



SUMMARY OF THE MINUTES TOWN COUNCIL

Thursday, August 21, 2025 – Council Chambers – Afternoon Session

CALL TO ORDER

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

ROLL CALL

Councilmembers: Steve Hushebeck (Position No. 1; Mayor Pro Tem), Richard Geffen (Position No. 2), Anna Maria de Freitas (Position No. 3), Mason Turnage (Position No. 4), and Barbara Starr (Position No. 5).

Council appointed Councilmember Hushebeck as Mayor Pro Tem.

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

FLAG SALUTE

Mayor Pro Tem Hushebeck conducted the flag salute.

12:01 P.M. SET AGENDA

Agenda was set.

12:02 P.M. INTRODUCTION

Town Administrator Kulseth introduced the new Public Works Director Michael Liptack. Liptack is looking forward to serving the community and is grateful for the opportunity.

12:03 P.M. ANNOUNCEMENTS

Councilmember Turnage must leave the meeting at 1:15 p.m. The Council discussion on the Community Home Trust Argyle Lots Project is not a public hearing; therefore, comments on this project should be made during the public comment times, which are 30 minutes at the beginning of the meeting and 10 minutes at the end.

12:05 P.M. PUBLIC COMMENT

- Paul Fischburg, county resident, Community Home Trust Board President, Argyle Lot Project
- Amanda Lynn, town resident, Community Home Trust Executive Director, Community Home Trust, Argyle Lot Project
- Karl Eberhard, county resident, San Juan Community Home Trust representative, Argyle Lot Project
- Kari McVeigh, county resident, San Juan County (SJC) Councilmember, Argyle Lot Project
- Steve Ulvi, county resident, affordable housing and Argyle Lot Project

12:20 P.M. CONSENT AGENDA

Moved by Councilmember Geffen, seconded by Councilmember de Freitas to approve the consent agenda as written. Motion passed unanimously.

Approved:

Ordinances

- Ordinance No. 1822 – Amending Ordinance No. 1816 to correct the purchaser's fee.
- Ordinance No. 1823 - Authorizing salaries of elected officials and the Public Works Director.

Resolutions

- Resolution No. 2971 – Waiving competitive bidding requirements for special facilities or market conditions: Wastewater Treatment Plant Improvement Project.

- Resolution No. 2972 – Accepting the Wastewater Treatment Plant Roof Replacement Project.

Payments and Claims

- Claim warrants: 62576 to 62591 dated July 31, 2025, in the amount of \$66,929.60.
- Payroll warrants: 20207 to 20210 including employee direct deposit and vendor ACH payments 402-406 dated July 31, 2025, in the amount of \$388,127.50.

Minutes Approval of the Summary of the Minutes dated August 7, 2025.

ACTION AND DISCUSSION ITEMS

At 12:21 p.m., Council Discussion – Community Home Trust Argyle Lot Project

Councilmember Starr introduced the Argyle Lot Project proposed draft Development Agreement (DA) between the Town and the San Juan Community Home Trust. Community Development Director Ryan Ericson was not present but had provided a staff memo with seven points for Council discussion. Ericson requested that Council make individual motions for how to proceed on each point after considering the memo and the Community Home Trust proposed draft DA received by the Town on August 12, 2025. Council discussed all seven items:

1. Historic review: The property has a historic easement. Ericson recommended that the new development maintain the lower Argyle Avenue vernacular and historic aesthetic; Council concurred. Council agreed with the Community Home Trust regarding the appeal process and the Historic Preservation Design Manual.
2. Solar panels: Washington Residential Code (IRC) for single family residences does not apply to this project. The Washington Building Code (IBC) would apply for multi-family developments. Council agreed that the development needs to be solar ready with orientation to maximize exposure.
3. Administrative appeal: Council was inclined to provide the Community Home Trust with options for appealing.
4. Tolling or deadlines, time periods, and performance obligations: Ericson was unclear of what was meant by “review, approval process, or other action pending before any applicable governmental or regulatory authority.” Ericson shortened the permit review time from 90 days to 60 days; the Community Home Trust would have 300 days to request additional information. Council found the staff suggestion clearer and more refined.
5. Construction management experience: Town Administrator Kulseth shared an excerpt from the guiding principles for the SJC Real Estate Excise Tax (REET) which provides the main financial support for the SJC Home Fund. The document states: “The SJC Housing Advisory Committee will evaluate the experience of an applicant’s development team, management team, executive director, staff, and board of directors to determine sufficient capacity to develop, own, and operate housing on a long-term basis.” Kulseth shared staff’s experience with the Community Home Trust’s construction manager overseeing the HolliWalk Project. She attributed the HolliWalk issues to the construction manager’s lack of experience. Kulseth hopes the Argyle Lot Project goes through the bid process and has a more experienced construction manager, so the project is successful. Council determined the liability is on the Community Home Trust, SJC, and the Home Fund lenders.
6. Vesting: Council agreed with the staff recommendation to clarify vesting.
7. Staff recommended a density increase: Council agreed with the staff recommendation to increase from 14 units to 24 units per acre.

