

POULSBO CITY COUNCIL MEETING OF June 1, 2016

MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, Accounting Technician Roberts, Engineering Technician Roberts, Senior Planner Boughton, IT Senior Technician Williamson.

ABSENT: Councilmember Stern

MAJOR BUSINESS ITEMS

- * * * Minutes of May 11, 2016, Council Meeting
- * * * Minutes of May 18, 2016, Council Meeting
- * * * Budget Amendment/BA#16-0209, Sewer Comprehensive Plan Update
- * * * Budget Amendment/BA#16-0210, Hostmark Mains Project
- * * * Kitsap Economic Development Alliance Report
- * * * Public Hearing and Adoption of Ordinance No. 2016-08, Concurrency
- * * * Public Hearing and Adoption of Resolution No. 2016-12, Proprietary Surplus Disposal
- * * * Governmental Surplus Disposal
- * * * Adoption of Resolution No. 2016-13, Purchasing Manual

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

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

2. AGENDA APPROVAL

Motion: Move to approve the agenda as presented.

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

Motion carried.

3. COMMENTS FROM CITIZENS

Ms. Rita Hagwell spoke regarding her concerns with the septic on her property and presented a copy of a letter that was sent to the City on May 10, 2016.

4. MAYOR'S REPORT AND COUNCIL COMMENTS

Councilmember Musgrove encouraged the public to check out the activities that are provided by the Poulsbo Parks & Recreation department. He finds the number of choices amazing.

Councilmember Lord noted a Poulsbo resident, Mr. Jim Stark, was honored for being a veteran at the Mariners game. He got to throw the first pitch. He passed away 11 days after throwing out that pitch. It reminds her of how devoted and alive our veterans are and this weekend was meaningful to her for several reasons.

Councilmember Thomas regretted not being unable to attend the Memorial service in Poulsbo this year. He said everyone should take a moment to remember those who have sacrificed for us. He also noted it is swimming season, and there is an excellent facility available to the general public.

Mayor Erickson reported the Memorial down at the waterfront went really well this year, and she likes participating in the event. She also reported the Cystic Fibrosis Walk is this Saturday, and the Twilight Criterium is June 11. There will be a BE\$T Program graduation celebration and market event on June 3.

The Mayor presented the invoice for the Marine Science Center appraisal, noting it came in under budget. She also presented the proposal from Grette Associates for the Kringle Property wetland delineation study for \$4,156.13. In order to list the property for sale, the City needs to have wetlands firmly established. The council agreed with staff applying the remainder of the appraisal budget for the wetland delineation study, and approved the extra expenditure of approximately \$150.

Councilmember Nystul announced he received a phone call scam, and warned the public that the IRS will not telephone you; they send you a letter as a notice.

Councilmember Henry said, as a veteran, he thanked everyone. He attended the service in Bremerton on Sunday, and the service on Monday. He was very impressed that people think of it as more than a holiday. Everything that we do is because they gave all their tomorrow for our today. He also noted he is attending a Celebration of Midway Battle on Friday.

5. CONSENT AGENDA

Motion: Move to approve Consent Agenda items a through d.

The items listed are:

- a.** Minutes of the May 11, 2016, City Council Meeting (Fernandez)
- b.** Minutes of the May 18, 2016, City Council Meeting (Fernandez)
- c.** Budget Amendment/BA#16-0209 BHC Contract on the Sewer Comprehensive Plan

Update (Booher/Kasiniak)

- d. Budget Amendment/BA#16-0210, Hostmark Mains Project (Booher/Lund)

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

6. BUSINESS AGENDA

a. Kitsap Economic Development Alliance Report

Ms. Kathy Cocus gave the First Quarter 2016 economic activity development report.

Councilmember Musgrove noted one of the benefits that he has watched developed is not only emerging companies, but existing companies that are diversifying either from primarily government contracts, or existing companies that have never dealt with them and they are diversifying into that. In response to Councilmember Musgrove's question if there were any trends that show acceleration of existing businesses going through the Procurement Technical Assistance Center (PTAC), or is it primarily new businesses that are launching directly after PTAC, Ms. Cocus said most of the growth would be the existing clients who have recognized the benefits of PTAC.

Councilmember Lord said she appreciated KEDA, because the Council has a goal to bring in jobs so people can be able to stay here and make a living here. Even though the statistics sound kind of dry, it really translates down to a real ability for our local businesses and prospective businesses to get a handle on why this is a great place to come do business. She feels KEDA is doing an awesome job.

b. 7:15 PM Public Hearing on Ordinance No. 2016-08, Transportation Concurrency

Mayor Erickson opened the floor for public comment at 7:34 PM. No citizens commented on the proposed ordinance.

