



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, November 21, 2024 – Council Chambers – Afternoon Session

CALL TO ORDER

Mayor Jackson called the regular session of the Town Council to order at 12:00 p.m.

ROLL CALL

Councilmembers: Steve Hushebeck (Position No. 1), Richard Geffen (Position No. 2), Mason Turnage (Position No. 4), and Barbara Starr (Position No. 5) - remote. Anna Maria de Freitas (Position No. 3) was absent. **Council consensus to excuse the absence of Councilmember De Freitas.**

Town Administrator Denice Kulseth; Finance Director Bethany Berry; and Town Clerk Jennifer Krembs.

FLAG SALUTE

Mayor Jackson conducted the flag salute.

SET AGENDA

At 12:02 p.m., Mayor Jackson requested to set the agenda. Agenda set.

ANNOUNCEMENTS

At 12:05 p.m., Mayor Jackson called for announcements from Council. No announcements.

PUBLIC COMMENT

At 12:05 p.m., Mayor Jackson opened Public Comment. Friday Harbor High School student and member of the Eco Club Matthew Van Dyck presented his support for pocket parks and incorporation of rain gardens. Van Dyck explained the composition and benefits of rain gardens. Van Dyck explained stormwater runoff dangers to the Salish Sea. Friends of the San Juans and Friday Harbor High School Eco Club offered maintenance support of rain gardens elements if needed. The Mayor and Council thanked Van Dyck.

RECOGNITION

At 12:07 p.m., Mayor Jackson recognized Wastewater Treatment Plant Supervisor Pat Sandwith for his 13.5 years of service to the Town. Sandwith is to retire on November 25th. Sandwith expressed his appreciation to the Town Staff and support of Council. Mayor Jackson emphasized the importance of having dedicated employees and shared thanks for Town Staff and all Departments.

PROCLAMATION

At 12:10 p.m., Mayor Jackson proclaimed November 30th as Small Business Saturday. Chamber of Commerce Executive Director Becki Day was presented with the Proclamation. Day expressed the importance of supporting local merchants this holiday season and shared her thanks for support from the Town.

CONSENT AGENDA

At 12:12 p.m., the Consent Agenda was introduced by Mayor Jackson. No further discussion.

Moved by Geffen, seconded by Hushebeck, to approve Consent Agenda as written. No discussion. Motion passed 4-0 with Councilmember De Freitas absent.

Resolutions

- Resolution No. 2911 – Jen-Jay Inc. ratifying the Trout Lake Dam inspection
- Resolution No. 2912 – Authorizing Amendment 1 to Resolution No. 2048 regarding Public Records policy
- Resolution No. 2913 – Authorizing Amendment 1 to an agreement with West Mechanical Inc, for the HVAC installation project located at the WWTP

Payment of Claims & Payroll

- Claim warrants: #61491 to 61522; including EFT payments; dated October 11, 2024; in the amount of \$118,076.48.
- Claim warrants: #61523 to 61567; including EFT payments; dated October 24, 2024; in the amount of \$329,534.20.
- Utility billing refund warrants: 61568 to 61569; dated October 28, 2024; in the amount of \$160.16.
- Claim warrants: #61570 to 61603; dated October 31, 2024; in the amount of \$202,096.35.
- Claim warrants: #61604 to 61610; including EFT payments and voided warrant #61603; dated November 8, 2024; in the amount of \$884,128.78.
- Claim warrants: #61611 to 61618; dated November 12, 2024; in the amount of \$23,562.69.
- Payroll warrants: #20125 to 20133, including employee direct deposit and vendor ACH payments; dated October 31, 2024; in the amount of \$359,552.63.
- Treasurer checks: #11078 to 11087; including EFT payments; dated March 2024; in the amount of \$62,343.66; that missed approval prior in the year.

Minutes Approval of the Summary of the Minutes dated November 7, 2024.

