

POULSBO CITY COUNCIL MEETING OF AUGUST 10, 2016

MINUTES

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

Staff: Senior Planner Boughton, Office Clerk II Diehl, Director of Engineering Kasiniak, Parks & Recreation Director McCluskey, IT Manager Stenstrom.

MAJOR BUSINESS ITEMS

- * * * Kitsap Mental Health and West Sound Treatment Center Contracts
- * * * Minutes of July 13, 2016 City Council Meeting
- * * * Special Event Application – St. Charles Church Concert in the Park
- * * * Morrow Manor/City Park Memorandum of Understanding Amendment
- * * * Morrow Manor Park Property Donation
- * * * American Legion Park Playground Replacement
- * * * Ordinance No. 2016-13, Amending PMC 3.84 and 3.86
- * * * Public Hearing for Stormwater General Facility Charge
- * * * ~~Residential House Property Abatement and Demo Contract~~
- * * * Viking Avenue PRV Stations Project Contract Award
- * * * Liberty Bay Waterfront Trail Update

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

Mayor Erickson announced Business Item 6g - Residential House Property Abatement & Demo Contract, has been removed from the agenda and an executive session will be held at the end of agenda for the purpose of discussing the sale of real estate.

Motion: Move to approve the agenda as amended.

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

Motion passed unanimously.

3. COMMENTS FROM CITIZENS

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

4. MAYOR'S REPORT AND COUNCIL COMMENTS

Councilmember Nystul announced the City Annual Financial Report (CAFR) has been published and posted to the City's website and he encouraged everyone to review it.

Councilmember Lord noted the Lady Washington and Hawaiian Chieftain Ships are currently docked in Brownsville and will be sailing to Tacoma for a mock battle, and urged everyone to go see them.

Councilmember Stern reported on the Street Dance and the church concert at the pavilion that took place on August 6 as being a great success.

Councilmember Thomas represented the City at a reception on board the USS Somerset LPD-25 as part of the Seafair events. Thomas reported Three Star Admiral Nora Tyson gave a great speech in which she expressed the Navy's support to all the communities in this area.

Councilmember Musgrove reported the Auditor's Exit Conference is on August 18 at 3:00 PM in the Council Chambers and he enjoyed the street dance.

Councilmember Henry reported he attended the Chamber lunch, where Congressman Derek Kilmer was the speaker and he enjoyed Kilmer's speech on small businesses.

Mayor Erickson reported: the Wagfest event is on August 21 in Kingston to support PAWS; the Morrow Manor Swing Dance is on September 17 at 6:30 PM at the Sons of Norway; and this Sunday at 6:30 PM the Police Chief Meet & Greet will be held in the Council Chambers with interviews to be held on Monday.

Mayor Erickson pointed council to their teal folders, stating the Kitsap Mental Health & West Sound Treatment Center contracts exceeded her \$75,000 signing limit. Mayor Erickson stated these are for the \$332,000 grant the city received noting: \$97,950 goes to the West Sound Treatment Center; \$179,643.35 goes to Kitsap Mental Health; \$8,000 towards computer software that will allow information to be shared with the courts; and approximately \$30,000 for administrative overhead. Mayor Erickson asked for Council concurrence to go forward with signing these contracts, in which Council concurred.

5. CONSENT AGENDA

Motion: Move to approve Consent Agenda item a.

The items listed are:

- a. Minutes of July 13, 2016 City Council Meeting

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

6. BUSINESS AGENDA

a. Special Event Application – St. Charles Church Concert in the Park

Parks and Recreation Director McCluskey explained this was a first time event taking place on August 28 from 11:00 AM to 3:00 PM, in which they expected 50 people and they will be playing blue grass music.

Councilmember Henry noted the Community Services Committee approves this event.

Motion: Move to approve the special event application for the St. Charles Anglican Church concert on August 28, 2016 as presented.