Historic Review: Moved by Councilmember de Freitas, seconded by Councilmember Turnage to accept the Community Home Trust Section 2(A)(5) as proposed by San Juan Community Home Trust. Motion passed unanimously.

Historic Review: Moved by Councilmember Geffen, seconded by Councilmember Starr to accept Section 2(5)(B) as proposed by Town staff to maintain the historic feel of Lower Argyle Avenue. Motion passed unanimously.

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96 Historic Review: Moved by Councilmember Geffen, seconded by Councilmember Turnage to accept Section 2(A)(6)
97 as proposed by San Juan Community Home Trust. Motion passed unanimously.

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99 Solar Panels: Moved by Councilmember Geffen, seconded by Councilmember de Freitas to accept
100 Section 2(A)(10) as proposed by Town staff with modifications to include buildings constructed to be
101 solar ready by the applicable state code and must orient the building’s roof surface area to maximize
102 energy production. Motion passed unanimously.

103 Point of Order was called by Town Clerk Krembs to repeat the motion twice before passing or
104 rejecting motions per Robert’s Rules of Order.

105 Administrative Appeal: Moved by Councilmember Starr, seconded by Councilmember Hushebeck to accept 2(B)(5)
106 as proposed by San Juan Community Home Trust. Motion passed unanimously.

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108 Tolling or deadlines, time periods, and performance obligations: Moved by Councilmember Geffen, seconded by
109 Councilmember Hushebeck to accept Section 2(F)(2) as proposed by Town staff. Motion passed unanimously.

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111 At 1:17 p.m., Councilmember Turnage was excused.

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113 Construction Management Experience: Moved by Councilmember Hushebeck, seconded by Councilmember de
114 Freitas to accept Community Home Trust Section 2(C) as proposed by San Juan Community Home Trust as written.
115 Motion passed 4-0, with Councilmember Turnage absent.

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117 Vesting: Moved by Councilmember de Freitas, seconded by Councilmember Geffen to accept as proposed by Town
118 staff Section 3(A)(1). Motion passed 4-0, with Councilmember Turnage absent.

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120 Staff Recommended Increase Density: Moved by Councilmember Starr, seconded by Councilmember de Freitas to
121 accept as proposed by Town staff Section 2(A)(1) to increase density from 14 units per square acre to 24 units per
122 square acre for a permanently affordable housing project. Motion passed 4-0, with Councilmember Turnage
123 absent.

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125 Council is hopeful that the proposed draft development agreement can move forward to a public hearing as soon
126 as possible. Town staff will follow public noticing requirements when scheduling the public hearing for the earliest
127 possible date.

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129 **1:27 P.M. PUBLIC COMMENT**

- 130 o Kari McVeigh, county resident, SJC Councilmember, Affordable Housing and Argyle Lot Project
131 o Karl Eberhard, county resident, San Juan Community Home Trust representative, Argyle Lot Project, solar
132 orientation
133 o Amanda Lynn, town resident, Community Home Trust Executive Director, Community Home Trust thank
134 you, administrative appeal, construction management

135
136 **1:33 P.M. ADMINISTRATOR’S REPORT**

137 Administrator Kulseth reported on the following:

- 138 o Kulseth remarked on McVeigh’s public comment. The County took two years to work through the lease and
139 several more to select a developer for the Argyle Lot Project. The Town has limited staff and cannot be
140 expected to work through a development agreement in a matter of months.
141 o Kulseth attended the AWC City Manager Conference last week in Walla Walla, WA.

- Charlie’s Produce and Aeronautical Services reached out to the Town regarding their inability to obtain ferry reservations needed to serve the islands. Kulseth referred them to County Councilmember/Ferry Advisory Committee Liaison Justin Paulsen. Paulsen has reached out to Washington State Ferries.
- BOSS Construction is mobilizing next week on the Wastewater Treatment Plant Improvement Project. A license has been issued for BOSS Construction to stage at the adjacent property located at Harbor Street and Tucker Avenue. Kulseth asked if the Council would consider an ordinance amendment allowing a temporary sewer connection on that site during construction. Council was agreeable.
- Bonfires are being built on the street in Roman Court, an undeveloped neighborhood currently closed to traffic. The street will be reopened. Signage will be added to address parking limits. An ordinance to add no parking signs will be forthcoming.
- The Town lifted the burn ban to align with the County.
- Kulseth attended the SJC Climate and Water Roundtable to address water conservation. Kulseth shared the water saved over the past year since moving to radio-read water meters. Tiered pricing was implemented about a year ago to discourage excessive water used by out-of-town homes with irrigation. Bulk water sales continue for emergency water relief at Hannah Heights.
- The Town will move to Zoom Webinar for broadcasting public meetings in order to save money and provide better security controls.

1:49 P.M. FUTURE AND NON-AGENDA ITEMS

Councilmember Hushebeck announced that Leadership San Juan applications are due by August 30, 2025; applications can be found at: <https://lsji.org/>

1:51 P.M. ADJOURNMENT

Hearing no further business and no objection, Mayor Pro Tem Hushebeck adjourned the meeting. The next regular meeting is scheduled for Thursday, September 4, 2025, at 12:00 p.m.

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 Krembs, Town of Friday Harbor Clerk