

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

**FEBRUARY 28, 2011**

**6:00 P.M. REGULAR COUNCIL MEETING**

Mayor Hays called the meeting to order.

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

Clerk Kuznek-Reese called roll. Council members present: Laura Dubois, Erik Erichsen, Don Hall, Ken Hays, Bill Huizinga, Susan Lorenzen, Ted Miller.

City Staff present: City Manager Steve Burkett, Admin. Service Director Karen Goschen, Clerk Karen Kuznek-Reese, Public Works Director Paul Haines, City Attorney Craig Ritchie, Communications Manager Barbara Hanna, Police Chief Bill Dickinson

**INTRODUCTIONS & CORRESPONDENCE**

**CEREMONIAL**

**Sequim Community Playfields Project Day Proclamation**

Mayor Hays read and presented a proclamation to Colleen Robinson and Craig Stevenson proclaiming March 19 as Sequim Community Playfields Project Day.

**REPORTS**

United Way 2010 Year End Report

**COMMITTEE, BOARD AND LIAISON SUMMARY**

Miller reported the Law & Justice Committee will meet on March 17 to discuss additional sales tax for law and justice purposes. The PREP meeting is rescheduled to April.

Huizinga attended the EDC meeting. Two business owners from Carlsborg provided information about wanting to expand. Because of a County moratorium on septic systems, they are unable to expand at their location.

Lorenzen attended PRTPO meeting. She has several documents if Councilors want to review

them.

Dubois reported she attended the Clallam Transit meeting. CTS has been operating with reserves for three years. Costs have been reduced where possible. They will now reduce routes. Changes will be made in the shuttle route in Sequim, there will be fewer hours, fewer trips, and some changes to the Diamond Point route. CTS received a letter from Paratransit. The state will no longer fund Paratransit for Clallam County. CTS looking at bringing this service in-house.

Hall attended the Planning Commission meeting where discussed the Downtown Plan. Jon Wendt was voted as vice chair.

Hall also attended Sequim Speaks meeting on February 22. They discussed future plans of quadrants, reviewed the Downtown Plan, discussed brochures and reports from various quadrants.

### PRESIDING OFFICER REPORT

Hays attended the Chamber Board meeting. He gave an update on the Downtown Plan, an update on zoning reform, that the City is supporting both Lavender Festivals, and made comments about joint meetings. Hays attended the meeting with the United Way Sequim funding committee.

### CITY MANAGER REPORT

Burkett reported concerning law and justice that the County is proposing a criminal justice sales tax levy. This would have to be submitted to the voters. This is not part of Sequim's long range financial plan.

Burkett reported on the proposed legislation that was discussed at the AWC legislative conference.

Burkett stated item 3F, Crown Castle lease and settlement agreement, and item 6, City Manager employment agreement, will be discussed in executive session.

Mayor Hays wanted to add to the agenda Council consideration of Project Homeless Connect contribution.

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

Patrick Thomson spoke on behalf of snowbirds in Sequim. He does not agree with the standby fees. Last year he became a snowbird. He turned off his water and told staff he would turn off his own water. He was charged \$45 to turn off his water. When he got back in town, he turned on his own water. He went to City Hall the next day and he was charged \$45. It costs him 90% of the fees as if he was here and utilized the services. The standby fees are too high.

Eric Miller is here to appeal to the Council's better judgment - that being their own judgment and not the City's Attorney's. Council members were elected to serve the citizens of Sequim. His civil liberties and rights were taken out of the process. He must be afforded rights. He has property at Reservoir Road. Joe Irvin was his tenant at one time. He believes our City Council is doomed to be labeled "the Council that forgot." They forgot to serve the people and citizens of Sequim. Councilors quote with liberty and justice for all. How hypocritical. The Council puts the City's rights above the citizens. This was a fine town. This Council is aware of shortcomings of the latecomers agreement. He has not been afforded his rights. He asks that Council set aside time at a future meeting to address his concerns. If this happened to you, how would you feel? He would like to resolve this issue in 15 days. Mr. Ritchie said he would forward a letter summarizing their discussion earlier this week.

