

POULSBO CITY COUNCIL MEETING OF APRIL 2, 2008

M I N U T E S

PRESENT: Mayor Quade; Councilmembers: Berry-Maraist, Crowder, Erickson, Lord, McGinty, Rudolph, Stern.
Staff: Bauman, Berezowsky, Berghoff, Diehl, Haney, Jones, Kasiniak, McCluskey, Treacher, Swiney.

MAJOR BUSINESS ITEMS

- * * * Presentation by Kitsap County Assessor Avery
- * * * Proclamation: Records Management
- * * * Minutes of March 5, 2008 Council Meeting
- * * * Minutes of March 12, 2008 Council Meeting
- * * * Payroll – March 1-31, 2008
- * * * Continued Public Hearing: Tibbits Annexation - Denied
- * * * Draft Ordinance: Tibbits Annexation
- * * * Public Hearing: Gaines Annexation - Denied
- * * * Draft Ordinance: Gaines Annexation
- * * * Resolution 2008-05, Reject Internet Service Provider Bid

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Quade called the meeting to order in the Council Chambers at 7:00 PM and lead the Pledge of Allegiance.

2. MAYOR'S REPORT AND CHANGE TO AGENDA

a. Presentation by Kitsap County Assessor Avery

Assessor Avery gave a brief overview of the effect of annexation on property tax including:

- Taxes are based on services (sewer/water); for people on ¼, ½, and 1 acre lots there is relatively no change;
- An increase is noticed on parcels over 1 acre;
- Property owners increase their wealth when they are annexed into the City;
- Programs are available to reduce taxes but property owners should be aware if they decide to pull their property out of a program they then owe the back taxes;
- Taxes increase if a property owner has a view and the view is rated on a scale of 1 to 9; and

- Handouts show how Poulsbo compares to other city's tax rates; tax bills have not been increasing in the last few years even though property values have been going up.

3. MAJOR BUSINESS ITEMS

a. Continued Public Hearing: Tibbits Annexation

Mayor Quade addressed the amount of misinformation floating around between the public, especially in regards to hooking up to sewer upon annexation. Mayor Quade stated it has never been Council policy to force citizens to be annexed. The Mayor recommended Council deny both annexations at this time to give Council time to come up with an action plan and give petitioners time to gather support for a larger annexation. Mayor Quade noted it will also allow for education of the potential new residents, more comprehensive planning, more logical future extensions of the Urban Growth Area (UGA), and time for Council to grasp the new Comprehensive Plan and functional plans. Mayor Quade stated it will also ease fears of residents in the UGA and place more protective measures on the environmental concerns.

At 7:20 PM Mayor Quade recessed the regular meeting and opened the continued public hearing.

MOTION: Rudolph/Crowder. Move for denial of the Tibbits Annexation.

DISCUSSION: Councilmember Rudolph stated he agrees with the points Mayor Quade made and feels going forward on annexations of smaller areas instead of a larger one is very disorganized and not working for the City.

Councilmember Berry-Maraist asked if the Council was going to allow for public comment. Mayor Quade stated it would be counter productive.

Councilmember Rudolph stated it has been alleged that the City is unable to support the annexed areas and the rest of the UGA and all of our functional plans are premised on that support. Rudolph clarified the policies regarding connecting to services once annexed and feels the majority of time annexation is confused with development. Rudolph stated there have been concerns regarding accessing an annexed parcel, and the policies the Council is creating ensure the City has orderly development and interconnectivity. Rudolph stated there is a lot of misinformation on environmental protection and the City's regard to protecting these areas. Rudolph proposes the Public Works Committee take the lead on the annexation process to help create a more orderly process.

Councilmember Stern offered clarification on the three broad points Councilmember Rudolph previously stated: public education, policy over utilities and protection of resources by stating petitioners should work with the Public Works Committee on these issues since that Committee will be taking the lead. Stern stated petitioners are going to be interested in the timeline of when the City will be doing the plans for a larger area or if they go back to annexing smaller areas.

