

POULSBO CITY COUNCIL MEETING OF AUGUST 13, 2008

MINUTES

PRESENT: Mayor Quade; Councilmembers: Berry-Maraist, Crowder, Erickson, Lord, Stern.
Staff: Berezowsky, Boltz, Kasiniak, Loveless, McCluskey, Stephens, Swiney, Kasiniak.

ABSENT: Councilmember McGinty and Rudolph.

MAJOR BUSINESS ITEMS

- * * * Minutes of June 4, 2008
- * * * Minutes of July 16, 2008
- * * * Claims- June 1-30, 2008
- * * * Payroll- July 1-31, 2008
- * * * Budget Amendment BA 28-0302, 3rd of July
- * * * 7:15 PM Public Hearing: Six Year Transportation Improvement Plan and Resolution 2008-14, Adopt Improvement Plan
- * * * Final Acceptance Caldart Avenue Signal and Sidewalk Contract
- * * * Redistribution of Hours for the Position of Recreation Programmer
- * * * Kitsap Regional Library- Memorandum of Agreement
- * * * Interlocal Agreement Designating Kitsap County as the Lead Agency for Revision of the Comprehensive Solid Waste Management Plan
- * * * Authorize the Mayor to Sign the Purchase and Sale Agreement with Unruh Investment, LLC for the new Public Works Property
- * * * Authorization to Proceed with Appraisal and Phase I Environmental Site Assessment for the Proposed Land Purchase for a new Public Works Facility.

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Quade called the meeting to order in the Council Chambers at 7:05 PM and lead the Pledge of Allegiance.

2. MAYOR'S REPORT AND CHANGE TO AGENDA

- a. Mayor Quade read "Love Poem: Community & Home", introduced and thanked Jan Stump, the author.
- b. Proclamation: Mayor Quade proclaimed the month September as National Alcohol and Drug Addiction Recovery Month.

- c.** Nicholas Deordio, North Kitsap High student, provided a brief summary of his trip to Kenya, through the Foreign exchange student program.
- d.** Mayor Quade introduced Chief Dan Olsen, new Fire Chief of the Poulsbo Fire Department. Chief Olsen provided personal and professional background information.
- e.** Mayor Quade announced the City of Poulsbo received the Distinguished Budget Presentation Award for the current fiscal year, by the Government and Finance Officer Association, and the Certificate of Recognition for Budget Presentation was presented to Finance Director Booher.
- f.** Mayor Quade announced that the Washington Finance Officers Association has awarded the Professional Finance Officer award to Deborah Booher, Jana Brown, Terry Coe, Roz Heffner and Kelly Ziemann.
- g.** Mayor Quade reported on a meeting with other local government officials to discuss the potential Puget Sound Energy merger, and feels more comfortable with the merger and what it will mean to the customers.
- h.** Mayor Quade asked Assistant Public Works Director Kasiniak to give an update on the new City Hall project. Kasiniak reported that the demolition project would be awarded on August 14th or 15th; the excavation bids will be opened on August 19th and asked for Council concurrence to allow the matter to come before the Council on the August 20th without going to the Public Works Committee; the Council concurred.
- i.** Mayor Quade asked for Council concurrence to go forward with the appraisal of the 10th Avenue property, the approximate cost is \$6,000. She advised that this has nothing to do with actual sale of the property. Council concurred to allow Mayor Quade to proceed with the appraisal.

Councilmember Stern asked Tom Kruse, Vice President of Harrison Hospital, to present an overview of the proposed layout for the 10th Avenue site, which may be used as an outpatient cancer center; urgent care; medical offices, bringing in current local providers; and an imaging center.

- j.** Gary Tusberg, Kitsap County Consolidated Housing Authority and Project Manager for the new City Hall, provided an update on the progress of the new City Hall. The demolition bids were opened this week; the site preparation package will be the next phase, with the hopes to begin construction early next year and the design development phase will begin

in a few weeks. Mayor Quade advised that they would be announcing a date for the groundbreaking soon.

3. MAYOR AND COUNCIL DISCUSSION

- a. Councilmember Lord expressed her appreciation to Public Works Director Loveless for the fast response to her concern over the median on SR305, which was completely removed.
- b. Councilmember Stern commended the North Kitsap Herald on the supplemental advertisement for the Centennial Celebration.

Stern also advised that the Association of Washington Cities (AWC) has selected Poulsbo as one of the locations for their 2008 Regional Meetings, to be held on September 23, 2008 and urged all Councilmembers to attend.