Engineering Technician Roberts presented the agenda summary, noting the City Engineering Department has drafted an amendment ordinance to the Poulsbo Municipal Code (PMC), creating a new PMC 14.04 Transportation Concurrency, which codifies the process for ensuring and maintain transportation concurrency for new development projects. Transportation Concurrency requires that transportation facilities are provided in a timely manner for the demand for them. To maintain concurrency means that adequate facilities are in place to serve new development as

it occurs within a specified time period. The Draft PMC 14.04 Transportation Concurrency has been reviewed by the Poulsbo Planning Commission, in its role as the City's advisory committee on land use and GMA matters. A public hearing was held on April 26, 2016 and with a vote of 7 for, the Planning Commission has recommended approval of Draft Title 14.04 to the City Council. City Council held a workshop on May 4, 2016 and decided that additional workshops were not necessary and a public hearing should be held as scheduled June 1, 2016. He reviewed the two step process for evaluating development proposals.

In response to Councilmember Thomas, Engineering Technician Roberts said a "trip" is considered a round trip.

In response to Councilmember McGinty, Engineering Technician Roberts said the manual has figured out a single family house generates 9.5 daily trips.

In response to Councilmember Musgrove, Engineering Technician Roberts agreed that what is being proposed is not too different than what we are doing now. There are no huge changes. He said this would apply to any development, but the smaller the impact, the less they will have to do.

In response to Councilmember Thomas, Engineering Technician Roberts agreed this would apply to a new mall, retail development, or manufacturing facility as well.

Mayor Erickson closed the public hearing at 7:45 PM.

Councilmember Lord said the ordinance is very balanced, it provides checks and balances on behalf of the citizens who own the streets and the developers who will be impacting them. She feels it is fair and commended staff on writing this.

Councilmember McGinty agreed, and likes that it clarifies the process and procedures that the City will be using.

Mayor Erickson added this is the law under GMA, and we needed to have this done.

Councilmember Musgrove wondered if this will create an uptick in traffic impact fees because we are structuring the system. Engineering Technician Roberts does not think this will have an impact.

Mayor Erickson said this defines the pot of available trips. It controls demand.

Motion: Approve the Planning Commission Recommended Draft Chapter 14.04 – Transportation Concurrency, and adopt Ordinance No. 2016-08, an Ordinance of the

City of Poulsbo, Washington, amending Title 14 of the Poulsbo Municipal Code to add a new Chapter 14.04 in order to establish regulations requiring transportation concurrency for all new development within the city; providing for severability and establishing an effective date.

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

Motion carried.

c. 7:15 PM Public Hearing on Resolution No. 2016-12, Disposal of Proprietary Surplus Goods

Mayor Erickson opened the public hearing at 7:49 PM. There was no public comment.

Finance Director Booher presented the agenda summary, noting the Finance Department has compiled a list of items originally acquired for proprietary purposes deemed as surplus by the Public Works Department. The composite list has been circulated to each department for review of need. These items will go to auction via PublicSurplus.com and any monies received will be recorded in the appropriate utilities fund.

Mayor Erickson closed public hearing at 7:49 PM

Motion: Move to adopt Resolution 2016-12, a resolution of the City Council of the City of Poulsbo, Washington, declaring certain property originally acquired for proprietary purposes to be surplus to the needs of the City and authorizing the Finance Director to sell such surplus property.

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

Motion carried.

d. Disposal of Governmental Surplus Goods

Finance Director Booher presented the agenda summary, noting the Finance Department has compiled a list of items deemed as surplus by City Departments. The composite list has been circulated to each department for review of need. The attached list of the goods not claimed are awaiting surplus. These items will be surplus via PublicSurplus.com.

In response to Councilmember Musgrove, Finance Director Booher said the items go on sale on the internet tomorrow. Bidders can see the items ahead of time by setting up an appointment with Accounting Technician Roberts.

Motion: Move to approve the disposal of the attached surplus listing in accordance with the City of Poulsbo Ordinance No. 94-08.

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

Motion carried.

e. Resolution No. 2016-13, Purchasing Manual

Accounting Technician Roberts presented the changes to the purchasing manual. Presentation highlights included:

- Changes
 - Finance Department met several times with Department Heads and Finance Administration Committee to streamline the purchasing manual.
 - A matrix was added to the front of the manual for a quick reference of signature authority and limits. These are also addressed in each related section.
 - RCW's were updated.
 - Most due to correcting reference numbers.
 - Bid limits updated per RCW updates
 - Resolution includes repealing current Mayor's Signature resolution. All signature/authorization limits are addressed in the Purchasing Manual.
 - Comparative data was reviewed with Finance/Admin Committee to measure consistency for monetary limits.
- Limit Changes
 - Increased personal reimbursement from \$500 to \$1,000.
 - Simplified signature amounts as follows:
 - Up to \$15,000, Department Head or designee, if allocated in the budget
 - \$15,000 - \$75,000, Mayor, if allocated in the budget
 - \$75,000 and above, City Council approval.
 - Totals must include sales and use tax.
 - Anything without budget allocation will need Council approval.
- Review of matrix.

In response to Councilmember McGinty, Accounting Technician Roberts said an example of a personal reimbursement would be for travel. Finance Director Booher added that if it had gone above \$500, it would have needed the Mayor's approval.

In response to Councilmember McGinty, Accounting Technician Roberts said an example of a craft would be an electrician.