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

b. Morrow Manor/City Park Memorandum of Understanding Amendment

Parks and Recreation Director McCluskey reported a memorandum of understanding (MOU) was originally signed on April 1, 2015; the frontage improvements for the Morrow Manor project were not addressed in this MOU; the project will be going in front of the Planning Commission in a couple weeks; the city is proposing to assume responsibility for all frontage improvements along Noll Road, on the plat referred to as Tract A, upon dedication to the city.

Mayor Erickson noted this was reviewed and approved by the City Attorney.

Councilmember McGinty questioned if the City would be responsible for the frontage in front of Lot A & D since it appears those lots do not extend to the edge of Noll Road. McCluskey stated those sections would be the City's responsibility under the MOU.

Councilmember Lord questioned if there was a cost estimate available for these frontage improvements. McCluskey stated there currently was no cost estimate available and it would be included in the construction documents of the park. McCluskey noted the grant which was applied for the park was \$550,000 which she hopes to be one half of the construction costs.

Motion: Move to approve the following amendment to the MOU for the Morrow Manor/City Park: Following the dedication of Tract A to the City, the city agrees to assume the responsibility for frontage improvement construction for the entirety of parcel 242601-1-040-2007 as required by the City Construction Standards. The frontage improvement construction shall be completed concurrently with the park construction unless the improvements are best done in association with a larger City Project. The process to construct frontage improvements at a later date is discussed in detail in City Construction Standards, Appendix B, B-2.

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

c. Morrow Manor Park Property Donation

Parks and Recreation Director McCluskey reported: it was the City Council duty to accept any donation valued over \$5,000; the Poulsbo-NK Rotary is nearing completion of its short plat for the Morrow Manor Project on the corner of Noll Road and Mesford Street; part of the property donation includes a 1.21 acres to the City for a city park; and the Council acceptance of the property is conditioned by the recording of the short plat.

Motion: Move to accept the donation of parcel # 242601-1-040-2007 (Tract A) from the Poulsbo-NK Rotary Foundation, upon recording of the short plat; the parcel will be developed as a City park per the City Council approved MOU dated 4/1/2015.

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

d. American Legion Park Playground Replacement

Parks and Recreation Director McCluskey reported: the playground equipment is in disrepair due to vandalism; the park used to have four pieces of equipment and is now down to two; the plan would be to replace two pieces of equipment with a slide and climbing wall and add 8ft to the footprint of the play area; Public Works will install the equipment; and the total for the project would be \$10,000 and would be covered by the Park Reserves Fund.

Motion: Move to approve the American Legion Park Playground project using Park Reserves (302) for funding. The project will include the Play & Park Structures bid of \$8,249.07; with a total project cost including labor not-to-exceed \$10,000.

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

e. Ordinance No. 2016-13, Amending PMC 3.84 and 3.86

Senior Planner Boughton reported: this ordinance sets forth a deferral option for the growth management act impact fees; in 2015 the state legislature passed a bill that changes how impact fees are to be collected by cities which required jurisdictions to adopt a deferral system for new single family detached and attached residential construction; developers and homebuilders contended this would address the financial burden of paying fees in the early stages of the process, before a development is generating any revenues; the legislature stated a deferral system must be put in place by September 1, 2016; she has worked with the city attorney to draft the amendments to the impact fee codes PMC 3.84 and 3.86; there are three timing choices impact fees can be deferred to Final inspection, Issuance of the Certificate of Occupancy, or the closing of the first sale of the property in which the city has chosen Final Inspection; in order to receive a deferral the developer has to record a lien against the property, file recorded paperwork with county auditor, and ask the city for a deferral; the term of the deferral is 18 months from the issuance of the building permit.

Councilmember Lord questioned the part of the amendment which limits the deferral to the first 20 building permits annually, per applicant. Boughton explained it was 20 building permits per developer and can be used on multiple developments within a jurisdiction. Lord also questioned the impact on staff time to track the deferrals. Boughton noted new permitting software will be launched later this year and the deferrals should be able to be tracked thru the new software fairly easily. Lord questioned if this deferral process applied to all building impact fees. Boughton explained the deferral only applies to the transportation & park impact fees.

