

POULSBO CITY COUNCIL MEETING OF NOVEMBER 12, 2008

MINUTES

PRESENT: Mayor Quade; Councilmembers: Berry-Maraist, Erickson, Lord, McGinty, Rudolph, Stern.

Staff: Berezowsky, Boltz, Booher, Loveless, McCluskey, Stephens, Swiney.

ABSENT: Councilmember Crowder.

MAJOR BUSINESS ITEMS

- * * * Minutes of October 13, 2008 City Council Retreat
- * * * Budget Amendment BA 28-0402; Comprehensive Sanitary Sewer Plan
- * * * 7:15 PM Public Hearing 2009 Budget – Continued
- * * * 2009 Budget Workshop No. 2 – HDP, Executive, Legislative, Clerk, Finance, Planning/Building and Recreation Budgets
- * * * Resolution 2008-17, Identity Theft Prevention Program
- * * * Ordinance 2008-20, Library Community Room Fees
- * * * Award of On-Call Professional Services

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

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

2. MAYOR'S REPORT AND CHANGE TO AGENDA

- a. City Hall Update: Mayor Quade read an excerpt from an email received from Jim Nelson, Martin Nelson Bond Counsel, stating the demand for bank qualified bonds has increased and the 30 year average interest rate is estimated at 4.77% for the City of Poulsbo.

Gary Tusberg, Kitsap County Consolidated Housing Authority, reported the site preparation has been suspended due to the weather, with 8 working days remaining; this phase is on target for the contract completion date of December 5, 2008. Construction documents are 50% complete and should be finalized in the near future. The Project Team will bring forward their recommendations at the next Council meeting.

Councilmember Berry-Maraist reported the Project Team discussed two options regarding the building design:

- 1) Utilizing the expansion space as rental space;

2) Eliminating the north side of the building, phasing that portion at a later time.

Councilmember Rudolph added other options discussed included the Courts using the Council chambers, moving some conference rooms into the area currently designated as lobby area, reducing the volume of the atrium. The Project Team will be meeting with the architects next Wednesday, November 19, 2008, to discuss the feasibility of the proposed changes.

- b.** Mayor Quade announced reappointments to the following boards and commissions:
- Bill Lockard, Tree Board
 - Jim Leary, Tree Board
 - Kent Lord, Civil Service Commission
 - Harold Benny, Parks and Recreation Commission
 - Kathryn Owen, Parks and Recreation Commission
 - James Coleman, Sr., Planning Commission
 - Sheldon Hankin, Design Review Board
 - John Hassold, Design Review Board
 - Jennifer Wiegand, Community Police Advisory Board
- c.** Mayor Quade announced the Poulsbo Centennial Closing Gala on December 6, 2008, starting at 6:30 PM at the Sons of Norway.

3. MAYOR AND COUNCIL DISCUSSION

- a.** Councilmember Erickson reported Bainbridge Graduate Institute welcomed new President, John Strauss.
- b.** Councilmember Rudolph reported on the Poulsbo Historic Society program featuring Hal Hoover, and noted there was discussion to schedule evening meetings to make them more available for participants.
- c.** Councilmember Berry-Maraist commented on the controversy and user agreements with Strawberry Fields and stadium and clarified the fields were improved primarily for public access, with public money.
- d.** Councilmember Stern noted the North Kitsap School District pool will continue to operate through the summer.

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

- a. Finance/Administration Committee: Councilmember Erickson reported on the 2009 Budget discussion, advising several budget cuts are being recommended, and will be brought forward at next week's Council meeting.

Councilmember Stern added, the Council will make the final decision on budget cuts, and whether or not use monies from Revenue Stabilization to balance the 2009 budget.

5. CITIZEN COMMENTS

- a. Sandy Habecker expressed her anger regarding the City Hall project, the location change from the 10th Avenue site and how the project has been dealt with by the Council.
- b. Tom Foley commented on the aggressive annexations by the City, suggesting the City stop annexing until the City's infrastructure is capable of handling the increased use. Foley also stated it is not necessary for the City Hall project to cost the estimated amount.
- c. Ed Habecker expressed his concern regarding the City Hall project, and the size and cost of the project.

6. CONSENT AGENDA

MOTION: Lord/McGinty. Move to approve Consent Agenda items a and b. Motion carried unanimously. Absent: Councilmember Crowder
The items listed are:

- a. Minutes of October 13, 2008 City Council Retreat
- b. Budget Amendment BA 28-0402; Comprehensive Sanitary Sewer Plan

7. MAJOR BUSINESS ITEMS

a. 7:15 PM Public Hearing 2009 Budget- Continued

Mayor Quade opened the continued public hearing at 7:39 PM. There were no public comments.

MOTION: McGinty/Lord. Move to continue the hearing to Wednesday, November 19, 2008, at the Poulsbo City Council Chambers. Motion carried unanimously. Absent: Councilmember Crowder.

