

POULSBO CITY COUNCIL MEETING OF OCTOBER 8, 2008

MINUTES

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

MAJOR BUSINESS ITEMS

- * * * City Hall Update
- * * * Update: Agreements Signed by the Mayor
- * * * Payroll - September 1-30, 2008
- * * * 7:15 PM Public Hearing: Revenue Sources for the 2009 Budget
- * * * Set Public Hearing for 2009 Final Budget
- * * * Hotel/Motel Coalition Proposal
- * * * Final Acceptance for the Bond Road Force Main Project
- * * * Final Acceptance for the 7th Avenue Extension Project
- * * * Contract Amendment No. 1 with David Evans and Associates
- * * * Award On-Call Surveying Contracts

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Quade called the meeting to order in the Council Chambers at 7:01 PM and asked Don Sarles and Jacob Nordberg to lead the Pledge of Allegiance.

2. MAYOR'S REPORT AND CHANGE TO AGENDA

- a. Gary Tusberg, Kitsap County Consolidated Housing Authority, provided an update on the new City Hall project, advising the soil nail testing has been completed successfully; the design process continues and will proceed into the final construction drawings. Mayor Quade announced an Open House has been scheduled for October 22, 2008 from 5:00 PM to 7:00 PM, to allow the public an opportunity to review the City Hall plans.
- b. Mayor Quade reported there will be a Homecoming ribbon cutting ceremony for the North Kitsap High School new turf field on October 17, 2008 at 6:30 PM.
- c. Mayor Quade advised of the following meetings that have been scheduled for October 29, 2008:
 - Transportation Demand Management (TDM) Open House, 5:00 PM-7:00 PM

- TDM Council Workshop 7:00 PM - 8:00 PM
 - Low Impact Development (LID) Workshop from 8:00 PM - 9:00 PM.
- d. Mayor Quade reported on the River, Trails and Conservation Assistance Grant received from the National Park Service, which will allow the City to design an urban trail plan. Mayor Quade also reported on the formation of a Poulsbo Trail committee and invited interested citizens, specifically high school students, to serve on the committee. Parks & Recreation Director McCluskey noted the grant provides resource support and services for the trail plan, it is not a financial grant.
- e. Mayor Quade announced vacancies and/or expiring terms on the Planning Commission, Library Board, Civil Service Commission, Parks and Recreation Committee, Community Police Advisory Board, Design Review Board and Tree Board; and encouraged interested citizens to apply.
- f. Mayor Quade advised the Literacy Council of Kitsap County is seeking a representative for their board.
- g. Mayor Quade reported on agreements that she has recently signed which included the Monitoring Well for the Lincoln well site #2, in the amount \$14,789.15; a change order by Global Diving and Salvage for the tank removal at the new City Hall site; and a Professional Services Agreement with Jones and Stokes Associates, for the Dog Fish Creek restoration in the amount of \$12,757.00
- h. Mayor Quade announced the Council Retreat, to discuss the City Hall project, has been scheduled for October 13, 2008 from 5:00 PM to 9:00 PM, at Clearwater Casino Resort.

3. CITIZEN COMMENTS

- a. Tammy Matson, Historic Downtown Poulsbo Association (HDPA), advised the HDPA will be sponsoring the Ghouslbo event downtown on October 11, 2008 and Safe Trick or Treating on October 31, 2008. Matson received Council concurrence to close Front Street from 4:00 PM to 6:00 PM on October 31, 2008.
- b. Molly Lee commented on the pre-annexation meeting on October 7, 2008, which she was advised by Planning Director Berezowsky that she was unable to attend the meeting, and expressed her concern with the potential development of the west urban growth area. Mayor Quade noted, the Council has been provided a memo from Planning Director

Berezowsky, outlining the procedures that were followed for the pre-application meeting.

- c. Curt Nordberg commented he attempted to attend the Tibbits pre-annexation meeting on October 7, 2008, and was advised by Planning Director Berezowsky he was unable to attend; and expressed his concern over the process and policy for pre-annexation meetings.
- d. Lynette George, Bluestar Banner Program of Kitsap County, provided an overview of the Bluestar program, advising the first two Bluestar banners have been placed on Viking Way in Poulsbo.

4. CONSENT AGENDA

MOTION: Lord/Stern. Move to approve Consent Agenda item a.

Motion carried unanimously.

The items listed are:

- a. Payroll - September 1-30, 2008

5. MAJOR BUSINESS ITEMS

a. 7:15 PM Public Hearing 2009 Revenue Sources

At 7:28 PM Mayor Quade opened the public hearing.