Lorenzen stated the school board and Council meet at the same time and same nights. She would like to have the City Manager meet with Bill Bentley to change meeting nights.

Erichsen requested the City Manager look into both items presented tonight and report back to Council on these issues. He would like information on the request for reconsideration of a Council decision.

### **INFORMATION/COUNCIL QUESTIONS INVITED**

1. Audit Report
2. Ordinance No. 2011-007 amending standby rates

Miller asked why are there connection charges when the City doesn't have to turn off the water. Burkett stated most cities have these charges because we have to be able to know someone's water has been turned off. There is no provision for the customer to turn off their water. We have discussed how the \$45 fee was arrived at. Perhaps that amount can be reduced. He stated we just spent \$11 million to expand the wastewater plant. Those are fixed costs for the City regardless of how many customers, number of snowbirds, etc., there are.

This item clarifies standby charge for those who only have City sewer and not water service.

Dubois recalls customers that went on vacation and did leave water running while they were gone. There is a reason to have the City turn off the water.

Lorenzen asked what other cities charge for standby rates? Burkett stated that will be provided. Most of our costs for providing water and sewer service are fixed costs. These costs are allocated among so many customers. The more customers, the less cost for each customer.

Huizinga asked when we will have this discussion. Burkett responded will take a while to gather the information, but probably by end of March. He asked that we please notify Thomson when we are discussing.

Ritchie explained that this ordinance addresses sewer only customers and eliminating standby

charges.

Erichsen stated in 13.08.101 he believes “availability” should be defined.

**PUBLIC HEARINGS** None.

**CONSENT AGENDA**

3. Approve/Acknowledge
  - a. City Council Meeting Minutes – February 14, 2011
  - b. Claim Voucher recap dated 2/28/11 total payments \$306,411.28
  - c. Adopt Financial Planning, Investment, Debt Management, Capital Improvement Planning and Equipment Acquisition & Replacement Policies
  - d. Suite 16 lease agreement
  - e. Clallam County Hazard Mitigation Plan
  - f. Crown Castle Lease and Settlement Agreement
  - g. DM Disposal Settlement Agreement
  - h. Transfer Ownership of Wells Cargo Trailer

Items c, f, and g were removed.

**MOTION** to approve as read made by Hall; second by Lorenzen. **Carried Unanimously.**

3c. Adopt Financial Planning, Investment, Debt Management, Capital Improvement Planning and Equipment Acquisition & Replacement Policies

Burkett responded to Erichsen’s concerns about the “improvements” issue.

**MOTION** to adopt Financial Planning, Investment, Debt Management, Capital Improvement Planning and Equipment Acquisition & Replacement Policies made by Erichsen; second by Hall. **Carried Unanimously.**

3g. DM Disposal Settlement Agreement

Erichsen expressed concern that if the City Council approves this, and DM Disposal owes this money, that the cost to DM will be passed on to the City ratepayers. He recommended the B&O tax be adjusted.

Burkett stated DM Disposal has not paid the required utility taxes. We have been discussing this with them and worked out proposal for them to pay us \$10,000 in cash and \$5,000 in services. The \$10,000 is a cost of doing business. DM will probably pass that on to the customers. It is a legitimate expense that they owe the City.

Ritchie added we cannot waive it because it has to be uniform. This agreement follows the

ordinance. DM has already charged the ratepayers the tax that would have been charged on the gross receipts, raising their gross receipts higher. They will notify us if they intend to raise their rates. The City has the power to review their rates to ensure they are charging legitimate costs.

**MOTION** to approve the proposed DM Disposal settlement agreement and authorize City Manager to sign it made by Hall; second by Dubois.

Goschen indicated Finance was reviewing bills looking at changing rates. Finance was being billed for disposal services. The utility tax was noticed and so DM was called and asked to explain.

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

Burkett will follow up on the impact of them paying this.

