

**CITY OF SEQUIM
CITY COUNCIL MEETING MINUTES
SEQUIM CIVIC CENTER
152 WEST CEDAR STREET
SEQUIM WA
March 25, 2019**

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: Smith, Lake, Miller, States, Armacost, Janisse

MOTION to excuse Pratt who is on vacation made by Lake; second by Miller,
Carried Unanimously.

CHANGES TO THE AGENDA

Mayor Smith moved the EDC Contract to follow the EDC update.

CEREMONIAL

PUBLIC COMMENTS

Phil Fernandez requested a change to the community business zone that would allow multi-family in the zone. This encourages higher density. It has become difficult to find workers because of housing issues. He would like to establish working class multi-family housing. Multi-family was removed as an allowed use in this area which resulted in Elk Creek becoming a non-conforming use. Multi-family housing fits with the existing pattern of development. He explained the additional benefits of multi-family housing in the community business zone.

Sam Chandler stated that his employees live somewhere else because they can't afford to live here. The classification of e-bikes is growing rapidly. We need to have some rules. We need an advisory group to bring issues to the council.

Jim Stoffer stated the school board is looking forward to the West Fir Street project. This will help everyone on Fir Street. He asked that there be frequent updates on the project so they can keep parents and staff informed.

PUBLIC HEARINGS

ACTION ITEMS

CONSENT AGENDA

1. Approve/Acknowledge
 - a. City Council Meeting Minutes – March 11, 2019
 - b. Claim Voucher Recap Dated 3/25/19 Total Payment \$596,482.64
 - c. Appoint David Lotzgesell to the Planning Commission
 - d. Lodging Tax Advisory Committee Minutes and Grant Applications

MOTION to approve the Consent Agenda made by Lake; second by Janisse.
Carried Unanimously.

OTHER

2. Economic Development Corporation (EDC) Update – Kelly Fox

Kelly Fox and Julie Knott provided information on the strategic direction of the EDC. They have contracted with a firm for an Executive Director search. Julie Knott is the new executive director for the Opportunity Zone. Julie explained the grants that have become available. Our state representatives will be here on May 21 to provide a legislative wrap up.

Julie Knott provided an update on the economic opportunity zone.

Kelly provided information on the Business Retention and Expansion visits and follow-up requirements that have been completed by the EDC in conjunction with Small Business Development Center and others. They are speaking at several upcoming conferences about the things happening in the community and the opportunity zones.

- Clallam County Economic Development Corporation Contract Extension and Amendment for 2019 and 2020

Charisse Deschenes indicated the EDC has asked the scope of work be amended to include work in the opportunity zone. The contract also increases the funding for 2019 and in 2020.

Lake is interested in more specificity in the new contract. He would like the contract to be more results-oriented as opposed to activities-oriented. He would be happy to be part of figuring that out. Miller agrees. This is Sequim providing the funding and not the Sequim School District area.

States supports including the opportunity zone. We need to have good projects outlined. They provided the detailed activity. There are privacy requirements with the EDC sharing results. Not sure how we can get more specificity.

3. West Fir Street Rehabilitation Project Contract

Klontz indicated that 60% of the financing for this project is coming from grants. 40% is city funds. Transportation Improvement Board is the largest funder at 52%. He outlined where the other funds are coming from. For every \$1 the city spends, we receive \$3 in grant funding. Utility construction is mostly city funding. He explained the cost estimate and funding history associated with this project. The estimated project cost is \$5.9 million. We will end up right on target with our budget if things go well.

He explained all the construction-related costs that resulted in a shortfall of \$465,000. He explained the options available to fund the shortfall. Staff recommends using the fund balance in the General Fund.

Klontz suggested a modification to the motion. He is asking the council to delegate award of the contract to the City Manager in addition to the execution of the contract. He would like to have discussions with Interwest about some items before entering into the agreement. Interwest is eager to get started and wants to mobilize late April/early May. We will break ground after the Irrigation Festival.

MOTION to authorize the city manager to award the contract to Interwest Construction in the amount of \$5,635,181.84. Additionally, I authorize the City Manager, or his designee, to enter into a contract with Interwest and I authorize a 10% contingency above the award amount for a total authorization of \$6,198,700.00 made by Lake; second by States. Carried Unanimously.

4. Construction Management Agreement for West Fir Street Rehabilitation Project

Klontz stated we have received a proposal from a very experienced engineer to do the construction management, Steve Miller of Raven Engineering (REI). He has a background in design and construction management. Much of the office work will be completed by city staff. Materials testing and construction staking agreements are still left to award.