- c. Councilmember Berry-Maraist announced that on August 26th, the City will host a round table discussion regarding road standards, in the Council Chambers.
- d. Councilmember Erickson thanked Mayor Quade for getting the Council Retreat agenda out to the Council and asked that a discussion item be added to the Retreat agenda regarding development of a reporting system on the numerous committee and stakeholders groups.

4. COUNCIL COMMITTEE REPORTS (FOR ITEMS ON CURRENT AGENDA)

- a. Community Services Committee: Councilmember Berry-Maraist reported that the Kitsap Regional Library Memorandum of Agreement came back to the Committee with minor changes; the Committee recommended approval.
- b. Finance/Administration Committee: Councilmember Erickson reported on:
 - Request by the Parks and Recreation Department to approve the Programmer position to one full-time position with benefits, as opposed to two part time positions and recommended approval.
 - Future Public Works facility property purchase and recommended approval.

5. CITIZEN COMMENTS

- a. Steve Johnson recommended that the State be asked to put an on and off ramp at Sherman Hill Road.
- b. Rita Hagwell presented the survey for her property at Merilane Lane and expressed her concern about a road being built off of Viking Way.
- c. Marie Sippel requested that the Mayor and Council attend the Downtown Fall Workshop, which will discuss the "Main Street Approach" program. Mayor Quade advised that she as well as several Councilmembers and downtown merchants would be attending the workshop.

6. CONSENT AGENDA

Councilmember Berry-Maraist requested that Item a. Minutes of June 4, 2008 be removed from the Agenda to allow for revisions.

MOTION: Crowder/Stern. Move to approve Consent Agenda items b through e.

Motion carried unanimously. Absent: McGinty and Rudolph.

The items listed are:

- ~~a. Minutes of June 4, 2008~~
- b. Minutes of July 16, 2008
- c. Claims - June 1-30, 2008
- d. Payroll - July 1-31, 2008
- e. Budget Amendment BA 28-0302, 3rd of July

7. MAJOR BUSINESS ITEMS

- a. **7:15 PM Public Hearing: Six Year Transportation Improvement Plan, and Resolution 2008-14, Adopt Improvement Plan**

At 8:06 PM Mayor Quade opened the public hearing.

Assistant Public Works Director Kasiniak presented the Six Year Transportation Plan (TIP) and noted the Moe Avenue and 3rd Avenue repair was moved up in priority on the list, at the recommendation of the Public Works Committee.

Councilmember Erickson questioned the roundabout at Hostmark Street and Noll Road being included on the TIP list and stated that the Noll Road Stakeholders group had discussed concerns regarding the roundabout. Kasiniak explained that the Noll Road Corridor Study was not completed at the time of the TIP report; however the project can be removed or wait for the recommendations from the study. Erickson requested that the TIP document be amended to clarify that the roundabout may not go forward, until the stakeholder's conclusions from the Noll Road group.

Mayor Quade asked for public comments.

Molly Lee requested that Councilmember Berry-Maraist continue to state for the record that she owns property within the southern city limits and requested that Berry-Maraist recuse herself during the process of the Transportation Improvement Plan.

Rita Hagwell expressed her concern that her property taxes would be increased once the roads are improved.

Mayor Quade closed the public hearing at 8:21 PM.

MOTION: Crowder/Erickson. Move to adopt Resolution No. 2008-14. A Resolution of the City Council of the City of Poulsbo, Washington, adopting a Six-Year Transportation Improvement Program for the years 2009-2014, also incorporating the findings of the Noll Road Study and directing the same to be filed with the State Secretary of Transportation and the Transportation Improvement Board.

Motion carried unanimously. Absent: McGinty and Rudolph.

Councilmember Stern requested that the Council seek clarification on the possible conflict of interest of Councilmember Berry-Maraist owning property at the south end of Viking Avenue. Councilmember Berry-Maraist advised that she has spoken with the City Attorney regarding this issue and the City Attorney does not feel she has a conflict of interest.

b. Final Acceptance Caldart Avenue Signal and Sidewalk Contract

MOTION: Crowder/Lord. Move to accept the Caldart Avenue Signal and Sidewalk contract with Ace Paving, Inc. as completed and move to authorize the release of retainage in accordance with the contract requirements.

Motion carried unanimously. Absent: McGinty and Rudolph.

c. Redistribution of Hours for the Position of Recreation Programmer

MOTION: Berry-Maraist/Crowder. Move to approve the re-distribution of hours for the recreation programmers in the parks and recreation department changing from 2 part time positions to 1 full-time and 1 half time position with the full time position now eligible for insurance benefits. Funding for benefits will be included with the General Fund allocation to the Parks and Recreation Fund, which will be included in the Salaries & Wages amendment.