ACTION AND DISCUSSION ITEMS

Water Treatment Plant Funding

At 12:06 p.m., Mayor Jackson introduced Public Works Director Jesse Douglas-Seitz to present on Water Treatment Plant (WTP) funding. The Town is in the process of securing funding for improvements to the WTP. The Public Works Board loan application was not successful. Douglas-Seitz requested a motion for approval of the Drinking Water State Revolving Fund (DWSRF) application for a loan in the amount of \$4,500,000 for improvements to the WTP including modifications of the filter effluent to a gravity feed, and the addition of a fourth filter.

Moved by Hushebeck, seconded by Turnage, to approve the Drinking Water State Revolving Fund (DWSRF) application for a loan in the amount of \$4,500,000 for improvements to the Town WTP including modifications of the filter effluent to a gravity feed and the addition of a fourth filter. No discussion. Motion passed 4-0 with Councilmember De Freitas absent.

Design Guidelines for Pocket Parks

At 12:51 p.m., Mayor Jackson introduced Douglas-Seitz to present on the draft Downtown Pocket Park Design Guide. Douglas-Seitz offered to meet with Council and members of the public prior to the next regular Council session to gather feedback and answer questions. Douglas-Seitz reviewed the small, medium, and large pocket park typologies and the rationale for the design guidelines, which is to guide future pocket park creations with unifying elements. Pocket Park elements, applications, and relevant town examples were reviewed to include scored cement concrete pavement, decorative hardscape, seating, trash receptacles, bike racks, landscape/tree planters, sculpture and art features, signage, lighting, and detectable warning surfaces. Councilmember Hushebeck clarified the purpose of the Downtown Pocket Park Design Guide is to serve as a tool for reference when creating a new pocket park. Councilmember Turnage was in favor of having elements repeated throughout the pocket parks for cohesion. Councilmember Starr pointed out the importance of using dark skies compliant lighting. Douglas-Seitz requested any design guidance that might be missing. Kulseth requested Douglas-Seitz address Van Dyck’s public comment on rain gardens. Douglas-Seitz explained the composition of the vault rain garden on First and Spring Streets and overviewed several rain garden considerations. Douglas-Seitz expressed the importance of the Town being able to maintain any park created. Hushebeck requested being aware of permeable materials where practical that can

absorb water and aide in the longevity of Town infrastructure. Douglas-Seitz offered to reach out to Council for additional comments on the Pocket Park Design Guide. Mayor Jackson requested for Douglas-Seitz to keep the Eco Club in mind for collaborative and educational opportunities.

Budget Work Session

At 12:48 p.m., Mayor Jackson introduced Finance Director Bethany Berry. Berry presented a budget update. Berry reviewed utility rates and connections charges. Council questions were answered from the October 17th council meeting regarding rates for customers outside of Town limits vs in Town; additional guidance was sought from FCS Group and legal consult from Kenyon Disend to confirm whether proposed higher rates for outside of town customers are possible. Berry shared the new rate structure, proposed rate increases, and impacts to customers. Kulseth encouraged conservation and explained there are several out-of-town multi-acre properties that have higher usage due to irrigation systems. Berry explained rate impacts for a single-family residence to include the 13% increase for water, 3% increase for sewer, and the possible percentage for stormwater. Berry and Kulseth read Councilmember de Freitas’ comments shared via email which stated agreement with increasing stormwater rates while being mindful of impacts of raising water and sewer rates; de Freitas stated the importance of investing in the stormwater utility. Discussion on stormwater rates was had to determine the best way to recoup \$349,000 in lost revenue until a new rate study for stormwater charges will take place; anticipated to be completed in 2026. Councilmember Turnage inquired about timeline options for recouping stormwater lost revenue as stated in the utility rates packet. Councilmember Starr suggested recouping funds over two to three years. Councilmember Geffen agreed and stated the increase of 25% would be a good middle ground. Councilmember Hushebeck commented rates are already high, and assured reevaluating next year is still an option. Council agreed with utility rate increases at 13% for water, 3% for sewer, and 25% for stormwater. Berry offered to prepare ordinances for the next Council meeting with percentage increases that were decided on. Berry reviewed expenditures for 2025, notating that personnel expenses are still pending union negotiations, and 2025 projects are still being reviewed due to funding sources that can alter priority of projects to be completed in 2025. Primary projects still in process include wastewater treatment plant and water treatment plant upgrades dependent on securing funding. A new change to the budget includes a major repairs budget for the Facilities Maintenance Manager to utilize on facility maintenance. Berry shared the expenditure report. No further discussion.