MOTION to award the contract to REI in amount of \$178,700 and direct the City Manager to enter into a contract with REI made by States; second by Miller. Carried Unanimously.

5. The People's Project! Update

Hagener stated this project includes the community in the budget process. Several projects were identified during the neighborhood meetings. Items have been removed that would take place on private property and ones that were obviously outside of this scope such as the 101 overpass and operation and maintenance projects. Scope and price on the projects are expected in the next week so we can submit them to the community. There will be an opportunity to add to the list of projects for future budgets. Voting will take place during the first weekend of the Irrigation Festival. She explained how the voting will work but needs council input whether or not to weigh the different colored money that will represent votes from City residents, County residents, and visitors.

Lake wants a bar graph with colors stacking on top of each one and see the composition of who voted for what.

There was council consensus to weight the money using a 3, 2, 1 weighting – for City residents (3), neighbors on the Olympic Peninsula (2) and visitors (1).

Hagener asked for council input on the proposed logos.

There was council agreement to go with option 2.

6. Q1 2019 Proposed Budget Amendments and Ordinance No. 2019-005
Authorizing Unforeseen Expenditures for 2019

Hagener explained the upcoming budget amendments. There was discussion concerning funding of the West Fir Street project. This item will come back to council on April 8 for a public hearing.

7. Human Services Request for Proposal Results

Nelson-Gross stated a Request for Proposals was issued for human services. We received one proposal that was put forward by 9 entities who are working together. If council approves a contract, it is recommended it be retroactive to the first of the year.

Lake and Miller want to make sure that the city residents are the primary beneficiaries for these services.

Staff recommends appointing a Council liaison to Sequim Health & Housing Collaborative (SHHC) and a SHHC representative to the Housing Committee Team.

MOTION to direct staff to negotiate with SHHC and develop a contract that will be brought back to City Council for approval; appoint William Armacost as the Council liaison to SHHC and appoint a SHHC representative to the Housing Committee Team made by Miller; second by States. Carried Unanimously.

8. Ordinance No. 2019-004 Providing for Appointment of Hearing Examiner

Nelson-Gross stated that appointing a Hearing Examiner is recommended by staff and our risk pool. This ordinance attempts to bring forth the Hearing Examiner so there is a trained professional who understands the ramifications and the process. This also calls for an annual review and report.

There was discussion about whether or not to go with a Hearing Examiner. Some things have already been designated to a Hearing Examiner.

Nelson-Gross stated that the risk pool strongly recommends a hearings examiner system.

States asked what authority council has, what would change and what were the risk pool's concerns.

Nelson-Gross will ask the risk pool what they recommend and bring this back to council.

INFORMATION

Committee, Board and Liaison Summary Reports

Lake attended County Health Board meeting. The Clallam County Trails Advisory Board has also talked about electric bikes. The Park & Rec Board wants more input to the budget process.

States agreed on adding vaping. It is the same as smoking. She attended a SWAC meeting. They will be doing a food recovery field trip. A lot of education is needed on what can be recycled. There will be a direct mailing program in Sequim for food waste.

Miller attended the monthly Clallam Transit System meeting where they appointed a new operations manager. He is from Florida. Miller attended an orientation interview and also attended the employee recognition award banquet.

Student Liaison Report

Katie Potter reported spring break is next week. The band just returned from Anaheim and received all golds, 2 soloists received special awards; band got adjudicator awards. The Arts Commission is hosting a student art show in June.

Presiding Officer

City Manager

- Sequim Bicycle Alliance Update

Deschenes stated many of the city's master plans address bike amenities. The city was designated as a bronze Bicycle Friendly Community in 2014. In 2016 the Sequim Bicycle Alliance was established. She provided information concerning the history of bike alliances in the community.

Lake stated the Park Board feels they should be the interface between the city and the bicycle community. We want to consider multi modal not just bicycling.

GOOD OF THE ORDER


EXECUTIVE SESSION – RCW 42.30.110(i)(iii) – Potential Litigation

Mayor Smith announced an executive session for potential litigation. It is expected to last approximately 10 minutes and no action is anticipated. The meeting recessed at 8:45 p.m. Meeting reconvened at 8:56 p.m.

ADJOURNMENT 8:56 p.m.

Respectfully submitted,


Karen Kuznek-Reese, MMC
City Clerk


Dennis Smith
Mayor

Minutes approved at a regular Council meeting held on April 8, 2019.