- b. Mayor Quade announced effective immediately she is implementing a spending freeze on all City departments non-essential items throughout the end of the year, including City Council expenditures. Items deemed non-essential, not necessary for day to day operations, will require the Mayor's approval. Although, there is no foreseeable danger of current revenues meeting the budget projections, the benefit will be to increase the actual beginning balance, with the carryover, and help minimize the anticipated transfer from reserves to balance General Fund budget.
- c. **2009 Budget Workshop No. 2- HDPAs, Executive, Legislative, Clerk, Finance, Planning/Building and Recreation Budgets**

Historic Downtown Poulsbo Association (HDPAs):

Tammy Matson, HDPAs, reported on the 2009 HDPAs budget. Revenue are expected to be lower due to empty store fronts, therefore the expenditures have been reduced as much as possible. The 2009 projections show expenditures greater than assessments; however the association does have a rainy day fund that may be used if necessary. The HDPAs is responsible for the hanging baskets, benches, light standards, and events such as trick or treating, Yule Fest and Father Christmas.

Councilmember Stern advised the Finance/Administration Committee will be recommending the fee for bookkeeping services be increased to \$3000 per year, and the number of baskets hanging downtown be reduced due to the Public Works department being responsible for the watering, or proposed HDPAs share the responsibility of watering the hanging baskets.

Mayor/Executive:

Mayor Quade reviewed her 2008 accomplishments:

- Broke ground for the new City Hall;
- Purchased the new Public Works property;
- Complete the Highway 305 project;
- Helped coordinate the Vetter Homestead project;
- Hosted many Centennial events;
- Mayor Quade graduated from Leadership Kitsap and Executive Assistant Michelson is currently participating in the program for 2008-2009;
- Continued training through Association of Washington Cities and other conferences;
- Continued work with Legislatures to find continued Marine Science Center funding;

The 2009 goals included:

- Continue to design and build the new City Hall;

- Establish permanent funding sources for the Marine Science Center;
- Beautify Lindvig Bridge;
- Continue updating citizens with current information on the City's website including an online City newsletter;
- Create educational Government 101 Academy;
- Conduct Town Hall meetings.

Mayor Quade advised there are no Baseline Adjustments or New Program requests for 2009.

Legislative:

City Clerk Boltz presented the Legislative 2009 goals and budget.

Baseline Adjustments include:

- Efficiency Inc.- support for FTR Recording System- \$703

New Program Request:

- Kitsap Economic Development Alliance- \$5,000
- Washington CASH- \$8,000
- Small Business Development Center – Olympic College- \$12,500

The Council requested a breakdown of all the items expedited from the Miscellaneous budget.

Councilmember Erickson recommended the Council take a look at the Legislative budget in more detail and possibly make cuts to some areas, such as training.

Clerk:

City Clerk Boltz presented the 2008 Clerks Department accomplishments, which included:

- Three new staff members; City Clerk, Deputy City Clerk and Office Clerk II;
- Received Grant Funding from the Secretary of State's Office for the scanning and transfer of Ordinances, Minutes and Resolutions dating back to 1908;
- New Filing System ordered and will be implemented by the end of 2008.

Boltz presented the budgets the Clerk's department is responsible for:

- Communications – Bremerton Kitsap Access Television (BKAT) contract increased annually by Seattle/Tacoma CPI
- Employment-Administration – Sound Works

- Animal Control (Non-Departmental) – 2009-2013 Contract approved by Council on November 5, 2008.

Councilmember Stern advised the Finance/Administration committee will be recommending the funding for Sound Works be cut from \$9,000 to \$5,000 and a \$300 incentive if they can receive 50% matching on advertising.

Baseline Adjustments requests include:

- \$200 for overtime- Continued cross training for Office Clerks and attendance at City Council Meetings;
- \$250 for postage- 2008 postage increase;
- \$504 for training- Continuing education for Clerk's certification for City Clerk and Deputy City Clerk.

The Clerk's department goals for 2009 are:

- Provide efficient and effective public and internal access to the records maintained by the City Clerk's Office;
- Improve document management handling and processes;
- Create informational brochure for Council Committee meetings;
- Coordinate with the Washington Master License Service for streamlined business licensing;
- Review policies and procedures both internal and as provided for by the Poulsbo Municipal Code for updating and modification.

Finance:

Finance Director Booher presented the Finance Department mission statement and accomplishments for 2008 including:

- GFOA Budget and CAFR Awards;
- Professional Finance Officer Awards for five staff members;
- Implemented Automatic Clearing House (ACH) payment option for utility customers;
- Contracted with an Investment firm to assist in management of the City's portfolio;
- Updated investment policy, issued Request for Proposal for banking services;
- Updated purchasing manual;
- Enhances quarterly report to review that the City is adhering to the Financial Management Policy;
- Continued to utilize the new software and report writer to provide informational reports;
- Received a clean audit.