Motion carried unanimously. Absent: McGinty and Rudolph.

d. Kitsap Regional Library- Memorandum of Agreement

Parks and Recreation Director McCluskey presented an overview of the Kitsap Regional Library Memorandum of Agreement, noting the main changes in the agreement are; the library would be responsible for scheduling of the community use room, in exchange for 100 hours of use of the room at no charge, as would the City at 40 hours of use; the furniture and shelving in Library would be owned by the Library system and responsible for their replacement; the City and Library would share the responsibility of the grounds maintenance; and the Library would take over the weekend custodial.

McCluskey introduced Sharon Lee, Poulsbo Branch Librarian and Sue Whitford, Director of IT and Facilities for the Kitsap Regional Library, who expressed their appreciation for the City and their cooperation in this project.

MOTION: Lord/Berry-Maraist. Move to approve the memorandum of agreement with the Kitsap Regional Library as presented; and authorize the Mayor to sign the agreement.

Motion carried unanimously. Absent: McGinty and Rudolph.

e. Interlocal Agreement Designation Kitsap County as the Lead Agency for Revision of the Comprehensive Solid Waste Management Plan

MOTION: Berry-Maraist/Erickson. Move to designate Kitsap County as the Lead Agency for Revision of the Comprehensive Solid Waste Management Plan, and authorize the Mayor to sign the Interlocal Agreement for such designation.

Motion carried unanimously. Absent: McGinty and Rudolph.

f. Authorize the Mayor to Sign the Purchase and Sale Agreement with Unruh Investment, LLC for the new Public Works Property

Councilmember Berry-Maraist asked if the Environmental Site Assessment would identify wetlands and critical areas and requested that the Attorney be consulted regarding adding language to the agreement stating the earnest money would be fully refundable if the City decided not move forward with the purchase, during the 60-day feasibility study. Berry-Maraist expressed her concern on the affordability of the Public Works Building project, in conjunction with the City Hall project. Loveless clarified there is no definite time table to build the facility, in the interim the site could be used as transfer station site for our solid waste disposal and materials storage.

Councilmember Erickson expressed her concern over the expense of the property and future expenses the City would incur, with this and other Capital projects, and asked that there be further discussion regarding the City's Capital Infrastructure and Capital Improvement Plan.

Councilmember Crowder reminded the Council that the City's agreement with Suquamish Tribe for use of the land at the current Public Works facility is located, is due to expire. Loveless advised that the agreement expires in 2012; if the Public Works facility is not relocated by that date, then the City will need to work with the Tribe to identify a reasonably comparable alternate watershed.

MOTION: Berry-Maraist/Erickson. Move to require Council approval of a budget with designated funding sources for both the proposed Public Works facility and our downtown City Hall project on or before October 8th, 2008 and prior to the expiration of the contingency period in the purchase and sale agreement for the new Public Works property.

Motion failed. Yes: Berry-Maraist, Erickson. No: Crowder, Lord, Stern.

Absent: McGinty and Rudolph.

Loveless advised that the budget for Public Works facility project is has been carried forward in the 2008 budget and has been included in the budget for many years, under the Capital Improvement Plan. Loveless provided a breakdown as to how the purchase property would be funded:

- \$169,000 Street Capital Reserves
- \$189,439 Water Capital Reserves
- \$170,279 Sewer Capital Reserves
- \$124,516 Solid Waste Capital Reserves
- \$169,406 Storm Drain Capital Reserves

- \$233,000 Revenue Stabilization/General Fund

MOTION: Crowder/Stern. Move that the Council authorize the Mayor to sign the purchase and sale agreement in the amount of \$1,050,000 with Unruh Investment, LLC for property on Viking Avenue for a site for the new Public Works Facility and approve the budget amendments to fund the purchase from existing city reserve accounts.

Motion carried. Yes: Crowder, Lord, Stern. No: Berry-Maraist, Erickson. Absent: McGinty and Rudolph.

g. Authorization to process with Appraisal and Phase I Environmental Site Assessment for the Proposed Land Purchase for a new Public Works Facility

MOTION: Crowder/Stern. Move to authorize the Public Works Director to proceed with the Phase I Environmental Site Assessment for the proposed land purchase for the new Public Works Facility and bring forward a budget amendment to include funding of the property appraisal fee in the amount \$2,500 and the Phase I Environmental Study in the amount of \$3,500.