#### **UNFINISHED BUSINESS**

##### 4. Review ordinance amending Planning Commission membership

Burkett reported there has been difficulty in obtaining applicants to fill the two vacancies on the Planning Commission. The Planning Commission has recommended the reduction in membership. The Council needs to identify out of City membership.

Ritchie stated we have had a membership of five for some time. They want to move forward. They are concerned that with two unknown potential members it could change the progress they are making. We can try it with five. Most jurisdictions have seven; next most is five; next most is nine.

Dubois stated the Council previously discussed this issue and agreed to leave at seven and continue to recruit. She would like to stay with seven members.

Miller is strongly opposed to reducing the membership. We are not being proactive enough in recruiting. People just have to be interested in the future of Sequim. He prefers to stay with seven.

Huizinga suggests we change the ordinance so that the majority have to be residents of the City. Four in City and three outside of the City.

**MOTION** to retain the Planning Commission membership at seven and three members may be out of City residents made by Huizinga; second by Hall. **Carried Unanimously.**

## **NEW BUSINESS**

### 5. Jody Moss - United Way funding recommendations

Goschen stated the minimum requirement is \$5,000 and explained the process that was followed. The panel recommendation is listed in the cover sheet. There was discussion concerning Sequim City limits versus Sequim area on the applications. That information can be added to the application for next year.

Mary Budke added that Boys & Girls Club in Port Angeles does not have room for more attendance. They are 1/6 the size of Sequim.

**MOTION** to approve the health and human services funding as follows: Boys & Girls Club for \$12,500; Dungeness Valley Health Clinic for \$15,000; Healthy Families for \$9,000; Olympic Community Action Programs for \$5,000; Parenting Matters for \$5,000; Peninsula Community Mental Health Center for \$7,000; Senior Activity Center for \$10,000; Volunteer Chore Services for \$5,000; United Way's grant administration fee of \$1,000 subject to approval of contracts for services made by Dubois; second by Huizinga.

Hall wanted \$10,000 for the Senior Center; \$10,000 for Dungeness Valley Health and Wellness Clinic; and the remainder to the Boys & Girls Club.

Amendment to Motion to award \$10,000 for Senior Center; \$15,000 for Dungeness Valley Health and Wellness Clinic; and the remainder (\$44,000) to Boys & Girls Club made by Miller; second by Huizinga.

Dubois feels the panel recommendation is more representative of the needs in the community. She cannot support the amended motion.

Miller explained there is a limited amount of money. We should award funding to organizations to make a difference.

Hays won't support the amendment. He argued hard for Parenting Matters to receive funding and explained his reasons.

**Vote on the amendment.** Aye by Hall, Huizinga, Miller. Nay by Hays, Dubois, Lorenzen, Erichsen. **Motion fails.**

**Amendment** to Motion: Dungeness Valley Health and Wellness Clinic - \$15,000; Senior Center - \$10,000; Parenting Matters - \$5,000 and \$39,000 for Boys & Girls Club made by Huizinga; second by Hall.

**Amendment** to add \$9,000 for Healthy Families and reduce the Boys & Girls Club funding to \$30,000 made by Miller. Motion dies for lack of second.

Vote on the amendment. Aye by Hall, Miller. Nay by Erichsen, Huizinga, Lorenzen, Dubois, Hays. **Motion fails.**

Miller feels it is wrong for the Council to donate to charitable organizations. The City Council should not take sides. He will support the original motion but does have reservations.

**Vote on the original motion.** Aye by Hays, Dubois, Lorenzen, Huizinga, Miller. Nay by Hall and Erichsen. **Motion Passes.**

6. City Manager Employment Agreement to be moved to later, following executive session.

7. Title 5.20 Code Amendments – pawn shops, second-hand stores and junk yards

Ritchie explained the purpose is that pawn shops and second-hand dealers have legitimate business. Some pawn shops and second-hand dealers aid in the fencing of stolen goods. There is concern that gold and silver are valuable and stolen to be sold. We want to regulate those businesses. Coin dealers are not the same. We don't want to regulate businesses such as Second Chance, Goodwill, etc. There are exemptions for charitable organizations through the Secretary of State. This ordinance does address garage sales.