Finance Director Booher reported on the 2009 Revenue Sources for the 2009 Budget. The proposed preliminary budget has a General Fund operating revenue of \$8,178,270, a decrease of approximately 7.5%, which is exclusive of the beginning balance. Booher advised the decrease is attributed to a many revenue line items, including a recommendation from the Finance/Administration Committee to decrease the sales tax revenue, a reduction in permitting and zoning fees, and traffic infractions. The breakdown of General Fund revenues collected is:

- Property, Sales and Utility Taxes – 74%
- Charges for Goods and Services – 10%
- Beginning Balance – 7%
- Miscellaneous Revenue – 4%
- License & Permits – 4%
- Intergovernmental – 2%
- Fines and Forfeits – 1%
- Other Financing Sources – less than 1%

Booher reported the 2009 projected sales taxes in the amount of \$3,001,554, a decrease of 7 1/2% compared to the actual dollars received

in 2007. Of the sales tax received 3% is transferred to the Revenue Stabilization Fund, 2% to New Capital and 5% to Capital Replacement. The assessed value for 2009 property taxes is \$1.3 billion, which is a \$41 million increase over 2008 assessed values. The 2009 assessed value includes new construction of \$71,541,908, an increase over 2008; there were no annexations therefore there is no annexation assessed value. The property tax levy of \$1,974,848 would create an estimated rate of \$1.426 per \$1,000 of assessed value. Based on the \$1.426 levy rate, a home valued at \$300,000 would equate to \$428, which is a \$3 decrease over the prior year. If Council takes advantage of the highest allowable levy and adds an allowed one percent increase, adding the new construction multiplied by last year's rate, less estimate of refunds, would establish a \$1.9 million property tax levy.

Booher explained the City's property tax rate is determined by reducing the maximum allowed rate for a city of \$3.60 by 50 cents for the library annexation and \$1.50 for the fire annexation, leaving the City a maximum adjusted rate of \$1.60. The City spends the \$1.426 as follows:

- Transportation – .71¢
- General Governmental - .22¢
- Security of Persons & Property - .22¢
- Economic Environment - .7¢
- Physical Environment - .6¢
- Culture & Recreation - .6¢
- Debt Service - .5¢
- Capital Outlay - .3¢
- Mental & Physical Health - .1¢
- Reserves - .1¢

Booher advised Kitsap County will continue to update the assessed values and new construction until the end of the year; and noted when the ordinance is passed it is for the total levy dollar amount not the rate. The Preliminary Budget will be distributed November 1, 2008 and the Property Tax Levy will be set on November 5, 2008.

Mayor Quade asked for public comments.

Dan Baskins commented on the good health of the City's budget and asked Finance Director Booher, what is being done with the City's banked capacity. Booher advised that the City has taken as much of the bank as possible, other than the \$160 that the City will request with the next levy.

Mayor Quade closed the public hearing at 7:49 PM.

b. Set Public Hearing for 2009 Final Budget

MOTION: Crowder/Lord. Move to set a public hearing for November 5, 2008, at 7:15 PM to allow the public time to address the Council regarding the 2009 Budget.

Motion carried unanimously.

c. Hotel-Motel Tax Coalition Proposal

Mayor Quade provided an overview of the Hotel-Motel Coalition, proposed by the Lodging Tax Advisory Board which is comprised of local business owners, the Visitors and Convention Bureau and the Poulso Chamber of Commerce. The coalition would consist of one member each of the requesting applicants. Councilmember Berry-Maraist reported the Community Services Committee has spoken with and received buy in from all the applicants, and is recommending approval. Berry-Maraist noted the coalition would be for an initial one-year trial. Councilmember Crowder noted that new members may join the coalition at any time.

MOTION: Lord/McGinty. Move to approve the formation of a Hotel-Motel Tax Coalition for a period of one year, beginning January 1, 2009, with the purpose of creating a Poulso marketing plan.

Motion carried unanimously.

d. Final Acceptance Peninsula Civil Contractors, Inc. Contract for the Bond Road Force Main Project

Assistant Public Works Director Kasiniak provided an overview of the Bond Road Force Main project. Explaining the actual contract amount for the project came in under the budgeted amount, creating a surplus of over \$450,000.

MOTION: McGinty/Berry-Maraist. Move to accept the Bond Road Force Main Project with Peninsula Civil Contractors, Inc. as completed and move to authorize the release of retainage in accordance with the contract requirements.

Motion carried unanimously.

e. Final Acceptance Stan Palmer Construction 7th Avenue Extension Project

Assistant Public Works Director Kasiniak explained the differences between the approved project budget and actual contract amount for the 7th Avenue Extension. This included the beginning contract amount, and change orders during the project. The total actual contract amount came in under budget, creating a surplus of approximately \$4,000.

MOTION: McGinty/Rudolph. Move to accept 7th Avenue Extension contract with Stan Palmer Construction, Inc. as completed and move to authorize the release of retainage in accordance with the contract requirements.

Motion carried unanimously.

f. Amendment No. 1 to the contract with David Evans and Associates to Revise the Fee Schedule and Reimbursement Schedules to provide Traffic Review Services

Assistant Public Works Director Kasiniak explained, approximately 12 months after the contract with David Evan and Associates was signed, it was been discovered the City is not collecting enough money for the traffic impact analysis from the developers. Kasiniak provided an overview of the proposed fee schedule change.