Councilmember Rudolph stated he is not proposing new planning but to finish the planning that is already in process.

Councilmember Berry-Maraist questioned whether the Council was going to allow any annexations until the adoption of the Comprehensive Plan. Mayor Quade stated it is the adoption of the functional plans, not the Comprehensive Plan, she would like to see annexations follow. Berry-Maraist questioned what the timeline is on these plans.

Public Works Director Bauman stated there are four plans: Transportation Improvement Plan which has been adopted; Water System Plan which is in final draft form and has been approved by the State; Sewer System Plan which is nearing final draft and now being reviewed by the State; and Storm Water Plan which is in draft form and should be final soon.

Councilmember Berry-Maraist questioned if it would be six or nine months before the plans are finalized and stated it seems we are now changing the rules on annexations. Berry-Maraist expressed concern we have asked petitioners to follow a process and we are now changing the rules midway through; she feels the Council owes them some predictability on when they can apply again and expect the Council to be ready to listen to them.

Councilmember Lord stated one of the petitioners had submitted a detailed plan for the area and she questioned if it would be included in the plans the City is currently developing. Public Works Director Bauman stated the plan Councilmember Lord is referring to is a conceptual plan as opposed to a Comprehensive Plan; the general idea of that conceptual plan was dealing with a smaller area instead of a larger annexation like what is being discussed tonight.

Councilmember Erickson stated many people have a lot of time, money, and emotions invested in this decision and denying this decision is troubling because we are essentially shutting down our City's expansion and growth patterns. Erickson stated, on the other hand, there are many people who have worked very hard on the functional plans that are where we want to be as a community. Erickson stated it is less expensive for

everyone to annex a bigger piece of the UGA as opposed to a group of small pieces.

Councilmember McGinty expressed concern with the unknown and it being very disconcerting for a petitioner. McGinty stated the need for some mention of the milestones to feel more comfortable with denial of this annexation.

Councilmember Berry-Maraist stated she would like the environmental aspects to be based on science and not a political aspect.

Councilmember Crowder stated she agrees with the Mayor's thought on this annexation and is pleased to see that the City is taking the time to plan for the future.

Councilmember Stern stated in the past the City's growth has been accidental and now Council is taking a more planned approach to annexation to ensure it will not become a burden to the citizens in regards to water and sewer service and interconnectivity of roads. Stern stated the Council is not rejecting these annexations but in fact saving the citizens money and further protecting the City's resources.

Councilmember Lord expressed concern in the past about annexing the west side and echoed what Councilmembers McGinty and Stern have said with regard to giving the petitioners a timeline on when the functional plans will be complete. Lord stated petitioners have put forth a great amount of effort to submit their petitions; she does not want to see them left hanging and would like them to be given a timeline of what to expect.

Councilmember Erickson assured the citizens this will be expeditiously taken care of with the proper planning.

Councilmember McGinty questioned the annexation fees paid and if the City requires the petitioners to repay those fees when they resubmit. McGinty expressed concern about establishing a deadline for this annexation.

Councilmember Rudolph proposed a communication package that lays everything out clearly and is not proposing more studies but finishing the current functional plans in the works. Rudolph stated the plans currently in the works are already close to completion and he feels the timeline for completion of the plans should be around the three month mark.

Councilmember Berry-Maraist questioned if the Council is talking about additional protection of resources and not talking about scientific studies,

and what their decision is going to be based on. Rudolph stated it would be enforcing the policies set forth in the Critical Areas Ordinance that we have already adopted which has some very strict policies at the top of the state standards.

Councilmember McGinty questioned if the City had to have the functional plans done before it goes on with the educational plans.

CALL FOR THE QUESTION ON THE MOTION:

Motion carried. Yes: Crowder, Erickson, Lord, McGinty, Rudolph, Stern;
No: Berry-Maraist.

b. Public Hearing: Gaines Annexation

At 7:58 PM Mayor Quade opened the public hearing.

MOTION: Rudolph/Crowder. Move to deny the Gaines Annexation as shown in Exhibit A of the staff report.

Motion carried. Yes: Crowder, Erickson, Lord, McGinty, Rudolph, Stern;
No: Berry-Maraist.

4. CITIZEN COMMENTS

- a. Alma Belling questioned the Council on when they would be holding another meeting on the Tibbits Annexation and stated she was disappointed the decision on the annexation was made prior to the meeting without obtaining public comments. Mayor Quade stated the City will be contacting all the citizens who signed up to speak at the public hearing regarding when the Council would next be meeting on this subject.

5. CONTINUED MAYOR'S REPORTS

- a. Proclamation: Records Management. Mayor Quade reported she signed a proclamation for Records Management month.
- b. Mayor Quade requested Council concurrence on allowing the Centennial Committee to hang a banner on city hall when not being used at a Centennial event; Council concurred. Mayor Quade reported last Saturday was the Centennial park clean-up and bamboo sale and things went well.
- c. Mayor Quade read an email she received from a concerned citizen regarding Fishline needing help raising funds during the non-holiday season.

6. COUNCILMEMBER COMMENTS

- a. Councilmember Stern recognized Denise Bauman on receiving the United Way Award for Volunteerism; reported he will be attending the Intergovernmental Committee meeting on April 17th and, if the Council has any questions, contact him or Councilmember Erickson; and stated he will attend the Kitsap Regional Coordinating Council meeting on April 8th regarding public fiber optics within the county, KITNET, and the Telework Program.
- b. Councilmember Berry-Maraist reported she will be attending a meeting on April 8th regarding the Strawberry Field lights project. Berry-Maraist reported she attended the following meetings: North Kitsap School Board meeting where they discussed working on recreation programs with the City; Parks & Recreation Commission meeting for a review of the Comprehensive Plan Parks & Open Space Plan; and the Kitsap Regional Coordinating Council Transportation Policy Board meeting regarding Congress' Economic Stimulus Package for the ferries.
- c. Councilmember Crowder requested an update on the Marine Science Center funding that was lost. Mayor Quade reported the Governor chose not to fund this project and to keep the money in the reserve budget.
- d. Councilmember Rudolph reported there was a team meeting on the city hall project today, the floor plan is very close to being finalized, and the site plan is moving along well. Rudolph reported there will be an Open House on April 16th at 6:00 PM to show the plans.
- e. Councilmember McGinty questioned when the Council would have the proposed costs for city hall. Mayor Quade stated some of the costs would be available on April 16th.
- f. Councilmember Erickson reported she attended the Ferry Advisory Meeting on March 24th and found it very informative and hopeful; sequencing of the traffic lights across the Island was also discussed.
- g. Councilmember Lord reported the West Sound Watersheds Council Executive Director Kathleen Peters will be here at the April 9th meeting to give a presentation on what they do and discuss the upcoming interlocal agreement. Lord stated Megan Duvall of the State Archeological and Historical Preservation office would like to schedule a workshop in May with the Council and Planning Commission.

7. CONTINUED COMMENTS FROM CITIZENS

- a. Molly Lee submitted a packet which showed assessed values of properties that were annexed into the city limits in 2005 increased considerably in 2006 and 2007 and stated she believes this would be an economical burden to many. Lee stated the density placed on these properties will create revenue to reinvent the delicate ecosystems that they destroy.
- b. Jan Wold submitted two handouts on the proposed Tibbits & Gaines Annexations which she summarized by stating: the Growth Management Act (GMA) stated that the target for growth in the Urban Growth Area (UGA) is 7,094 people; the City is approving subdivisions at a rate double the requirement of the GMA; her analysis did not include the condominiums in Poulsbo Place and the residences approved for the Olhava Master Plan; and according to the population distribution for 2005-2025 in the GMA, Poulsbo has the highest assessed annual growth of any city's UGA.
- c. Shannon Stepen stated there are several major developments in the works that total 1,300 dwelling units: Noll Road was 500 homes; Olhava was 510 single/multifamily units with an additional 120 units requested; Stendahl Ridge has 185 units; and there are currently many developments on hold or under review by the Planning Department. Stepen stated she would like to encourage the Council to really look at what is out there before approving more density in the UGA.
- d. Denise Bauman stated she is the representative to the Solid Waste Advisory Committee and provided an update in which she stated: they are updating the County solid waste plan this year; some of the statistics of hazardous waste are that an even number of people use the Port Orchard (south end) hazardous waste station from north and south, so a facility is not needed in the north end; they found the highest usage was for people bringing in latex paint which is not hazardous waste; and here in the north end they currently collect fluorescent bulbs, batteries, and motor oil. Bauman stated Terry Bickel of Waste Management said that waste has decreased with development this year since builders are not using the dumpsters. Bauman pointed out some upcoming events: April 19th Stillwater's is having a local green event; April 27th is the furniture amnesty day at the transfer station; May 25th in Poulsbo there will be a composting workshop; and April 12 & 13 King County is sponsoring a green festival at the Washington Trade and Convention Center. Bauman stated while visiting China recently she rode a Maglev and was really impressed with it.

- e. Kathryn Morgan stated she feels it is important the people who are being planned for in the UGA get a chance to voice their concerns; leaving these people out contributes to the problems that have currently arisen and including them will help create development that everyone can live with.
- f. John Johnson stated this is the second time he has followed the process, investing a lot of money on the best consultants, and to have a decision happen without the opportunity to speak was disappointing. Johnson stated he hopes the Council will be honest and do what they said they were going to do.
- g. Dan Baskins stated:
 - Council talks about education yet they are using a map developed in 1994 to show the UGA boundary.
 - Council is constantly misquoting the concepts of GMA especially in regards to population growth.
 - He feels the council forgets about the stakeholders and what was done tonight was incongruent in regards to the critical areas.
 - The City will gain better planning by gaining jurisdiction over properties and the idea of annexation is an obsolete concept under GMA since a UGA has been established in the GMA and is supposed to be planned for.
 - He feels that a defacto moratorium has been placed on the City.
 - He feels annexation is not the area that planning should be discussing since it has already been covered in Comprehensive Plans, sub-area plans, capital facilities plans, and long range planning.
- h. Steve Johnson stated he would like Council to look at placing the UGA in the voting boundaries so they would be able to give their input. Johnson stated he has been trying to annex his property for 2-1/2 years and been shot down twice, creating a great expense to him.
- i. Bob Hawkinson stated he is extremely unhappy and the point of annexation is to get jurisdiction over property so planning could then take place. Hawkinson stated to be in the City is the only way to get a vote.
- j. Claire Bourgeois stated she commends the decision of the Council, she believes growth needs to be planned for before annexation and timelines are important but believes they should be flexible.
- k. John Lee submitted a handout of his comment in which he quoted RCW 36.70A.070(3) which specifies the required contents for the capital facilities element of a GMA plan and RCW 36.70a.130(4) & (4)a, which specify when the Comprehensive Plan is due for the City.

- I. Shawna Lambert stated she is a property owner in the annexation area, and believed everyone in the area was in favor of it. Lambert stated the annexation was to annex the property currently there and not future developments that may or may not take place. Lambert stated she feels she is on an island of county property within the City already and has no representation. Lambert stated she is a farmer, Johnson Creek runs through her property, and she farms up to the edge of the creek; whereas, if a development is placed on the property, it would require a buffer from the creek creating better health for Johnson Creek.

8. CONSENT AGENDA

Councilmember Berry-Maraist requested that the March 5, 2008 Council meeting minutes be removed from the Consent Agenda.

MOTION: McGinty/Lord. Move to approve Consent Agenda items b and c.
Motion carried unanimously.

The items listed are:

- b. Minutes of March 12, 2008 Council Meeting
- c. Payroll – March 1-31, 2008

- a. Minutes of March 5, 2008 Council Meeting
Councilmember Berry-Maraist requested Section 9.a. be corrected to include wording regarding: her concern about the cost implications of a two-story parking garage for city hall when public on-street parking is the most versatile and least expensive option, parking on 3rd Avenue and Moe are the best opportunities to create on-street parking downtown, the site layout should be looked at again for potential cost savings, and the City should consider an on-street parking ordinance.