Miller is concerned about the speed of this proposed ordinance. He would like to approve it at a subsequent meeting. Erichsen expressed his opposition to this ordinance. We should not regulate private enterprise. The police are responsible for regulating the fencing of stolen property.

Huizinga suggested identifying “customers.” The customer is the person “selling” to the pawn shop.

There was discussion concerning garage sales. This will be brought back at a later date.

8. Resolution No. R-2011-3 opposing HB 1702 impact fee proposed legislation

Burkett explained there is proposed legislation that will take away the local control of when cities collect impact fees. The City Council should decide when these fees are collected.

Miller suggested sending information to the Governor's office, too.

**MOTION** to adopt Resolution No. R-2011-03 and direct the City Manager to cause it to be transmitted to our legislative delegation made by Miller; second by Erichsen.

Dubois suggested sending to every representative.

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

**EXECUTIVE SESSION** An announcement was made that the Council will recess to executive

session to discuss potential litigation/settlement issues and City Manager performance review. It is anticipated to last 20 minutes and action is anticipated. Recessed at 8:20 p.m. The meeting reconvened at 8:40 p.m.

3f. Crown Castle Lease and Settlement Agreement

**MOTION** that Council approve the Crown Castle settlement agreement made by Dubois; second by Miller. **Carried Unanimously.**

6. City Manager Employment Agreement

Mayor Hays stated the agreement provides for a performance increase in 2011. It is proposing to increase with deferred comp and vacation time, and \$50 monthly increase in car allowance.

Miller believes the City Manager has done an outstanding job and he is not receiving any base salary increase.

Hall will oppose this because of the economic conditions in the area and no other managers in the area have received raises.

**MOTION** to approve the first amendment to the City Council/City Manager employment agreement made by Dubois; second by Lorenzen. Aye by Hays, Dubois, Lorenzen, Huizinga, Erichsen, Miller. Nay by Hall. **Motion Carries.**

9. Council consideration of Project Homeless Connect contribution.

Hays asked the Council to approve a small contribution of \$250 for the Project Homeless Connect. It is important that the City support efforts in the County to eradicate homelessness. The City of Port Angeles and Clallam County are contributing sponsors for this event.

**MOTION** to approve donation of \$250 to Clallam County Project Homeless Connect made by Lorenzen; second by Miller.

Erichsen opposes for previously stated reasons. Miller has worked on the Homeless Task Force. This is a serious issue in the County. This allows the homeless to get basic services one day in the year.

Hays expressed his support for this event.

**Vote** on the motion: Aye by Hays , Hall, Dubois, Lorenzen, Huizinga, Miller. Nay by Erichsen. **Motion carries.**

**GOOD OF THE ORDER**

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

Pat Clark told Council how nice it is that people bring issues to Council and the Council responds. As a consumer and government employee, there are times when government has to say we aren't doing the job as individuals, organizations. The homeless is a perfect example of when government should say yes we will give money to assist in this project. He recommended "Breakfast at Sally's" as a book for Council members to obtain.

**NEXT MEETING DATE**

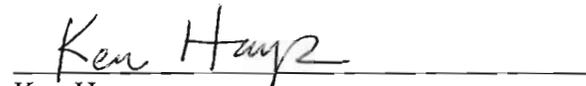
Mayor Hays announced the next meeting dates of March 7, 2011 (6:00 p.m.) and March 14, 2011 (6:00 p.m.)

**ADJOURNMENT**

**MOTION** to adjourn at 8:55 p.m. made by Halls; second by Dubois. **Carried Unanimously.**

Respectfully submitted,

  
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Karen Kuznek-Reese, MMC  
City Clerk

  
\_\_\_\_\_  
Ken Hays  
Mayor

Minutes approved at a regular Council meeting held on March 14, 2011.