In response to Mayor Erickson, Finance Director Booher said the Mayor can sign disbursements, regardless of the amount, because the contract has been approved prior to the signature of a check. This has been check with the Auditor and the City Attorney.

In response to Councilmember Musgrove asking if the only change was the \$75,000 limit for change orders, Finance Director Booher said there was a change order threshold within the policy, in that it had to be within the budget capacity. Oftentimes change orders exceed the contract amount, and would need to come before the Council. The City Engineer builds in the ten percent contingency, so sometimes they haven't come forward. The Council should see the changes, at least at a committee level. These are limitations set to protect the citizen's money as well as the department heads.

In response to Councilmember McGinty, Finance Director Booher said that anything over \$75,000 would need council approval, even if it is within the ten percent contingency.

In response to Councilmember Musgrove's question iff these were consistent with state guidelines, Finance Director Booher noted that the recommended limits are pretty consistent, if not a little higher, than our comparable cities. A lot of cities are also focusing on developing purchasing manuals, especially with the Auditor focusing on contracts and sole sourcing.

Councilmember Nystul said in the acquisition of goods and services there are three components: 1) budget, 2) procurement methodology, and 3) approval of contract by the council. Then the Mayor's signature and the periodic pay estimates are part of the check and balance system of the disbursement process. This is simplified, and the Mayor has a greater spending authority than other jurisdictions.

Mayor Erickson said she wants to manually sign the checks from this point forward. This is the only way she will know for sure that she hasn't violated the policy. She expressed frustration with the new level of bureaucracy and is worried about large projects being delayed.

Mayor Erickson felt this is in response to the purchase of the garbage truck. It was in the budget, and went to the Public Works Committee twice. The committee approved the truck, and it was purchased for \$325,000. Some councilmembers were upset there wasn't council approval. She feels if you go through a budget process and a capital improvement selection process, we should be able to purchase those things. She is also nervous about change orders for large construction projects, for example, Noll Road. The Council would need to be convened to approve the change order, and it could cause work delays. She likes that the manual protects the Mayor, and it shifts any major purchasing responsibilities to the Council.

Councilmember Musgrove would like to give this a shot, and find out what the issues are, and come back and fix them. Unfortunately, that may mean a midnight phone call for a change order over \$75,000. His impression was that the number of times that this would happen would be few and rare. There is no intent to tie anyone's hands. This does help make things clear for the sake of public scrutiny.

Councilmember Nystul noted the change order on 6th Avenue. They did not stop the process to put together a change order. They fixed it, and then negotiated the prices and created the formal change order. He has never seen one that would delay a project.

Councilmember Musgrove question about the increase for personal reimbursements was based on comparables. Finance Director Booher said it was based more on the cost of living and that airline tickets can easily be more than \$500. These reimbursements are rare, because departments usually use the company credit card. She noted it is okay to use a personal credit card as long as the employee provides a receipt.

The Council would like a review in a few months of how the new purchasing manual requirements are working.

Councilmember Thomas noted this was presented to the Finance-Administration Committee and they recommended approval. He recognized when we do something new, we may need to go back and make adjustments.

Motion: Move to approve Resolution No. 2016-13, adopting a purchasing manual for all employees in the City, as last amended by Resolution No. 2010-13.

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

Motion carried.

7. COUNCIL COMMITTEE REPORTS

Economic Development Committee: Councilmember Lord said the committee met on May 25, and they received a personnel update for the ED/Planning department (committee recommends approval), the comp plan update and the need to push out the completion date (it will not affect grant capability), and the department has developed a logo for itself.

Finance-Administration Committee: Councilmember Thomas reported a special meeting was held on May 24 and they discussed the staffing changes and reclassifications that are coming before the Council on June 8, 2016 (committee recommended approval), and

they received additional information on the biennial budget process and recommended approval.

Public Works Committee: Councilmember McGinty reported they received an overview of the waterfront bathroom project; water meters and radio transmitters budget; sewer rates are going back to the consultant -- it is a complex process, and looking forward to seeing what they come back with; and the decant facility got its permit.

Councilmember Lord added the Waterfront Park bathroom conversation also included discussion from the Economic Development committee and how the improved restroom facilities are a draw for businesses and visitors. It is the number one thing that people complain about in regards to downtown.

8. DEPARTMENT HEAD COMMENTS

None.

9. CONTINUED COMMENTS FROM CITIZENS

Ms. Rita Hagwell talked about a disparity on her property according to her surveys and what the City has. She will not allow anyone on her property to do a survey, but she will talk with Superintendent Lund about the differences in the map.

10. COUNCILMEMBER COMMENTS/BOARD/COMMISSION REPORTS

Mayor Erickson announced there will be a lot of culvert work this summer. Hwy 166 and Hwy 16 by Anderson Hill will have culvert repairs. Bond Road will have three culvert replacements in August with extended road closures. They will also be paving the Tacoma Narrows Bridge through the summer. The right hand turn lane at the casino should be finished in a couple more weeks.

11. ADJOURNMENT

Motion: Move to adjourn.

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

Motion carried.

The meeting adjourned at 8:33 PM.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk