



## SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, October 17, 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) late - joined at 12:49 p.m., Anna Maria de Freitas (Position No. 3), and Barbara Starr (Position No. 5). Mason Turnage (Position No. 4) was absent.

**Council consensus to excuse the late attendance of Councilmember Geffen and the absence of Councilmember Turnage.**

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

### FLAG SALUTE

Mayor Jackson conducted the flag salute.

### ANNOUNCEMENTS

At 12:03 p.m., Mayor Jackson introduced new employee Community Development Administrative Assistant Janelle Berwald. Berwald expressed her excitement for joining the Town team.

Mayor Jackson presented Wastewater Treatment Plant Supervisor Pat Sandwith, and Utility Workers Chuck Berry and Nate Hertel with the Department of Ecology's Outstanding Performance Award for 2023. Sandwith recognized Don Reitan for his efforts to help the Town achieve this honor. Mayor Jackson commended the Wastewater Treatment Plant team and recognized the importance of hiring dedicated and committed personnel.

Mayor Jackson announced the executive session regarding potential litigation is to be removed from the agenda.

Mayor Jackson announced staff's request for the public hearing regarding Friday Harbor House Development Agreement it to be continued indefinitely. The public will be noticed when the public hearing is to be continued.

**Moved by Hushebeck, seconded by De Freitas, to continue the Public Hearing for the Friday Harbor House indefinitely. No discussion. Motion passed 3-0 with Councilmembers Geffen and Turnage absent.**

### PUBLIC COMMENT

No public comment was forthcoming.

### CONSENT AGENDA

At 12:10 p.m., the Consent Agenda was introduced by Mayor Jackson. No discussion.

**Moved by De Freitas, seconded by Starr, to approve Consent Agenda as written. No discussion. Motion passed 3-0 with Councilmembers Geffen and Turnage absent.**

### Resolutions

- Resolution No. 2893 – Authorizing an agreement with the San Juan County Economic Development Council
- Resolution No. 2894 – Authorizing Amendment 1 to Resolution 2892 Finance Department WA State Correctional Industries Order
- Resolution No. 2883-1 – Authorizing Amendment 1 to Resolution 2883 to authorize tax on Change Order 1 for the Marguerite Place Improvement Project

### Payment of Claims & Payroll

- Payroll warrants: #20117 to 20124, including employee direct deposit and vendor ACH payments; dated September 30, 2024; in the amount of \$348,857.45.
- Claim warrants: #61439 to 61490; dated October 3, 2024; in the amount of \$854,842.05.

**Minutes** Approval of the Summary of the Minutes dated October 3, 2024.

## **ACTION AND DISCUSSION ITEMS**

### LTAC Grant Requests

At 12:11 p.m., Mayor Jackson introduced Executive Assistant and LTAC Coordinator Julie Greene to present the LTAC 2025 Lodging Tax Grant Program recommendations. On June 6, 2024, Council provided preliminary approval to increase LTAC grant allocation from \$50,000 to \$70,000. LTAC received 11 requests that totaled \$182,135. LTAC members determined each group was eligible for funding. Amount recommendations were averaged to determine allocated funds with a remainder of \$675, which was then split between the three lowest grant allocations for a total LTAC allocation of \$70,000. Greene shared the Visitors Bureau presented at a second meeting with their request of \$200,000. LTAC granted the allotment requested with a recommendation to focus on messaging to locals on sustainable tourism including regular posts to Facebook group “What’s Up Friday Harbor.” An additional request was made by LTAC for the Visitors Bureau to help locals understand summer tourism supports the community year-round. Greene expressed her gratitude for alternate LTAC member Lori Stokes who acted as a voting member for both meetings. No discussion.

