

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

**SEPTEMBER 23, 2013**

**5:00 STUDY SESSION**

1. Utility Rate Fee Structure

Ashley Emery with Peninsula Financial Consulting provided information concerning the rate study and analysis. He reviewed the changes to consider to the existing water rate structure to improve equity which includes utilize uniform volume rates for first two tiers for all customer classes; revise first volume tier from 0 to 800 cf to 0 to 600 cf for all classes; use AWWA meter factors to set base rates for large meters for commercial, public authority and irrigation customers; eliminate additional unit base charges for commercial class; implement a 3<sup>rd</sup> volume tier for residential class; set multi-family per unit rate at 95% of residential base rate; set hotel/motel per unit rate at 75% of residential base rate; reclassify adult care facilities as multi-family customers. If these changes are implemented, it will create additional net water revenue of approximately \$97,000.

Changes to consider to the existing sewer rate structure to improve equity include lower winter water average from 800 cf to 600 cf for residential customers; set all sewer volume rates to begin at 600 cf instead of 800 cf; lower the per unit fee for multi-family customers; implement a per unit fee for hotel/motel customers; remove additional unit charges from commercial customers; set commercial and public authority base rates equal to the base residential rate and escalate using AWWA water meter factors; reclassify adult care facilities as multi-family customers. If these changes are implemented, it will create additional net sewer revenue of \$394,000.

Next steps include establishing a utility rate committee; review and decide on structural rate changes; assess new policy to implement all planned water rate increases only on water volume rates; develop a 5 year schedule of water and sewer rates.

**MOTION** made by Miller; second by Pratt. Aye by Hays, Pratt, Miller, Starr, Smith, Dubois. Nay by Erichsen. **Motion Carries.**

We hope to have something in place for budget cycle. Miller indicated the finance committee recommends Genaveve Starr serve on the committee. Hays indicated it has been suggested that he, Dubois and Starr serve on the committee.

Erichsen is opposed to taking action at a study session, he feels more time is necessary to review these issues and the Council should review this as a whole. Haines explained why a committee was suggested.

Mayor Hays called break at 6:10 p.m.

### **REGULAR COUNCIL MEETING**

Mayor Hays called the meeting to order at 6:15.

### **PLEDGE OF ALLEGIANCE**

### **ROLL CALL**

Clerk Kuznek-Reese called roll. Council members present: Laura Dubois, Erik Erichsen, Ken Hays, Ted Miller, Candace Pratt, Dennis Smith and Genaveve Starr.

### **INTRODUCTIONS & CORRESPONDENCE**

### **CEREMONIAL**

### **REPORTS**

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

Erichsen stated last Friday he was part of the group that went to Seattle and met with the three design-build teams. He was excited about what he saw.

Miller attended a MRSC webinar. Washington State is vulnerable to ocean acidification.

Starr attended the CTS board meeting for Pratt. October 2 there will be a public meeting at the Transit Center to discuss route 40 (Sequim shuttle). Reduced rate passes are available at that time.

Shiso City visitors arrived on Friday. She took 3 chaperones to various places on Saturday.

Smith also attended the CTS board meeting. One of the biggest issues is the state transportation budget.

Dubois attended the SWAC meeting. They are working on the comp plan and a draft is almost done. Public hearings are in December or January. She encouraged the public to attend these meetings. There will be significant costs.

### **PRESIDING OFFICER REPORT**

Hays attended the EDC meeting. Update on various staff activities was given. Presentation by Matt Fast included a summary and the differences between the Advanced Composites Center and Olympic Composite Corridor.

Century Link talked about what they do on the Peninsula. They assured us there is no gap. The system is redundant.

Next month “Coffee with the Mayor” is at Tarcisio’s. He was briefly involved with the Sister City greeting. A replica of an ancient scroll was received from the Mayor of Shiso City. There is a protocol on how to hang the scroll.

### CITY MANAGER REPORT

Haines reported on the National Day of Service. There were approximately 65 volunteers at Gerhardt Park. Boy Scout Troop #90 performed the flag ceremony and worked on a trail to Bell Creek.

Haines also reported on McCurdy Road, Maple Street, Prairie, and the 7<sup>th</sup> Avenue ramp projects.

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

### INFORMATION/COUNCIL QUESTIONS INVITED

### PUBLIC HEARINGS (Legislative)

2. Adopt Ordinance No. 2013-014 approving Transportation Impact Fees and Program (Continued from 9/9/13)

Garlington reviewed proposed changes. Fees in all categories are decreasing. The list of projects to accommodate transportation needs due to development has decreased due to adjustment in rate of growth. Value of the projects has gone from \$17.2 million to \$13.8 million. The number of trips generated is reduced. The current fee is \$2,893. The proposed fee is \$2,491. The proposed fee schedule in the downtown area as well as MU I and II are looked at as a large mall area.