Councilmember Thomas questioned in the future if there is an economic downturn, would we be more likely to see these deferrals being requested. Boughton stated she felt it would be reasonable to assume since the construction of the development would slow along with the cash flow.

Motion: Move to approve Ordinance 2016-13, an ordinance of the City of Poulsbo, Washington, amending subsections 3.84.080(C) and 3.86.080(C) of the Poulsbo Municipal Code and adding new sections 3.84.135 and 3.86.135 to the Poulsbo Municipal Code in order to provide for the deferral of park and transportation impact fees for single-family detached and attached residential construction; providing for severability and establishing an effective date.

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

f. Public Hearing for Stormwater General Facility Charge

Director of Engineering Kasiniak stated: the stormwater functional comprehensive plan was approved in April 2016; the financial plan was part of the functional plan; the functional plan proposed connection fees of \$1,183 per Impervious Surface Unit (ISU); one ISU equals 3,000sf of impervious surface; the developer pays a onetime fee for their capacity in the existing system; the general facility charge was calculated by taking the depreciated value of the stormwater system (approximately 17 million dollars) and dividing it by the number of units which makes \$2,130 the maximum fee the city could charge; the city has decided to only charge \$1,183 to close the gap in the City Improvement Plan (CIP); in a comparison of Stormwater Facility Charges in other Puget Sound Jurisdictions, Poulsbo would have the same rate as the average of the jurisdictions who charge this fee; the process included: drafting PMC proposed code changes, Public Works Committee review, City Attorney review, Adopting the Ordinance brought to Public Works Committee; the Public Works Committee is recommending approval; the next steps included the City Council setting a Public Hearing, and City Council adopting the Ordinance; this would amend PMC sections 3.12.100, 13.70.110, 13.70.120, and 13.90.120; a single family residence would now pay \$17,898.86 in connection fees.

Mayor Erickson asked for public testimony. No comments were received.

Motion: Move to close the Public Hearing.

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

Motion passed unanimously.

Mayor Erickson closed the public hearing at 7:43PM.

Motion: Move to approved the General Facility Charge of \$1183 per impervious surface unit (ISU) and authorize staff to prepare an ordinance to adopt the General Facility Charge.

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

Motion passed unanimously.

g. Residential House Property Abatement and Demo Contract

Removed from agenda.

h. Viking Avenue PRV Stations Project Contract Award

Director of Engineering Kasiniak explained: this project was being done due to the high pressure (180 psi) in the Viking Avenue area which should have a recommended pressure of 90 psi; currently the developers are having to install their own PRV stations to lower the pressure; the city can install a PRV on the main line in order to keep the developers from having to install their own PRV's; two water service connections are failing on Finn Hill and need to be replaced; these project were

included in the \$380,000 - 2016 CIP Budget; bids were opened on August 9th; they were categorized as Schedule A – Viking Ave PRV Installation and Schedule B – Finn Hill Water Services; 3 bids were received and there were different low bidders for Schedule A and Total (Schedule A+B); the lowest bid for Schedule A was \$361,266 from Olympic Peninsula Construction Inc; the lowest bid for Total (A+B) was \$488,270 from Pape & Sons; the Engineer's Estimate was \$354,995 for Schedule A and \$395,545 for Total (A+B); with a \$380,000 budget the City does not have enough for the Total (A+B) project.

Kasiniak gave a couple of award options for the Viking Avenue PRV Project:

Option 1

- Award the lowest bidder on Schedule A only for \$361,266. Total estimated with 10% contingency equaling \$400,000.
- With the \$380,000 budget: anticipate a \$15,000 reduction in the Remote Telemetry Unit (RTU) replacement budget and recommend shifting the funding to the PRV project to help fill the gap; request a \$5,000 budget amendment from water reserves.