**Moved by Hushebeck, seconded by Starr, to approve Resolutions 2896 – Resolution 2906 to be approved as written. No discussion. Motion passed 3-0 with Councilmembers Geffen and Turnage absent.**

- Resolution No. 2896 – Authorizing an agreement with the San Juan Islands Visitors Bureau
- Resolution No. 2897 - Authorizing an agreement with the Friday Harbor Film Festival
- Resolution No. 2898 - Authorizing an agreement with The Whale Museum
- Resolution No. 2899 - Authorizing an agreement with the San Juan Islands Museum of Art
- Resolution No. 2900 - Authorizing an agreement with the San Juan Community Theatre
- Resolution No. 2901 - Authorizing an agreement with the Archipelago Collective
- Resolution No. 2902 - Authorizing an agreement with the Alchemy Art Center
- Resolution No. 2903- Authorizing an agreement with the Rotary Foundation of the San Juan Islands
- Resolution No. 2904- Authorizing an agreement with the Friends of the San Juans
- Resolution No. 2905 - Authorizing an agreement with Waterworks Gallery
- Resolution No. 2906 - Authorizing an agreement with Island Verse Literary Collective

### 2025 Budget Work Session

At 12:18 p.m., Mayor Jackson introduced Finance Director Bethany Berry. Berry provided the first reading of 2025 Utility Rates and Connection Fees. Berry shared proposed rate increases are based upon current rate study recommending a 13% increase for water, a 3% increase for sewer, and a 4.9% increase for stormwater. Berry explained FHMC allows Council to adopt increased connection fee rates based upon current adopted rate study or by Consumer Price Index (CPI-U). Staff recommends adopting increased rates based upon the rate study. Berry shared graphs that illustrated the comparison of proposed rates. Councilmember De Freitas suggested adopting the rate study option. Berry explained in previous years rates were not increased, however increases are required to maintain Town systems. Stormwater specifically has not been increased annually per 2008 rate study. The methodology behind 4.9% was to gradually recoup revenue loss of \$349,152 versus a one-year increase of \$9.23 per ERU. Staff proposed the 4.9% increase which would be a \$.70 increase per ERU to steadily operate the stormwater system. De Freitas inquired about the existence of out-of-town connection fees. Berry, Administrator Kulseth, and Public Works Director Jesse Douglas-Seitz clarified there are grandfathered properties that paid for water rights but have not connected. De Freitas suggested utility connection fees and usage for out-of-town residents should be higher to protect the interests of town residents. Starr concurred and requested connection and consumption fees should be higher. Kulseth offered to talk with Brooke Tacia with FCS Group to clarify. After Council inquiries are answered, Berry will bring ordinances to adopt rate increases. Council noted bulk water sales should be higher than what current customers pay; Berry agreed to update rates that became effective September 1, 2024. Water

hauling rates were not part of the rate study but will be included in the rate study to take place in 2025/2026. Council thanked Berry for the work put into the draft budget. No further discussion.

#### **KPG Pocket Park Presentation**

At 12:38 p.m., Mayor Jackson welcomed Douglas-Seitz to introduce the KPG Pocket Park presentation. Douglas-Seitz requested Council and public comment on the Pocket Park Design Guide draft. Psomas KPG (KPG) has been contracted to provide support and guidance to create a Pocket Park Design Guide for the Town. Senior Project Manager Phuong Nguyen lead the presentation. Nguyen shared historical background and project context and commended the Town on well-maintained streets alongside mid-20<sup>th</sup> century architecture. Pocket parks encourage community engagement and support businesses, public safety, and a town’s identity. KPG and Town staff walked the town to review current pocket park conditions. Nguyen introduced landscape designer Jake Stephens. Stephens explained the Design Guide contents are meant to provide cohesion to Town pocket parks for years to come. Stephens provided examples of materials, contemporary integrations, and ways to highlight historical elements. Small, medium, and large park typologies were overviewed, all of which have purpose and commonalities to build upon a town’s park cohesion. Sidewalks, decorative hardscape, street furnishing, landscaping, lighting, art integration, signage, and other urban design amenities will be included in the Design Guide. Nguyen explained the timeline and schedule for providing feedback on the draft document. Councilmember Starr requested a hardcopy of the Design Guide draft to review further. Councilmember Hushebeck inquired if the pocket parks are to be upgraded or if the Design Guide is for future consideration. Douglas-Seitz explained the Design Guide is meant to support parks moving forward for the next 10-20 years, and he agreed to get draft guides to Council. The Mayor thanked KPG for their presentation. No further discussion.

**At 12:49 p.m., Councilmember Geffen (Position No. 2) was present.**

#### **Policy on maintenance of street trees in ROW**

At 1:10 p.m., Ericson and Douglas-Seitz explained the requirement for trees in the right of way to be 10 feet above sidewalks and 14 feet above streets. Town streetlights are at 25 feet. In multiple areas trees have grown blocking light to pedestrian walkways. Douglas-Seitz would like to trim trees following light standards; however, this trimming may not be favorable with property owners. Public Works has begun to remove vegetation but has not completed this next step of clearing vegetation from under lights. Douglas-Seitz clarified the areas in need of trimming involve trees grown on private property growing over the right of way. Douglas-Seitz requested feedback from Council. Hushebeck suggested to lower lights. Douglas-Seitz explained the light standards; in order to lower poles, the lights would need to be intensified to provide streets with the proper amount of light. Mayor Jackson recommended discussing with the individual property owners. Ericson explained the intention was to bring tree maintenance to Council to further define the standards. De Freitas expressed appreciation for maintaining the natural aesthetic while keeping safety at the forefront. Ericson and Douglas-Seitz will provide a drawing to clearly articulate standards to encourage private property pruning and to maintain safe lighting. No further discussion.

#### **Design Variance – Web Street Update**

At 1:25 p.m., Mayor Jackson introduced Ericson to present the Web Street update. Ericson shared property owners and the Town are working together to potentially provide angled parking on Web Street. Eight to ten angled parking stalls are possible if three landowners agree to provide right of way frontage. Hushebeck concurred more parking is needed. If the angled parking does not work out, there is a property owner willing to provide pull-in/back out parking on Web. De Freitas asked if the sidewalk would maintain the same width. Ericson explained the sidewalk would look more like the sidewalks on Nichols Street. No further discussion.

#### **2025 Comprehensive Plan Update Gap Analysis**

At 1:30 p.m., Mayor Jackson introduced Ericson to present the Comprehensive Plan update. Ericson presented the Comprehensive Plan overview, the population projection adopted by the County in 2023, and the County proposed housing allocation by income. Ericson explained the Growth Management Act (GMA) passed in 1990, and he shared the Town’s history with comprehensive planning. The mandatory elements of a Comprehensive Plan include land

use, housing, economic development, parks and recreation, capital facilities, utilities, transportation, and newly added climate resiliency. The Town has a grant to satisfy the climate resiliency element of the plan with BERK Consulting. Comprehensive planning supports planning for future population projections, balancing economic growth, and conserving both cultural and natural resources while maintaining a high quality of life. Ericson provided the population and the Office of Financial Management (OFM) Projections for year 2045. Ericson explained how the population projections are allocated to the Town from the County. San Juan County Housing Allocations by Income (SJC AMI) along with United States Department of Housing and Urban Development (HUD) provide a table yearly to illustrate the allocation of housing by income brackets. De Freitas expressed concern for workforce housing and the documents not necessarily representing the current town housing need. Ericson explained density for the 0 to 30% income band and how it relates to the town UGA. The GMA purpose was to densify the UGA providing a variety of housing types in alignment with the housing element requirements. To address Council’s concern for workforce housing, Ericson suggested Council write a letter to the state to articulate local needs and how the needs do not align with the state model. The Comprehensive Plan is not due until June 2025 and is valid for 20 years. San Juan County, including Friday Harbor, is within the first round of Comprehensive Plans due statewide. Ericson shared the Home Trust proposal for the Argyle lot will be coming forth to Council as a Development Agreement, and the Home Trust submitted their application to get bonus density which would accommodate some workforce housing.

#### Recess

At 2:01 p.m., Major Jackson recessed the session until 2:10 p.m.

#### Marguerite Place Improvement Project Update

At 2:11 p.m., Mayor Jackson recognized Douglas-Seitz to provide an update on the Marguerite Place Improvement Project. Douglas-Seitz shared paving is in progress, and additional paving on Spring Street was possible where the road had been repatched previously. Marguerite Place and Park Street are currently closed to connect to the stormwater system. Thanks to Ericson, plans were found that supported the stormwater connection and needed infrastructure. Starr inquired when the public could drive on the new road, and Douglas-Seitz was hopeful the road would be ready by the end of next week.

