

POULSBO CITY COUNCIL MEETING OF NOVEMBER 4, 2015

MINUTES

PRESENT: Mayor Erickson; Councilmembers Henry, Lord, McGinty, Musgrove, Nystul, Stern, Thomas.

Staff: Finance Director Booher, City Engineer Kasiniak, HR Manager Kingery, Assistant Public Works Superintendent Lund, Parks & Recreation Director McCluskey, Risk Manager Purves, IT Manager Stenstrom, City Clerk Stephens

MAJOR BUSINESS ITEMS

- * * * Masonic Donation
- * * * Public Works Facility Phase II Preliminary Design
- * * * Public Hearing: 2016 Budget
- * * * Preliminary Budget
- * * * Ordinance No. 2015-17, Set the Property Tax Levy
- * * * Budget Workshop: Department Presentations

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Erickson called the meeting to order in the Council Chambers at 6:00 PM and led the Pledge of Allegiance.

2. AGENDA APPROVAL

Motion: Move to approve the agenda.

Action: Approve, **Moved by** Henry, **Seconded by** Nystul.

Motion passed unanimously.

3. COMMENTS FROM CITIZENS

Patricia Graf Hoke, Director of Visit Kitsap Peninsula, thanked the City of Poulsbo for showing leadership with regard to the regional tourism program. Poulsbo has been the City that has been willing to make an investment in regional tourism marketing. Kitsap has been in the top three all year long as far as generating the largest lodging revenues.

Mayor Erickson invited a representative from the Boy Scout Troop 1502 to the podium, and they reported they are working on their Citizenship in the Community Merit Badge, so they are witnessing the community meeting.

4. MAYOR'S REPORT AND COUNCIL COMMENTS

Councilmember Musgrove commented on the success of the downtown Trick or Treat event.

Councilmember Stern congratulated Councilmembers Thomas, Lord, McGinty and Nystul on their reelection. He also commented on the Kitsap County Urban Growth Update and questioned where we are in the review of our UGA. Mayor Erickson said it will be the end of the 2016 before they review them.

Councilmember Lord announced a performance called "Native Vision" at the North Kitsap School District Auditorium on November 16 at 6:00 PM.

Mayor Erickson announced Daffodil Day will be November 7 at 9:00 AM, Salmon Viewing Saturday on November 7 from 9:00 AM-2:00 PM, and Poulsbo Community Orchestra on December 6 at 3:00 PM at North Point Church.

5. CONSENT AGENDA

Motion: Move to approve Consent Agenda items a.

The items listed are:

- a. Masonic Donation

Action: Approve, **Moved by** Lord, **Seconded by** McGinty.
Motion passed unanimously.

6. BUSINESS AGENDA

a. Public Works Facility Phase II Preliminary Design

City Engineer Kasiniak presented the scope and budget for Phase II development for the Public Works Facility site. Phase II is the continuation of work that began with the design of the Decant Facility.

Motion: Move to approve the contract with Parametrix for the Public Works Facility - Phase II Preliminary Design as presented in the amount of \$34,424 and authorize the Mayor to sign on behalf of the City.

Action: Approve, **Moved by** McGinty, **Seconded by** Lord.
Motion passed unanimously.

b. Public Hearing: 2016 Budget

Finance Director Booher stated this is the first of two public hearings for the 2016 Budget.

Mayor Erickson opened the public hearing at 6:21 PM.

Ms. Terri Douglas spoke regarding the LTAC recommendations and her disappointment that the two hotels who put in applications were not recommended for funding.

Motion: Move to continue the hearing to November 18, 2015, in the Poulsbo City Council Chambers.

Action: Approve, **Moved by** Stern, **Seconded by** Henry.
Motion passed unanimously.

c. Preliminary Budget

Finance Director Booher outlined the Preliminary Budget including the Mayor's and Finance/Administration recommendations, and the variance with those recommendations.

d. Ordinance No. 2015-17, Set the Property Tax Levy

Finance Director Booher said they have previously discussed all of the projections at the revenues hearing. This has reviewed by the City Attorney and the County Assessor's Office. It is the one percent above the highest allowable levy. That amount is a little over \$21,000. That is exclusive of new construction and annexations. That will be going to the County with the full levy applied, and it will be distributed to the City in 2016.