Finance department's 2009 goals include:

- Continue to utilize the new software for:
 - Contract management through the purchase order module
 - Automatic ACH receipts and eliminate automatic credit card receipts
 - E-government
- Update Travel Policy;
- Rewrite debt policies and submit for certification;
- Improve the City's financial forecasting ability;
- Improve City's Goal and Objective presentation;
- Convert to new bank.

The Finance budget is \$635,602 which is 6.5% of the General Fund.

Booher presented the General Fund Non-Departmental budgets for 2009, providing an overview of what Central Services consists of and the Non-Departmental budget which includes:

- Audit- \$35,500 – Annual State and other agencies, Tax Tools
- Insurance- \$155,781
- Legal Services
 - Retainer & Non-Routine Service - \$100,500
 - Prosecutor- \$100,305
 - Public Defender- \$48,552
- Other General Government- \$8,036
 - Association of Washington Cities (AWC) and Puget Sound Regional Council (PSRC) memberships
- Fire Prevention- \$78,915
 - Fire Marshall services
- Detention & Correction- \$47,250
 - Electronic Home Monitoring
 - Prisoner Boarding
- Communications- \$103,740
 - CenCom
 - Seattle Centrex Lines
- Natural Resources- \$4,503
 - Puget Sound Clear Air Agency Dues
- Solid Waste Tax- \$39,168
 - City paid B&O tax
- Animal Control- \$24,500
- Mental & Physical Health- \$12,073
 - Health Management- \$9,190
 - Debt Service- \$2,221
- Substance Abuse Prevention- \$2,600
 - 2% of State Shared Liquor Profits

Non-Departmental Baseline Adjustments include:

- \$6,480 Prisoner Boarding

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The Mayor called a recess at 9:14 PM. The meeting was reconvened at 9:18 PM.

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Planning/Building:

Planning Director Berezowsky presented the Planning/Building department's 2008 accomplishments:

- Continued to assist the Mayor and project team in the development of a new downtown City Hall.
- Assisted in negotiating the sale of the 10th Avenue property to Harrison Hospital.
- Maintained development review performance time lines for permit review.
- Negotiated the opening of 7th Avenue.
- Responded to 34 code violations and/or complaints.
- Responded to 58 public information requests.
- Initiated and completed the downtown parking study.
- Draft Comprehensive Plan completed and scheduled for distribution by year's end.
- Initiated discussion with Kitsap County to amend interlocal agreement to allow City to provide planning services within unincorporated UGA.

Berezowsky noted Planning permits have declined, as well as the revenue which is currently at 56% of the 2008 projected planning fee. Building permits are down 30% from 2007, and revenues are down 38% from 2007, however only 19% short of the budgeted building permit revenue projected for 2008.

New program request:

- \$25,000 for the Comprehensive Plan Review Process- continue consultant services to assist in processing and updating the City's Comprehensive Land Use Plan;
- \$50,000 for initiating a downtown planning program.

Carryover requests:

- \$22,500 for public outreach (Berk and Associates);
- \$50,000 for environmental review;

- \$10,500 for updating the Shoreline Master Program (2001 State Mandate).

The Planning/Building department's 2009 goals include:

- Continue daily administration of planning and environmental laws.
- Complete updating the City's Comprehensive Land Use
- Initiate amendments to City Code's to implement the updated Comprehensive Plan.
- Adopt new Code Compliance Ordinance.
- Adopt new agreement with Kitsap County Fire District #18 for fire prevention services.
- Review and amend building code fee schedule to include fees for fire prevention services.
- Assist Mayor and Council build a new City Hall in downtown.
- Continue working with all City staff to fully implement new HTE software system.

Parks and Recreation:

Parks and Recreation Director McCluskey presented the Parks and Recreation budget, including Hotel-Motel tax, which includes Coalition funding of \$50,000 and organizational funding of \$10,900, with total requests of \$60,900.

McCluskey provided an overview and accomplishments of the Employee Benefit/Wellness Program including:

- Supports Wellness boards in every building with rotating health topics.
- Provides the monthly newsletter "Hope Health".
- Lunch & Learn presentations with subjects including Healthy Eating; Finances.
- The annual City Employee Picnic.
- A holiday food drive for Fishline.
- An employee appreciation event in December.
- The Otter Pop and Hot Cocoa Brigade.
- Participation in the AWC "Survivor".
- Held a Poker Walk.
- Hosted a ski day and bowling event.
- Support for fitness activities at the pool and Recreation Center.

McCluskey noted the funding has remained the same since 1990, however the number of employees has increased and costs have escalated.

Employee Benefit/Wellness Program Baseline Adjustment include:

- Increase funding to \$50 per Full Time Employee (FTE), currently \$37 per FTE

MOTION: Stern/Lord. Move to extend the Council meeting to complete the agenda.

