

POULSBO CITY COUNCIL MEETING OF MARCH 11, 2009

MINUTES

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

MAJOR BUSINESS ITEMS

- * * * Mesford Street Closure for Mock Car Crash
- * * * Discussion: New City Hall Financing and Construction

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Quade called the meeting to order in the Council Chambers at 7:02 PM and lead the Pledge of Allegiance.

2. MAYOR'S REPORT AND CHANGE TO AGENDA

- a. Mayor Quade announced a ½ hour Executive Session will be held after the Mayor's Report.
- b. Mayor Quade announced the Kitsap Economic Development Alliance Annual Meeting will be held on March 20, 2009, at 11:30 AM, at the Kitsap Golf and Country Club.
- c. Mayor Quade read a press release stating the 3rd of July event is on for 2009, noting this 20th anniversary marks a milestone for decades of hard work. Volunteers and personal contributions are needed and can contract the Viking Fest Corporation.
- d. Citizen Commendation: Chief Swiney and Thomas O' Donohue, Poulsbo Fire Department, presented Vernon Simmons, Susan Simmons, Verner Johnson and Peter Drott (not in attendance) with commendations for their assistance during a February 14th, 2009 house and car fire on 4th Avenue in Poulsbo. Mayor Quade expressed her appreciation for their selfless actions.
- a. Mesford Street Closure for Mock Car Crash: Chief Swiney reported the Leaders In North Kitsap (LINKS) of North Kitsap High school, has requested to close Caldart Avenue between Mesford and Hostmark Streets, for a mock scene car crash at the North Kitsap High School

stadium. Swiney advised the Police Department will be monitoring and directing traffic during the event. Doug Vogel, President of LINK provided an overview and purpose of the mock car crash.

Councilmember Berry-Maraist questioned how the school bus traffic would be handled since the street closure will occur at the time school begins; Councilmember Rudolph commented on the need to coordinate the detour route with St. Olaf's Church and the dental offices. Chief Swiney explained the Police Department will be in contact with the school and local businesses to ensure all traffic issues are taken care.

MOTION: Lord/Crowder. Move to authorize the street closure of Caldart between Mesford and Hostmark Street on May 1, 2009 for the North Kitsap Links Mock Scene Car Crash at the North Kitsap High School Stadium.

Motion carried unanimously.

At 7:21 PM Mayor Quade convened Council into a ½ hour Executive Session for the purpose of discussing property disposition pursuant to RCW 42.30.110(c). City Attorney Haney will be present via conference call.

At 7:51 PM Mayor Quade called the meeting back into regular session.

Mayor Quade announced an addition to the agenda, Bill Austin will make a brief presentation regarding the Marine Science Center, after Citizen's comments.

3. MAYOR AND COUNCIL DISCUSSION

- a. Councilmember Stern reported on the Suquamish Tribe Community Long House opening ceremony on March 10, 2009, which Mayor Quade and Councilmember Lord, Erickson, Stern and Berry-Maraist attended.

4. CITIZEN COMMENTS

- a. Adele Heinrich, Greater Poulsbo Chamber of Commerce, provided an update on the marketing and advertising provided by the marketing coalition, which included magazine, newspaper, digital and radio advertising.
- b. Tony DeCarlo presented the Council with the petition he circulated to the residents of the Ridgewood neighborhood, noting he has collected 110 signatures from approximately 90 homes.

- c. Tom Anderson, North Kitsap School District, expressed his appreciation for the City's support with the North Kitsap pool. The hours and attendance of the pool have improved; and a high efficiency boiler has been installed, which is also a cost savings. Anderson also requested the school district be included in the meetings reviewing the Comprehensive Plan, and requested the schools inside City limits, be taken into account when discussing city growth.
- d. Ingvar Carlson commented on the additional stop signs installed throughout downtown and the need to synchronize the stop lights on Highway 305.
- e. Tammy Mattson, Historic Downtown Poulsbo Association (HDPA), requested Council support to place the proposed visitor's kiosk in one parking space in Anderson Parkway, which has been discussed with the Planning Department. Mattson also commented on the tourism and marketing of Poulsbo, and the critical need for lodging tax money to continue to support tourism.

Councilmember Berry-Maraist reported the Public Works committee has discussed the location of the kiosk, and recommends approval of the location. Council concurred to allow placement of the visitor's kiosk in Anderson Parkway.