MOTION: Berry-Maraist/Lord. Move to approve the March 5, 2008 Council minutes as corrected.
Motion carried unanimously.

9. CONTINUED OTHER BUSINESS

a. Resolution 2008-05, Reject Internet Service Provider Bid

Councilmember Stern noted the Finance/Administration Committee has reviewed this item which is a technical rejection because one of the criteria in the bid had to be altered so the package needs to be re-advertized to be fair to all.

MOTION: Stern/Berry-Maraist. Move to adopt Resolution 2008-05, a Resolution of the City Council of the City of Poulsbo, Washington, rejecting the bid of the Port Gamble Development Authority received by the City to be the City's Internet Service Provider.
Motion carried unanimously.

10. DEPARTMENT/COMMITTEE REPORTS

- a. City Engineer Kasiniak provided an update on the following projects: SR305 Project is back on and Jerry Moore of the Washington Department of Transportation will be here next week to discuss the schedule for the project and impacts on traffic; the Bond Road Force Main Project will start construction on April 14th and there will be an interruption of traffic on Bond Road; and 7th Avenue is being held up by street lights and the developer who the City is working with on the dedication of right of way, which is needed to open the street.
- b. Finance/Administration Committee:
Councilmember Stern reported on: the Rotary clock funding has been resolved; the Committee recommends approval of the emergency intertie with the Kitsap Public Utilities District and recommends the Capital Improvement Project Committee meet to discuss the long range financial viability questions of the water intertie; Council goals and objectives have been reviewed, and it has been recommended setting a policy on newly elected Councilmembers being able to provide input on the next year's legislative goals.

11. CONTINUED COMMENTS FROM CITIZENS

Shannon Stepen stated when people see large areas of land being annexed they think development, and providing an education process on annexation is very important.

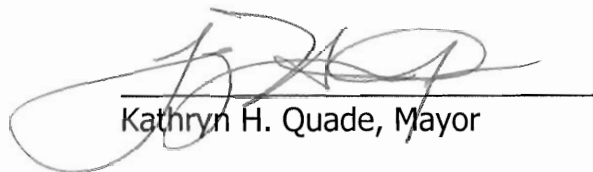
12. CONTINUED COUNCILMEMBER COMMENTS

- a. Councilmember Berry-Maraist stated she has been on the other side of annexation and feels it is very important that government acts with predictability. Berry-Maraist stated Council should follow the rules that we have set up since that is what we have asked the petitioners to do and she is very disappointed that Council did not do so. Berry-Maraist stated Johnson Creek has failed Health Department tests for years with E-coli and it is not from sewer systems, so if development came in and brought sewer with it, it would benefit the health of Johnson Creek.

- b. Councilmember Crowder stated she is happy the Council is taking the time to make sure everyone is included, that people will be on the same page, and that Council will act quickly.
- c. Councilmember Rudolph stated he feels the decision tonight did not change the intent to implement the City's Comprehensive Plan which matches the County Subarea Plan and the GMA expectation. Rudolph stated the Council is trying to implement plans overall, not turning down individual plans and development in Poulsbo and the Comprehensive Plan update is not going to be a major change but a refinement of current plans.
- d. Councilmember McGinty stated he hopes the City can move quickly; being on the other side of the process when the rules change and sitting in limbo is very frustrating.
- e. Councilmember Erickson stated she will work hard to get this done and this is a short termed situation. Erickson stated she feels annexing a bigger piece is better for the community than smaller pieces, like what has been done in the past.
- f. Councilmember Lord stated she feels the public hearing should have taken place and testimony should have been heard. Lord stated creating an educational process and going beyond the call of duty is very important.

13. ADJOURNMENT

MOTION: Lord/McGinty. Move to adjourn at 9:21 PM.
Motion carried unanimously.


Kathryn H. Quade, Mayor

ATTEST:


Karol Jones, City Clerk

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