Councilmember McGinty recommended the Council meeting be extended to complete the business items only. Councilmember Stern withdrew his motion.

MOTION: McGinty. Move to extend the Council meeting to complete agenda through item e.

Motion died for lack of second.

MOTION: Lord/Berry-Maraist. Move to extend the Council meeting to complete the agenda.

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

McCluskey presented the 2008 Recreation successes and 2009 issues include facility and continuing to offer recreational services and programs, which the public want. 77% of revenues are generated from user fees and 23% from the General Fund. McCluskey noted the recreation programs pay for themselves, the transfer from General Fund covers salaries.

Recreation Baseline Adjustments include:

- Receptionist position reclassification to Office Clerk II.

McCluskey provided an overview the 2008 Parks funding:

- Park Reserves
 - 5% of the property tax- \$80,000
- Park Mitigation fees
 - \$500 per house- \$30,000 balance as of October 31, 2008

In response to Councilmember Berry-Maraist comment, McCluskey noted the Park Mitigation fee per house has not been increased since the 1990's. The Council discussed the possibility of increasing the Park Mitigation fee.

Park's 2008 accomplishments included:

- Centennial Park
- Betty Iverson Kiwanis Park playground
- Poulsbo's Fish Park

- Vinland Community Field
- NK Regional Event Center – two turf fields

McCluskey stated the Parks Department prioritized the 2009 Capital Improvement Plan projects, as requested by the Council, as follows: 1) American Legion Park paths- \$125,000; 2) Centennial Park- \$75,000; 3) Poulsbo's Fish Park phase 2- \$50,000; 4) College Marketplace Ballfields- \$50,000. Other projects include the citywide trail plan, with the \$10,000 grant received from the National Park Service.

d. Resolution 2008-17, Identity Theft Prevention Program

MOTION: Lord/Stern. Move to adopt Resolution 2008-17, a resolution of the Poulsbo City Council, adopting an identity theft prevention program pursuant to the Fair and Accurate Credit Transaction Act of 2003. Motion carried unanimously. Absent: Councilmember Crowder

e. Ordinance 2008-20 , Library Community Room Fees

Parks and Recreation Director McCluskey reported the fees for the Library Community rooms have not been increased their fees since 2003.

MOTION: Lord/Berry-Maraist. Move to approve Ordinance 2008-20, raising the fees for renting the community room at the Poulsbo Library community room to \$15/hr for nonprofit organizations; \$25 for government; and \$30 for commercial, effective January 1, 2009. Motion carried unanimously. Absent: Councilmember Crowder

f. Award of On-Call Professional Services

MOTION: Rudolph/Lord. Move to award On-Call Professional Services work to CWQ Consulting to assist the City's staff, provide plan review and building inspection services. Motion carried unanimously. Absent: Councilmember Crowder

8. DEPARTMENT/COMMITTEE REPORTS

- a. Public Works Committee:** Councilmember McGinty reported on discussion regarding transitioning the Fire Prevention service contract, to a fee for service instead of level of effort type structure; Economic stimulus package; proposals to increase Engineering fees; safe routes to school; and the Highway 305 road closure.

Councilmember Berry-Maraist added the committee has discussed with Assistant Public Works Director Kasiniak, requesting the Department of Transportation address traffic calming and pedestrian safety measures, for traffic issues caused by the closure.

- b. Community Services Committee: Councilmember Berry-Maraist reported on the Poulsbo Historical Society ground lease, and the decision to have further discussion.
- c. Economic Development Committee: Councilmember Stern reported on a large block in downtown Poulsbo recently listed for sale, the potential of the current City Hall, Police Department, and Parks and Recreation properties being put on the market. Stern noted the need to begin a visioning process for downtown, in early 2009. The committee is recommending the formation of a stakeholders group, to discuss the economic impact of several large pieces of properties coming on the market and what the vision of the City should be.

9. COUNCILMEMBER COMMENTS

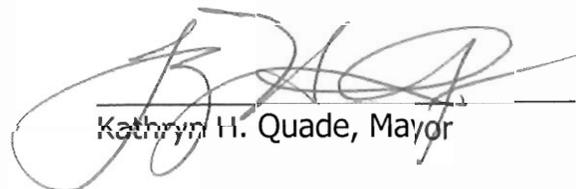
- a. Councilmember Rudolph commented on his concern for citizen comments made earlier in the evening, regarding Council recall. Mayor Quade added there must be legal grounds for a recall such as misappropriations or malfeasance.

10. ADJOURNMENT

MOTION: Lord/Erickson. Move to adjourn at 10:31 PM.
Motion carried unanimously. Absent: Councilmember Crowder

ATTEST:


Jill A. Boltz, City Clerk


Kathryn H. Quade, Mayor