5. CONSENT AGENDA

None

6. MAJOR BUSINESS ITEMS

- b. Bill Austin reported Sealaska Environmental would like to rent the upstairs area of the Marine Science Center (MSC) to be used as office space, for a period of five years, with the option of 5 year extensions, up to 15 years. Austin advised there will be no structural changes, and minimal reconfiguration in the space. Bruce Harlow, President of the Marine Science Center Foundation, stated the rental income will allow the MSC to stay open indefinitely, and the tenant is prepared to begin the minor modifications to the space immediately, as they need to vacate their existing space on April 1, 2009. Mayor Quade advised the Council needs to approve the change in use for the space, as required by the agreement with the Marine Science Center, which allows for the sublet of the second floor.

MOTION: Stern/Lord. Move to allow the Marine Science Center Foundation to make the alterations as specified to the second floor, to execute the lease with Sealaska Environmental.

Motion carried unanimously.

Mayor Quade announced a Puget Sound Regional Council, Transportation Policy meeting will be held on March 12, 2009, where discussion on the Viking Avenue projects, will take place. Mayor Quade read a statement of Council support in the effort to obtain federal stimulus funding for the projects, and asked for Council concurrence. Councilmember Berry-Maraist advised she will abstain from discussion and voting on the south Viking Avenue project, due to the fact that she owns property on south Viking Avenue.

MOTION: Erickson/Lord. Move to have Councilmember Berry-Maraist and Erickson represent the City of Poulsbo and read the statement that Mayor Quade read, to the Transpol delegation on March 12, 2009.

Motion carried. Abstain: Berry-Maraist.

c. Discussion: New City Hall Financing and Construction

Finance Director Booher provided an overview of the current project budget and funding sources for the new City Hall project including: sales tax on City Hall construction; admission tax; 2005 General Obligation proceeds; County Court contributions; disposal of the 10th Avenue site, the existing City Hall property and Mitchusson park property. Booher presented bridge loan options for City Hall financing scenarios, as requested by the Council. The scenarios included a line of credit with variable interest rate, a line of credit with fixed rate and tax anticipation note; which are anticipated to be held no more than three years.

Councilmember Berry-Maraist questioned whether a longer period bridge loan note was considered due amount of time it could take for the economy to recover and to sell the existing City Hall and Mitchusson park properties. Booher stated a longer period was not discussed, however she would research what the rates would be and if it is a feasible option.

Booher also provided the following:

- Three scenarios in the reduction in Real Estate Excise Tax (REET); and how the scenarios affect to the REET reserve fund and the Revenue Stabilization fund.
- The current transfers from General Fund and the discretionary expenditures.
- The REET Annual receipt trends from 1992 to 2008.

Councilmember Erickson expressed concern with the decreasing revenues, decreased REET projections provided, and the affordability of the debt payments over the next few years. With the state of the economy and the decreased budget, Erickson stated she was not comfortable with cash flow that would be needed.

Councilmember Stern noted the information presented by Booher are worst case scenarios, and there is still the anticipated construction of the Harrison Hospital Medical Center which will potentially generate revenue. Stern suggested the Council move forward, to put the City in a position to lock in the best interest rates.

Mayor Quade advised the deadline for advertising the bonds is tomorrow; therefore Council consensus is needed to move forward with soliciting and advertising.

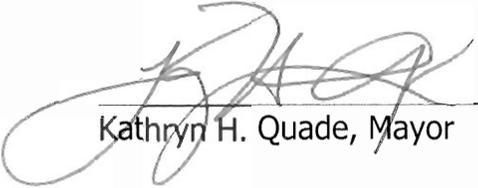
Councilmember Lord asked for clarification on the ramifications of moving forward with advertising the bonds, and reversing the decision at next week's meeting. Booher explained if the City stopped the bonding process it would potentially impact the interest rates, the marketability and the City's reputation.

MOTION: Stern/Rudolph. Seek the consensus of the Council to affirm the bond underwriter's preparation of the prospectus on the \$6.1 million bond issuance, subject to the final approval or denial by City Council by formal vote on March 18, 2009.
Motion carried unanimously.

Councilmember Berry-Maraist requested a friendly amendment to the motion, to adjust the bonds to \$6.7 million in anticipation for the proposed purchase of the Recreation Center. The Council agreed the topic of the Recreation center has not been discussed and should be considered separately, and at another time.

7. ADJOURNMENT

MOTION: Lord/Crowder. Move to adjourn at 10:00 PM.
Motion carried unanimously.



Kathryn H. Quade, Mayor

ATTEST:



Jill A. Boltz, City Clerk