#### Ordinance No. 1804

At 2:18 p.m., Mayor Jackson recognized Ericson to present on proposed Ordinance 1804 relating to parking. The code requires Council to update policy; the last time the policy was updated was in 2008. Staff recommends parking be amended from \$13,500 to \$22,500 per space based on current values of purchased land and construction of off-street spaces/rental fees. Ericson explained a covenant would be recorded on properties opting to pay a fee for off street parking; those properties would not be able to turn into short term accommodations. The Town has been accumulating fees in hopes of building a parking structure. No further discussion.

**Moved by De Freitas, seconded by Starr, to approve Ordinance No. 1804 relating to off-street parking requirements, amending Section 15 of Ordinance 1372 pertaining to the amount paid for fee in lieu of parking spaces and amending Section 93(A)(I) of Ordinance 1172 prohibiting the use of the off-street parking waiver for transient accommodations. No discussion. Motion passed 4-0 with Councilmember Turnage absent.**

#### Historical Incentive Program Workshop

At 2:22 p.m., Mayor Jackson introduced Ericson to present the Historical Incentive Program. Ericson explained the proposed amendments include a 6-foot modulated setback for every story above the first story, meaning a second story would have a 6-foot setback, and a third-story buildings would have a 12-foot setback from the first story. For height incentives, flat roofs would require cornices with three elements to be eligible. Ericson explained the difference between a shed roof and gable roof. Ericson explained Council could decide the form of building in towns such as excluding shed roofs in the Historic District, or some Towns require cohesive coloring and styling; Council can mandate cohesive requirements. De Freitas and Hushebeck recommended providing incentives for gables and flat roofs within the town center to build upon the historical vernacular. De Freitas was agreeable to the 6-foot

setback per story. Ericson offered to prepare some examples of cornices for Council. Ericson also presented off-street parking requirements to include situations in which exemptions apply. Mayor Jackson shared his appreciation for anticipating the historic incentives needed for the future. No discussion followed.

#### **ADMINISTRATOR’S REPORT**

At 2:31 p.m., Administrator Kulseth reported on the following:

- Kulseth requested Council support the November Harbor Life Ring match program to benefit the Food Bank. Last year, Kulseth was told the fund for matching was increased from \$2,500 to \$5,000. In 2023, the total raised was \$12,810.97. Kulseth asked Council if the match amount of \$5,000 could be approved again this year and if the Food Bank could be the beneficiary. De Freitas suggested we raise the match amount to \$7,500. Berry confirmed the funds for the program come from the dedicated general fund. Council concurred and agreed to raise the amount for the Harbor Life Ring program to the \$7,500. An advertisement will be shared on the Town website and Facebook page. Kulseth shared some out-of-town San Juan Island residents have contributed. De Freitas asked if we could make an easier way for the public to donate, rather than in person or mail in. Berry will investigate ways to make donating easier in the future.
- Washington State Ferry schedule came out this morning. There are no direct sailings to Anacortes, all eastbound routes stop at Lopez Island. There are a few direct sailings westbound to Friday Harbor.
- The Transportation Benefit District (TBD) information is on the Town website. Kulseth will speak at a Rotary meeting next week to provide information on TBD. Kulseth is hopeful the renewal will be passed for another 10 years to support transportation infrastructure.
- Collective bargaining meetings continue.
- The hearing on the County’s lawsuit against the Town is set for next Tuesday, October 22<sup>nd</sup> at 1:30 p.m. at the Superior Court with Judge Loring. The Town’s brief was submitted last week, and the County’s brief reply is due today.
- The arborist will visit on November 4<sup>th</sup> and will provide information on the health of the elm trees located at Memorial Park.
- Kulseth shared Town is acquiring a new phone system with Nextiva. The new system will cost less and is cloud based. IT/Systems Administrator Mike Greene has been supporting the current system. Kulseth expressed excitement for the new phone system to support Town workflow and communication.

#### **FUTURE AND NON-AGENDA ITEMS**

At 2:40 p.m., Mayor Jackson shared the 7<sup>th</sup> grade Mock Council date will be moved into November. Mayor Jackson requested Council respond to an email sent by Clerk Krembs to secure a new Mock Council date. Mayor Jackson shared his excitement to work with the youth in November.

#### **PUBLIC COMMENT**

No public comment was forthcoming.

**ADJOURMENT** – Hearing no further business and no objection, Mayor Jackson adjourned the meeting at 2:42 p.m. The next regular meeting is scheduled for Thursday, November 7, 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**