

POULSBO CITY COUNCIL MEETING OF MARCH 18, 2009

MINUTES

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

MAJOR BUSINESS ITEMS

- * * * Claims February 1-28, 2009
- * * * Minutes of February 4, 2009 City Council Meeting
- * * * Minutes of February 11, 2009 City Council Meeting
- * * * Minutes of February 24, 2009 Joint City Council/Planning Commission meeting
- * * * Minutes of February 26, 2009 Special City Council Meeting
- * * * Debt Issue
- * * * Workshop- Current City Hall Site

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Quade called the meeting to order in the Council Chambers at 7:00 PM and lead the Pledge of Allegiance.

2. MAYOR'S REPORT AND CHANGE TO AGENDA

- a. Mayor Quade announced a ½ hour Executive Session be held after Business Item a, Debt Issue, for the purpose of discussing potential litigation.
- b. Councilmember Crowder and Conner Crowder have requested the City participate in Earth Hour on March 28, 2009 at 8:30 PM, where cities will turn off all non-essential lighting in City buildings for one hour; Council concurred.
- c. New City Hall update: Planning Director Loveless reported the project schedule is moving ahead as planned, noting the constructability review is complete and will be incorporated in the bid plans; and the current bid climate is favorable. The Council was provided with an updated project schedule, which included the following:
 - March 20th and 27th Bid notice in the North Kitsap Herald
 - March 25th Plan sets available for bidders
 - April 7th at 11:00 AM Mandatory Pre-Bid Conference

- April 21st at 3:00 PM Bid proposals due/bid opening
- April 22nd at 7:00 PM Special Council meeting- Award bid

In response to Councilmember Berry-Maraist's question, Loveless stated the constructability review found minor conflicts, items that needed clarification and comments on the drawings; advising there are some allowances built into to the bid package for some items, such as concrete and undergrounding utilities. Loveless noted the interior finishes are basic finishes, with no upgrades.

- d. Kid's Clean Up Day update: Darby Lowney reported on the results of the 2009 Clean Up Day, with the group collecting a total of 38 bags of garbage, \$740.25 and 214 pounds of food. Lowney thanked the Mayor, the Council, Executive Assistant Michelson and the Public Works Department for their support. Karen Timken, Poulsbo Fishline, expressed her appreciation to Lowney and the volunteers for their generosity and support.

3. MAYOR AND COUNCIL DISCUSSION

- a. Councilmember Stern commented on the passing of Mike Bookey, Port of Kingston Executive Director.
- b. Councilmember Lord commented on her attendance at the Red Cross "Community Hero's" breakfast.
- c. Councilmember Berry-Maraist commented on the stimulus funds the City received for the north Viking Avenue project; also commented on conflict of interest allegations made against her regarding the south Viking Avenue project. In the best interest of the City and to improve the City's chances to obtain future funding for the south Viking Avenue project, Berry-Maraist requested the Mayor replace her on committees specifically dealing with funding decisions on south Viking Avenue; suggesting Councilmember Erickson be the replacement on the Kitsap Regional Coordinating Council (KRCC) Transportation Policy committee.

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

- a. Finance/Administration Committee: Councilmember Lord reported Jim Nelson, Martin Nelson & Company and Nancy Narrass, Foster Pepper attended the meeting to discuss the bond issue for the new City Hall. Stern explained the total bond issuance has changed to \$6,015,000 from \$6,100,000, due to the interest from local buyers, principal payments will

be received. Councilmembers Lord and Stern, are recommending approval of the bond issue; with Councilmember Erickson undecided.

5. CITIZEN COMMENTS

- a. Janet Marie Valiga commented on Poulsbo being a great place to be a part of.
- b. Glenn Schechert commented on the safety concerns at the driveway at Hamilton Court, due to overgrown bushes. Schechert stated the bushes are on the easement and would remove the bushes if allowed by the City. Planning Director Berezowsky requested Schechert contact him to discuss a solution.
- c. Bill Austin commented on the benefit of the additional stop signs throughout downtown; and the community appreciation and success of the Scottish band he had play music throughout downtown on St. Patrick's Day.

Mayor Quade advised Bremerton Kitsap Access Television (BKAT) has experienced technical problems, programming was not on air today, and the possibility of the Friday 1:00 AM broadcast will not air.

6. CONSENT AGENDA

MOTION: McGinty/Lord. Move to approve Consent Agenda items a through e.

Motion carried unanimously

The items listed are:

- a. Claims- February 1-28, 2009
- b. Minutes of February 4, 2009 Council Meeting
- c. Minutes of February 11, 2009 Council Meeting
- d. Minutes of February 24, 2009 Joint City Council/Planning Commission Meeting
- e. Minutes of February 26, 2009 Special City Council Meeting

7. MAJOR BUSINESS ITEMS

a. Debt Issue

Jim Nelson, Martin Nelson & Company, the bond underwriter, congratulated the City on the AA rating, due to the rating the City did not need to purchase a bond insurance contract, a cost savings of approximately \$50,000. The limit tax general obligation bond amount is

\$6,015,000 with net borrowing cost is 4.78%, for a 25 year financing period. The net proceeds will be \$6,036,000, due to a higher premium amount some investors are willing to pay.

Councilmember Erickson expressed concern on the potential continuing decrease of Real Estate Excise Tax (REET) and sales tax; and the impact to the City's budget, with respect to the debt payments of City Hall.

Councilmember Rudolph commented on the favorable and competitive bid climate, noting this is an opportune time to do the project.

Councilmember Stern stated Councilmember Erickson's projections include the bridge loan assuming the rescission on the purchase and sale agreement on 10th Avenue is exercised, which Stern does not anticipate; with the construction of City Hall and the Harrison Medical Center, the City will have an increased sales tax revenue, that has not been included in the budget; also noting the City currently has \$1.7 million in reserve as we approach the City Hall project.

MOTION: Stern/Lord. Move to approve Ordinance No. 2009-06, an ordinance of the City of Poulsbo, Washington, providing for the issuance and sale of limited tax general obligation bonds of the City in the principal sum of \$6,015,000 for the purpose of financing a city hall and providing the form and terms of the bonds.

Motion carried unanimously.

b. Workshop- Current City Hall Site

Removed from the Agenda.

8. CONTINUED COMMENTS FROM CITIZENS

- a. Muriel Williams stated she hoped the Ida Knudson fountain would be included in the design of the new City Hall. Mayor Quade assured Williams the fountain would be placed where the public could appreciate it, if not at the new City Hall.

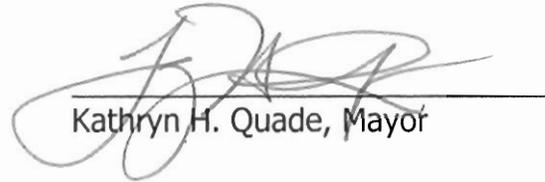
9. EXECUTIVE SESSION AND ADJOURNMENT

Mayor Quade recessed the meeting at 8:28 PM for a 30-minute Executive Session for the purpose of potential litigation (RCW 42.30.110(i)), and adjourn the meeting from Executive Session. City Attorney Haney was present via conference call.

MOTION: Stern/Erickson. Move to adjourn the meeting following the executive session.

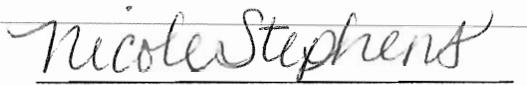
Motion carried unanimously.

Mayor Quade extended the executive session for an additional 15 minutes and automatically adjourned at 9:13 PM.



Kathryn H. Quade, Mayor

ATTEST:



Nicole Stephens, Deputy City Clerk

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