Councilmember Berry-Maraist reported the Public Works Committee has discussed the proposed fee schedule and is recommending approval.

MOTION: Berry-Maraist/Lord. Move to approve the contract amendment with David Evans and Associates to adopt the revised fee schedule and reimbursement fee schedule for Traffic Review Services. Direct staff to prepare any necessary budget amendments with the project and authorize the Mayor to sign amendment with David Evans and Associates.

Motion carried unanimously.

g. Award On-Call Testing and Inspection contracts to Krazan & Associates and Aspect Consulting

Assistant Public Works Director Kasiniak reported the City issued a Request for Proposal (RFP) to provide On-Call Testing and Inspection services, and received six proposals. Kasiniak advised Aspect Consulting and Krazan & Associates are recommended to award the contracts, noting it is beneficial to have two companies on-call for these services.

MOTION: Crowder/Berry-Maraist. Move to approve and authorize the Mayor to sign the On-Call Professional Testing and Inspection Services contracts with Krazan & Associates and Aspect Consulting to help supplement the City's staff resources in completing projects.
Motion carried unanimously.

6. DEPARTMENT/COMMITTEE REPORTS

- a. Police Chief Swiney provided an update on the North Kitsap High School Homecoming on October 17, 2008. The school district has requested police assistance for the Homecoming parade; advising the Police department is working with school district staff to coordinate assistance for the event. Swiney also advised there will not be fireworks during Homecoming, as originally planned.
- b. Parks and Recreation Director McCluskey reported on Poulsbo Park Day on October 25, 2008, starting at 10:00 AM at Centennial Park and 11:30 AM at Fish Park. McCluskey also advised engraved pavers are available for purchase and some will be on display at Poulsbo Park Day. The Council concurred to purchase a paver as a group.
- c. Economic Development Committee: Councilmember Erickson reported the Committee will be submitting a new program request in the 2009 Budget, for staffing for the committee.
- d. High-speed Internet Strategy Work Group: Councilmember Stern reported the City of Poulsbo conduit ordinance was recognized at the work group and received exposure state wide.
- e. Community Services Committee: Councilmember Berry-Maraist reported the committee is recommending an increase in rental rates for rooms at the library, and noted the Poulsbo Tree Board is working on a Tree ordinance.
- f. Public Works Committee: Councilmember McGinty reported the committee reviewed the utility rates proposal and the parking study.

Councilmember Berry-Maraist reported on the culvert replacements on Highway 305, with the highway being closed for approximately 5-7 days. The project is in the preliminary design phase and scheduled to begin early July 2009.

7. CONTINUED COMMENTS FROM CITIZENS

- a.** Dan Baskins commented on the closure of Highway 305 and stated he plans on purchasing a Centennial Park paver. Baskins also suggested creating a salmon run in the commercial zoned area, as envisioned by Paul Dorn.

8. COUNCILMEMBER COMMENTS

- a.** Councilmember Lord commented on concerns raised by business owners in the shopping center near Los Cabos. The lack of an option to exit the parking lot creates a traffic back up. Lord suggested allowing traffic to exit the parking lot, with a right turn only at the north exit onto Hostmark Avenue. Assistant Public Works Director Kasiniak stated he would research what options may be available for the parking lot.
- b.** Councilmember Erickson expressed her concern on a few of the Puget Sound Partnership (PSP) recommendations and the short turnaround for review and comments. Mayor Quade suggested Councilmembers Erickson, Berry-Maraist and Rudolph, draft a letter of protest due to the limited length of turnaround for review of the recommendations.
- c.** Councilmember Stern advised Dave Williams at Association of Washington Cities and County Commissioner Steve Bauer be contacted to aid with the PSP concerns.

Stern also commented the owners of the Sons of Norway have requested that cross hatching be added to the roadway at King Olaf, due to the traffic back up in that area.

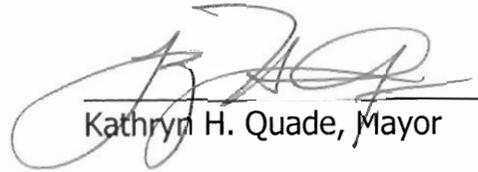
- d.** Councilmember Berry-Maraist reported on discussion at the Trails conference, with individuals from several cities and counties, which focused on a potential cross state east-west trail.

Berry-Maraist also advised she would distribute the PSP recommendations to the Council for review and comment. Berry-Maraist noted she felt there were positive recommendations in the document, as well as some that were concerning.

- e.** Councilmember McGinty expressed his appreciation for City staff, in dealing with the public in difficult situations.

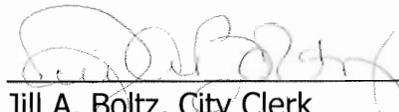
9. ADJOURNMENT

MOTION: Rudolph/McGinty. Move to adjourn at 9:04 PM.
Motion carried unanimously.



Kathryn H. Quade, Mayor

ATTEST:



Jill A. Boltz, City Clerk

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