Motion carried. Yes: Crowder, Lord, Stern. No: Berry-Maraist, Erickson. Absent: McGinty and Rudolph.

h. Authorize two variances for Pennon Construction Company, to vary the construction hours that will occur during the weeks of August 25th to September 12th.

Mayor Quade advised that Pennon Construction Company, General Contractor for Petco has requested a variance to begin work prior to and after the approved construction hours.

Motion: Lord/Crowder. Move to approve Pennon Construction Company, Inc. a variance that they have requested for construction work outside of normal construction hours will occur twice during the weeks of August 25th through September 12th, 2008 and Pennon Construction Company will notify the City of Poulsbo, 48 hours in advance of any concrete pour outside the approved working hours

Motion carried unanimously. Absent: McGinty and Rudolph.

8. DEPARTMENT/COMMITTEE REPORTS

- a.** Chief Swiney announced the Police Department will be hosting a Community Appreciation Open House on Tuesday, August 26, 2008 from 4:00-6:00 PM, with an All Hands meeting prior to the Open House.

- b. Community Services Committee: Councilmember Berry-Maraist reported on the following:
- Report from Viking Fest, they have spoken with downtown businesses and Martha and Mary, and they plan on holding Viking Fest in the same location.
 - Potential of a future Metropolitan Park District.
 - The Kiwanis Park playground will be under construction September 20th.
- c. Finance/Administration Committee: Councilmember Erickson advised that the last meeting was noticed due to a quorum, items were added to the agenda after the fact which made the meeting difficult to get through. Erickson requested that in the future, once a committee meeting is noticed, that no further agenda items be added. The Committee discussed at great length the "Save Our Pool" campaign and is recommending that the City match a \$15,000 commitment by the school district.

MOTION: Erickson/Stern. Move that the City of Poulsbo authorize \$15,000 as a match to a \$15,000 commitment by the school district to help fund and support the ongoing operations of the North Kitsap pool.

Councilmember Stern clarified this would be a one-time payment. Mayor Quade questioned where the funds would come from; Councilmember Erickson stated the funds would come from the Revenue Stabilization Fund.

Nancy Moffit, Executive Director of Finance and Operations for the North Kitsap School District, advised that the funds would carry the project through December 31, 2008, and provide time to figure out a long term solution.

Motion carried unanimously. Absent: McGinty and Rudolph.

Finance/Administration Committee: (continued)

- Review of the Sewer Stakeholders report, noting the sewer, connection charges and impact fees will be going up. There was a recommendation from the Stakeholders group, requesting the rates gradually increase overtime as opposed to a large jump in rates. The numbers from the rate proposal will be coming forward at a later date.
- Review requests for two change orders for the City Hall project, including revisions to 3rd Avenue and separation of the bid package,

these change orders will use up all the soft costs contingencies in the planning numbers for the City Hall project.

- Sales Tax is up 3% for the year.
- The Bank Request for Proposal is moving forward and should be done in September.

9. CONTINUED COMMENTS FROM CITIZENS

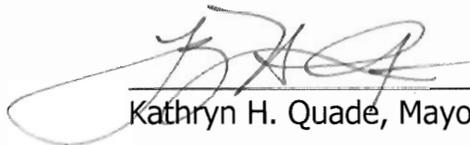
- a. Molly Lee commented that the Viking Avenue Transportation Improvement Project is adjacent to Councilmember Berry-Maraist's property and reiterated her comments during the Public Hearing.
- b. Rita Hagwell advised that she does not receive City services for the property taxes that she pays.

10. COUNCILMEMBER COMMENTS

- a. Councilmember Berry-Maraist reported on the following:
 - The Downtown Parking Task Force addressed concern and need for parking enforcement in the downtown area.
 - The Parks and Recreation Commission is continuing to work on their portion of the Comprehensive Plan.
 - There will be a Kitsap Regional Coordinating Council (KRCC) Study Session, September 9, 2008, regarding the Puget Sound Regional Council.
- b. Councilmember Erickson reported that she attended the Ferry Conference for Kitsap Regional Coordinating Council (KRCC) and discussion on gathering legislative ideas to cement future funding and come up with long term solutions for the ferries.

11. ADJOURNMENT

MOTION: Erickson/Stern. Move to adjourn the meeting at 9:54 PM.
Motion carried unanimously. Absent: McGinty and Rudolph.



Kathryn H. Quade, Mayor

ATTEST:



Jill A. Boltz, City Clerk