Public Hearing – Preliminary Budget/Expenditures (RCW 35.33.057/RCW 35A.33.055)

At 1:11 p.m., Mayor Jackson opened the Public Hearing on Preliminary Budget/Expenditures and introduced Finance Director Berry. Berry had no additional comments. No public comment was forthcoming. No Council discussion. The Public Hearing was closed 1:14 p.m.

Public Hearing – Final Budget Hearing (RCW 35.33.071/RCW 35A.33.070)

At 1:15 p.m., Mayor Jackson opened the Final Budget Hearing and introduced Finance Director Berry. Berry had no additional comments. No public comment was forthcoming. No Council discussion. **At 1:16 p.m., the public hearing was continued to the regular Council meeting on December 5th.**

Engineering Design Variance Web Street

At 1:16 p.m., Mayor Jackson introduced Community Development Director Ryan Ericson to present the Engineering Design Variance on Web Street. Ericson explained the applicant’s request. Ericson shared the staff recommendation to approve two parking stalls for residential use only that would exit over the sidewalk. This is consistent with the existing two-in-tandem parking spaces and the Engineering Design Standards. The applicant is eligible for historic incentives as Web Street is now part of the downtown core and historic district. Ericson explained other options explored while working with the applicant to include angled parking stalls on Web; however neighboring properties were not in favor of providing right-of-way to make this possible. Ericson introduced owner of San Juan Building Solutions Jayson Schmidt representing property owner Dirk Dutton. Schmidt explained the purpose for the request for the Engineering Design Variance. Schmidt referred to other properties on Web and how other property owners park on Web; Schmidt disagreed with the back-in parking requirement and requested that Dutton to be allowed four parking stalls not restricted to residential only. Schmidt introduced legal council for Dutton, Stephanie O’Day.

O'Day shared Dutton has not decided what to do with the property, but it will likely be residential on top and commercial on the lower level. O'Day requested approval of the variance to make more options possible for the property owner with 4-5 parking spots. O'Day stated angled parking on Web would be best for the town long-term. Schmidt explained several parking concepts. Kulseth shared de Freitas' written statements in favor of two parking stalls and buying out the rest. De Freitas inquired how the new development on this property would impact the landscape and street parking, and if the property would be long-term residential or rental property. De Freitas asked for clarification on the necessity of back-in parking compared to the other properties on Web. Ericson addressed the other non-conforming and commercial properties on Web and what each property is entitled to parking-wise. Turnage requested the rationale for back-in only. Ericson explained line of sight and safety. Hushebeck and Starr felt parking either way is an equal hazard to pedestrians. Starr expressed an inclination to approve for practical reasons to include more parking in town. O'Day and Schmidt confirmed that the owner wants to live on property and will likely rebuild with 2-3 stories with commercial on the lower level. Hushebeck suggested passing with a condition.

Moved by Starr, seconded by Hushebeck, to approve the application by Dirk Dutton for Engineering Design Variance No. 29 including the provision, that the applicant may have up to four parking stalls conditional upon an agreement that no transient accommodations will be included in the project. No discussion. Motion passed 4-0 with Councilmember De Freitas absent.