Motion: Move to approve Ordinance No. 2015-17, an ordinance of the City of Poulsbo Washington levying the general taxes for the City of Poulsbo for the fiscal year commencing on January 1, 2016, on all property, both real and personal, in said city which is subject to taxation for the purpose of providing sufficient revenue to carry on the several departments of said city of the ensuing year as required by law, and approving an ordinance summary for publication.,

Action: Approve, **Moved by** Musgrove, **Seconded by** McGinty.
Motion passed unanimously.

e. Budget Workshop: Department Presentations

Municipal Court

Judge Tolman reported the Municipal Court budget is the same as the previous year. Judge Tolman outlined the department accomplishments, noting the number of passports that have been processed by the Court in the last year.

In response to Councilmember Stern, Judge Holman said their filings were down for a time, and could have impacted the number of electronic home monitoring users.

Mayor Erickson thanked the court staff for taking over passports.

Human Resources

Human Resources Kingery outlined the duties of her position and budget, with no changes in the 2016 budget.

Information Technology

IT Manager Stenstrom outlined the departments 2015 accomplishments and the 2016 goals.

Risk Management/Prosecutor

City Prosecutor outlined the Risk Management and City Prosecutor departments 2015 accomplishments and the 2016 goals.

In response to Councilmember Nystul, Risk Manager/City Prosecutor Purves said one huge benefit of WCIA is that they are very involved in the education of their members. The pre-defense review has also been valuable to help mitigate any loss and to keep us from having a lawsuit filed against us. They also reviewed our policies and procedures to make sure we are utilizing best practices. They have been very responsive.

In response to Councilmember Stern, Risk Manager/City Prosecutor Purves said she has not utilized the Port Townsend agreement yet, but in regard to Bremerton, they review rush filings in her absence. If she has a conflict on a case, they have stepped in and handled the case. She is handling an appeal to superior court for one of their trials.

City Clerk/Legislative

City Clerk Stephens outlined program highlights of the Clerks Department and accomplishments. The department's budget is the same bottom line as the previous year.

In response to Councilmember Lord, City Clerk Stephens noted the kiosk is helpful when helping citizens go through the process of getting a business license online.

In response to Councilmember Stern, City Clerk Stephens said in regards to managing the department's duties with only two FTEs, it has been helpful to have passports in Municipal Court, and animal licensing at the humane society. They have also created some efficiency in the business license process. The department is unable to get to the bigger projects like converting to an electronic records retention policy and creating an email retention policy. She sees over the next year trying to figure out more efficiency to keep their heads above water, but she does see the need to request another FTE in the 2017 budget cycle.

City Clerk Stephens also presented the 2016 Legislative budget and stated the only changes are contractual (cost of living) increases.

Executive

Mayor Erickson presented her 2015 accomplishments and 2016 goals for the Executive department. She has asked for an increase in travel and miscellaneous expenses, and \$22,000 for Jan Harrison's services for a year. Another thing that has been done traditionally, when a commercial piece of property has sold and we don't have a real estate agent, the Council has allowed her to do special projects with the percentage we would pay a real estate agent. When we get paid for the old city hall and police station, she would like to take the percentage commissions of \$77,000 for various projects.

In response to Councilmember Stern, Mayor Erickson said she is fine with whatever the position is called and which budget it is put in, but she needs the assistance from JHarrison Solutions. She picked Jan because she was a past executive director for the Chamber of Commerce and has an extensive resume. She needs high skill levels for the projects she needs help on. She has agreed to do it for one more year.