He indicated there are typos that need to be fixed. The final report this will be changed to be consistent with the ordinance.

Miller is concerned this only applies to structures that are in existence at the time of adoption of this ordinance. Future development should be required to pay impact fee.

Dubois expressed concern that West Sequim Bay Road is not included in this project list. Garlington stated that the project list can be changed each time we perform a study. A revision of the study would be necessary to change the list. West Sequim Bay Road has a price tag of \$30 million. To add that would have skewed the impact fees to the high side. The feeling of staff/consultant is that federal assistance or other funding sources would be necessary.

Haines stated most of that area is undeveloped. As properties develop, it will obligate the adjoining property owners to make the improvements.

Ritchie stated the ordinance is the un-amended 2010 ordinance. The code section is 22.04.040.

Larry Coppola, Executive Officer of the North Peninsula Building Association, supports this change. However, we don’t believe it goes far enough in helping unemployment. It also needs to be less onerous to obtain a building permit. Many members won’t build in Sequim because of cost. They would like to

see fees paid at closing.

Greg McCarry supports Mr. Coppola's comments. There is still a 30% spread between cost to build new and existing homes.

Mayor Hays asked for additional speakers and questions from Council. Public hearing closed at 7:06 p.m.

**MOTION** to adopt Ordinance No. 2013-014 transportation impact fees with section 22.040.020(g) amended to change the word mixes to the word mixed made by Dubois; second by Pratt.

Mayor Hays feels there is misinformation. He has 2 clients building in the County. They are looking at in excess of \$30,000 to build. The City charges \$20,000.

Ritchie added that the time of collection has been discussed. It will continue to be reviewed and discussed. Haines will discuss this issue with Mr. Coppola.

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

### **CONSENT AGENDA**

3. Approve/Acknowledge
  - a. City Council Meeting Minutes – September 9, 2013
  - b. Claim Voucher recap dated 9/23/13 total payments \$633,488.63

**MOTION** to approve the Consent Agenda as presented made by Erichsen; second by Miller.  
**Carried Unanimously.**

### **UNFINISHED BUSINESS**

4. Long Range Financial Plan and Budget Implications

Konkel indicated that wages and benefits are the major expenses. Sales tax has decreased from 2008 to 2013, mostly in construction.

He provided historical information and explained assumptions used for the long range financial plan. The revenue base is not keeping pace with the expected growth in expenditures. The financial plan is solid but there is a moderate decline in the fund balance. This must be addressed with continued restraint.

### **NEW BUSINESS**

5. Olympic Peninsula Tourism Commission 2012 Report

Hanna stated the City is one of 13 partners on the tourism commission. The City contributes \$8,000 to

the commission. They have been focusing on marketing to the Puget Sound area and Vancouver Island. We are starting to see the benefits of promoting to Canada.

6. Police Department Strategic Plan

Dickinson stated the previous plan was written when the economy was strong and the area was growing. This plan is very conservative. He reviewed the aspects of the plan.

**MOTION** to approve the Sequim Police Department Five Year Strategic Plan 2013-2017 made by Dubois; second by Erichsen. **Carried Unanimously.**

7. Approve Risse Group, LLC Contract re Comprehensive Plan

Hugo explained the work load of DCD which has not allowed for time to complete the Comp Plan update. He presented four options for this project.

**MOTION** to approve the proposed contract with Risse Group LLC to provide planning consulting services in support of the Sequim 120 project and to direct the City Manager to execute the contract as presented made by Miller; second by Dubois. **Carried Unanimously.**

**GOOD OF THE ORDER**

There will be a farewell dinner Tuesday night for Shiso delegates.

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

**EXECUTIVE SESSION**

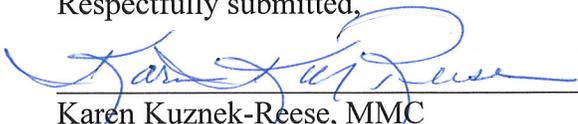
**NEXT MEETING DATE**

Mayor Hays announced the next meeting dates of September 30, 2013 (5:00 p.m.), October 14, 2013 (5:00 p.m.) and October 28, 2013 (5:00 p.m.)

**ADJOURNMENT**

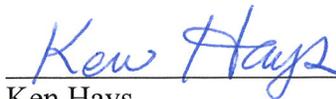
Meeting adjourned at 8:49 p.m.

Respectfully submitted,



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Karen Kuznek-Reese, MMC  
City Clerk



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Ken Hays  
Mayor

Minutes approved at a regular Council meeting held on October 14, 2013.