion that Comp Plan amendments would be approved as soon as the code changes have been made and approved by the City Council made by Lake; second by Miller.

Nelson-Gross expressed concerns about the amendment. If someone were to come in and try to do something, we would not be able to move forward until there is zoning for this area. If we remove the SAP requirement, we can come forward with an emergency interim ordinance that provides some regulations.

The amendment was withdrawn.

Nelson-Gross said we could explore an emergency moratorium. We do not have zoning regulations in place for this district. It almost creates a subfactor moratorium. Her preference is to adopt an interim ordinance.

Berezowsky explained what can and cannot be done at this time in an EOA.

Amend to suspend it subject to a moratorium until the regulations are drafted and the land use regulations approved by the Council made by Miller.

Pratt suggests that we get this struck from the comp plan and then have a moratorium.

Nelson-Gross suggests we can set this for the next council meeting to discuss moratorium and have draft findings. Barry could bring temporary interim controls as well.

Nelson-Gross suggests voting on the Comp Pan amendment tonight and then at the next meeting we have two alternatives: either a moratorium until interim language is in place or we adopt interim controls.

Bush added that the eastern EOA is in the Opportunity Zone. He recommends adopting interim controls rather than a moratorium.

Amendment dies for lack of second.

**Vote on the original motion. Carries Unanimously.**

## **ACTION ITEMS**

### **CONSENT AGENDA**

6. Approve/Acknowledge
  - a. City Council Meeting Minutes – September 24, 2018
  - b. City Council Meeting Minutes – October 8, 2018
  - c. Claim Voucher Recap Dated 10/22/18 Total Payments \$627,395.30
  - d. Dungeness Valley Health & Wellness Clinic 3rd Quarter Report
  - e. Parenting Matters 3rd Quarter Report

MOTION to approve the Consent Agenda with the October 8 minutes being changed to reflect Councilors rather than Commissioners made by Pratt; second by Janisse. Carried Unanimously.

7. Resolution R2018-23 Adopting the City's 2019 Legislative Agenda and Policies

Bush explained the changes made to the legislative policies.

States stated the clean energy funds are available to small cities. It should say that this will provide additional funding and technical support so small cities have increased access to funding.

States feels that solid and food waste should be included in the same sentence.

Wordsmithing is necessary on the fuel storage item. Should we specify the exact location for fuel storage? Should other public agencies be included?

Bush wants to add that we have been working with the Transportation Improvement Board (TIB) on the 101 Corridor. We would like to include language in support of TIB requests. There was Council consensus to proceed.

8. Resolution R2018-25 Supporting the Dungeness Off-Channel Reservoir

Garlington advised that the state's capital budget did not pass. There is money for stream flow enhancement projects. That money is controlled by the Department of Ecology. The Dungeness River Management Team has written a resolution in

support of the off-channel reservoir. The involved agencies are also adopting a resolution of support. The county is the applicant for the DOE grant. This resolution shows the City's support for the off channel reservoir. It is a \$4 – 5 million ask. The Legislature will want to see that the local entities are also contributing, This would be in the ongoing maintenance and operation of the reservoir. The City is receiving stormwater abatement from this project.

**MOTION** to approve Resolution R2018-25 in support of state grant funding for land acquisition, design and engineering for the Dungeness Off-Channel Reservoir project made by Miller; second by States. Carried Unanimously.

## **INFORMATION**

Committee, Board and Liaison Summary Reports  
Presiding Officer

Mayor Smith attended the Chamber board meeting on October 11. He met the new Executive Director. On October 12 he attended the audit exit conference. He reported on the Transit Board meeting he attended on October 15, the October 17 School Safety Forum. He also attended the WAG Conference.

City Manager

Bush stated that to our knowledge it has been 27 years without an audit finding. We are acting on items suggested in the audit.

## **GOOD OF THE ORDER**

Pratt would like to see a proper microphone for Bob Lake's chair.

Mayor Smith reminded councilmembers of the Volunteer Recognition Event and recommends councilmembers attend. Please RSVP by November 1.

**ADJOURNMENT** to closed session to discuss union negotiations at 7:20 p.m.

Respectfully submitted,

*for* *Karen Kuznek-Reese*  
Karen Kuznek-Reese, MMC  
City Clerk

*Dennis Smith*  
Dennis Smith  
Mayor

Minutes approved at a regular Council meeting held on November 13, 2018.