In response to Councilmember Stern, Mayor Erickson said the \$36MM state transportation funding is spread over several bienniums, the first starting in 2017 for \$10,000. The list includes \$4MM for the Johnson road intersection, and another \$2.5 MM planning for the Day Road intersection on Bainbridge Island, and then another million for long range planning corridor visioning. We have to have a shovel ready project each biennium. We don't want to burn the money coming from the state to

be spent on planning, we want it for construction. Johnson road will happen on the first biennium, and they will plan and get ready for the next biennium. In regards to the roundabout at Hwy 305, WSDOT always requires that you start with a roundabout for many reasons.

Planning/Economic Development

Planning Director Berezowsky presented the 2015 accomplishments including establishing an Economic Development program, 2016 goals, and the department budget.

In response to Councilmember Lord, Mayor Erickson said Edward Rose is committed to coming back here.

In response to Councilmember Henry, Planning Director Berezowsky said the City will step back from being in charge of the demolition of the old city hall. The buyer will demo the property and we'll adjust the purchase price. The buyer needs to make sure the demo is timed with the excavation for the underground parking.

Police

Chief Townsend presented the 2016 Police Department budget including baseline adjustment requests for increase in training costs, special event overtime and training software subscriptions; as well capital equipment replacement requests for four additional Police vehicles, evidence dryer, LiveScan (electronic fingerprint system), Mobile Computer Terminal's, and a police officer position.

In response to Councilmember Stern, Police Chief Townsend believes we are okay with home monitoring, and we have enough time to meet the demand. We cannot ask for fine money now based on a new Supreme Court decision, and we may have to adjust in the future.

In response to Councilmember Thomas, Police Chief Townsend explained the firearm transition plan.

Historical Downtown Poulsbo Association (HDPa)

Tammy Mattson, HDPa President, outlined the 2015 highlights of the association and downtown merchants and increased sales.

In response to Councilmember Stern, Ms. Mattson said she hasn't had the chance to speak to many members regarding the visitor's information center. She believes they feel it is a weight lifted off of them.

In response to Councilmember Stern, Ms. Mattson is thankful for the support they receive from LTAC. She feels there wasn't a guiding policy in regards to the comments earlier this evening. The best thing that could help the process would be to clean up the policy.

Parks and Recreation

Parks and Recreation Director McCluskey presented the following budgets:

- Lodging Tax recommendations
- Recreation programs
- Employee Wellness - Program purpose and highlights; baseline adjustment request of \$2000 for additional programs
- Urban Forestry – 2015 Program highlights
- Capital Parks Projects for 2016
- Park Development - 2016 projects

In response to Councilmember Stern, Mayor Erickson described what happened at the LTAC meeting regarding proxy voting and conflicts of interest. She said the lessons learned from the experience are 1) if you have a conflict, then you need to disclose that up front for everyone, and 2) we need to find out legally if we can accept proxy votes from committee members. Councilmember Nystul added that they got off to a difficult start because they had two people absent. They had a quorum, BKAT was scheduled, and the audience was there. They decided to move forward, listened to the presentations, and made judgments based upon the information presented.

In response to Councilmember Stern's question regarding where the plans were for a new bridge spanning Dog Fish Creek to our new property, Parks & Recreation Director McCluskey said the property has a pedestrian bridge on it.

In response to Councilmember Musgrove's question if the Port has been approached to split the cost of the upgrade, Parks & Recreation Director McCluskey said the Port has not been approached, but staff has talked about that being a possibility.

In response to Councilmember Lord, Parks & Recreation Director McCluskey said she has talked with Brian Simmons, Poulsbo Farmer's Market Manager, and he plans on

coming to the Community Services meeting in December to discuss if they are ready to move forward in partnering with the Centennial parcels.

In response to Councilmember Stern, Parks & Recreation Director McCluskey said Centennial Park it is an urban park and has a different purpose. She sees people sitting there eating. If we can create more trails and an arboretum, it will have more purpose.