ADMINISTRATOR'S REPORT

At 1:53 p.m., Administrator Kulseth reported on the following:

- Union negotiations are continuing, and progress is being made.
- Kulseth sits on the committee for the County's Public Facilities Financing Assistance Program (PFFAP). PFFAP collects rural public sales and use tax. The Town receives 25% of the funds. The remaining 75% gets allocated into grants to promote economic development. The Town has applied for a PFFAP grant to support improvements to the WTP.
- Kulseth met with County Manager Jessica Hudson and Emergency Management Director Brandon Cowen for the first Emergency Management meeting. The biggest Town vulnerability is destruction to the water system. An emergency distribution plan is not in place yet, but Kulseth will investigate obtaining commercialized life straws as part of the plan.
- The Town is undergoing the audit process. Kulseth is working with Director Berry and offered kudos to Berry for her diligent work and success with past audits.
- Kulseth sits on the AWC Small Cities Advisory Committee for cities of 5000 or under. Several legislative updates were brought up:
 - There is a \$10 billion deficit in the State budget, and the only solution is new revenue. The capital budget is okay, but the transportation budget is low which includes ferries. A solution would be to lift the 1% property tax to 3% or rate of inflation or whichever is lower. Other ideas included a road usage charge and/or a retail delivery fee of 30 cents for any delivery of over \$75.
 - Other topics discussed were law enforcement, affordable housing, infrastructure, tax loopholes on storage units, school bonds, Transportation Benefit Districts (TBD), and the importance of voting in small communities. The Town sales tax passed which is a testament to the transportation improvements the Town has completed. Kulseth expressed her gratitude to Tanja Williamson, Laura Saccio, and Clayton Banry for their support for the TBD.
 - An exchange of ideas on how to get more volunteers on commissions/committees was shared.
 - University of Washington provides a program with the Evans School to have graduate students conduct feasibility studies.
- Last Saturday, Kulseth attended a "Fix Our Ferries" 2024 Legislative Summit in Mukilteo. Attendees included five other local members: Tom Starr, Jane Fuller, Steve Berquist, Corey Eskridge, and Justin Paulson. Topics included State funding challenges, accountability, and transparency. Kulseth shared some of the stories from Friday Harbor and the desire to have better communication on ferry cancellations. Workforce solutions were shared as a long-term solution. A short-term solution included reinstating the

Mosquito Fleet for walk-on passengers. Kitsap County has introduced a bill for this. The revival of the Mosquito Fleet would ideally serve each ferry serviced community; each community would need to determine the funding to support the fleet. The creation of an electric fleet was criticized by the guest speaker as being inefficient. Starr inquired about implementation of better communication. Kulseth said State Representative for Kitsap County Greg Nance wants more reader boards to communicate information in real-time. Kulseth requested more accurate wording on announcements related to San Juan County. It was recognized the Anacortes ferry landing terminal is outdated. San Juan County has a unique challenge of not having other options when ferries are canceled compared to ferry serviced South Sound locations. There will be two lobby days in Olympia in early-February and mid-April. Kulseth, Fuller, and Paulson will work together to coordinate efforts.

- Harbor Life Ring donations are going well. So far \$3,686. 59 has been received. Hushebeck recognized we are helping the Food Bank but encouraged the Town to consider other entities to support. Kulseth agreed. Treasure Hounds was suggested as entity that supports local families in need of pet food.
- Christmas decorations have gone up. Justin Nibler and the Streets crew did an amazing job.
- Mayor Jackson’s birthday is this Saturday. Happy Birthday Mayor!

FUTURE AND NON-AGENDA ITEMS

Mayor Jackson announced the 7th grade Mock Council meetings to be held November 26th.

PUBLIC COMMENT

No public comment was forthcoming.

ADJOURMENT – Hearing no further business and no objection, Mayor Jackson adjourned the meeting at 2:32 p.m. The next regular meeting is scheduled for Thursday, December 5, 2024, at 12:00 p.m.

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These minutes were approved by motion of the Town Council. The original document is retained by the Clerk in the Town Council’s permanent records. Attest: Jennifer M. Krembs, Town of Friday Harbor Clerk