Public Works Operations & Maintenance

Assistant Public Works Superintendent Lund presented the Public Works goals and programs highlights including:

- Central Services budget (building/custodial maintenance, park building maintenance, Marine Science Center, Library, and cemetery)
- Street budget and capital replacement (\$148,000) and new program requests (\$279,500)
- Water Utility budget and capital replacement (\$95,000), baseline adjustment and new program requests (\$34,000)
- Sewer budget and capital replacement (\$221,500) and new program request (\$34,000)
- Storm - capital replacement (\$54,000) and one time expenditures (\$242,500)
- Solid Waste budget, no capital replacement requests until a decision is made regarding the utility, and new program request (\$57,500--\$115,000 split with storm)
- Parks/Cemetery budget and capital replacement (\$25,000) and new program requests (\$17,000)

In response to Councilmember Musgrove, Assistant Public Works Superintendent Lund said the old style meters had mechanical parts in them, and the day they were installed was the best day you would ever get a read. The new meters are electronic, and we have numbers to show that the wear is causing a low reading.

In response to Councilmember Stern, Assistant Public Works Superintendent Lund said if the City no longer provided solid waste services, they would be able to absorb the solid waste employees into vacant positions in other departments. There will be additional costs that other utilities would have to pick up. If we do keep it, we need a good operating plan to make it functional, right now it is broke.

In response to Councilmember Stern's question if the County continues its "Water as a Resource" program and how will it affect the City's ratepayers, City Engineer Kasiniak said that the County will be presenting to the Council on November 18 what rates will look like in the next 1 year, 5 years, and 10 years. There will be a public meeting at the Kitsap County Commissioners meeting on November 23.

In response to Councilmember Henry's question of what would happen if the City maintained residential garbage service and outsourced the commercial services, Assistant Public Works Superintendent Lund said from a manpower stand point, he has two trucks and three employees on the commercial, and one truck and one employee on residential. Very soon we are going to need another truck and another employee for residential with all the new developments coming in. The commercial side is being financially subsidized by the residential side.

Engineering/Building

City Engineer Kasiniak presented department staffing level building services provided, 2015 projects accomplished, 2016 goal and work plan, and development projects.

Senior Engineering Technician Bateman reviewed the baseline adjustments (\$7,010) and capital equipment/new program requests (\$301,500) budget and requests including.

Motion: Move to continue the meeting until the budget presentations are completed.

Action: Approve, **Moved by** McGinty, **Seconded by** Nystul.
Motion passed unanimously.

** Break at 9:58 PM, reconvened at 10:01 PM **

Assistant City Engineer Lenius outlined the Building Department budget, baseline adjustments and new program requests.

In response to Councilmember Stern, City Engineer Kasiniak said the City can expect to receive the initial inventory of streets back from Parametrix by March.

In response to Councilmember Musgrove, Mayor Erickson said the City has not studied the differences in hybrids versus gasoline vehicles and the financial impacts of these purchasing decisions. He said it might be something to look at in the future.

Finance Department

Finance Director Booher presented 2015 accomplishments, 2016 goals, and the department budget including:

- Central Services - Central Administration, Data Processing, Small Tools, Risk Insurance
- Non-Departmental - Audit, Legal, Care and Custody of Prisoners, Misc.

- Contracts and transfers
- Special Revenue funds - Capital Improvement (REET), Transportation
- Development (Traffic Mitigation), Debt Service Funds Capital Equipment and Facilities Fund
- New program request of a new budget analyst/senior accountant

7. COUNCIL COMMITTEE REPORTS

None.

8. DEPARTMENT HEAD COMMENTS

None.

9. CONTINUED COMMENTS FROM CITIZENS

Mayor Erickson asked for citizen comments; no comments were received.

10. COUNCILMEMBER COMMENTS/BOARD/COMMISSION REPORTS

None.

11. ADJOURNMENT

Motion: Move to adjourn at 10:50 PM.

Action: Approve, **Moved by** McGinty, **Seconded by** Thomas.

Motion passed unanimously.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, City Clerk, CMC