Option 2

- Award the Total Low Bid on both schedules for \$448,270. Total estimated with 10% contingency equaling \$495,000.
- With the \$380,000 budget: anticipate a \$15,000 reduction in the Remote Telemetry Unit (RTU) replacement budget and recommend shifting the funding to the PRV project to help fill the gap; remaining \$100,000 gap will require a budget amendment from water reserves.

Kasiniak noted he spoke with the Public Works Department and they are recommending Option 1 and awarding the project to Olympic Peninsula Construction Inc in the amount of \$361,266.62. Councilmember McGinty noted the Public Works Committee review this and also recommends Option 1.

Motion: Move to approve the construction contract for the Viking Ave PRV Stations project to Olympic Peninsula Construction Inc. in the amount of \$361,266.62, authorize the Mayor to sign the contract, and authorize the Mayor to sign change orders up to 10% of the contract price and authorize staff to process the budget amendment as presented., **Action:** Approve, **Moved by** Lord, **Seconded by** McGinty. Motion passed unanimously.

i. Liberty Bay Waterfront Trail Update

Director of Engineering Kasiniak gave an update on the Liberty Bay Waterfront Trail project that included: conducting a survey; they met with property owners to discuss elements of the project; they are ready to submit applications to resource agency for permits; the design of the project was funded by a federal grant.

Kasiniak introduced Phil Struck of SeaAlaska, who gave a brief presentation which included: a design has been arrived at which they feel is feasible financially and permitting wise; they have updated the plan and cost estimate; they are ready to initiate the permit process; they have completed worked with individual property owners to come to an agreement; next year they hope to complete the final design; contingent on funding, construction could start the following year; the plan did have one small change that requires the trail to go out over the water since the landowner did not want to sell his property and there was no feasible place to place a trail on the upland; some bridges, overlooks and rest areas have also be added to enhance the user experience; the final estimated cost is 3.7 million; the design and permitting is currently funded; construction cost will be a combination of Federal Transportation Funds (75%) and State Recreation Grant (25%); the direct cost to the City is estimated at 10-15% of the total cost or \$350,000 to \$500,000 over 2 years; construction can be phased depending on how much funding can be secured; the permitting process requires a neighborhood meeting; depending on the funding construction should be completed by 2021; the project was presented to the Tribe for consent.

7. COUNCIL COMMITTEE REPORTS

Public Works Committee: Councilmember McGinty reported: Councilmember Lord was elected chair, the Noll Road open house last night was successful; Director of Engineering Kasiniak is applying for a DOE grant for 7th and 8th Avenue drainage basins; Senior Engineering Technician Hart gave an update on the 2nd quarter report on the Kitsap Conservation Grant project for rain gardens; they reviewed the PRV contract; they discussed the on-call contract recommendations; the Hostmark Street utility paving is going to be more difficult than expected, so they are thinking of vertical closures instead of one side at a time in order to do the paving in one day.

Community Services Committee Meeting: Councilmember Henry reported: Councilmember Thomas was elected the new chair; they reviewed the St. Charles Anglican Church Special Event Application; they were given an update on the American Legion Park Playground Equipment; they started discussing the 2016-2017 budgets; they discussed a photography policy for room rentals.

Highway 305 Working Group: Councilmember Stern reported: there would be 36 million dollars for the study to be completed; Kitsap Transit will be doing the scope of work for the studies that have been previously done; County and Cities are going to have to come up with matching funds; the next step is hiring consultants; this project will be for the whole corridor that spans all the various cities; afternoon traffic coming off Bainbridge Island has been greatly reduced due to right hand turn lanes and re-timing of traffic lights.

8. DEPARTMENT HEAD COMMENTS

Director of Engineering Kasiniak reported on the RCO Grant they applied for to purchase property on Viking Avenue, noting City Engineer Lenius and Phil Struck will be giving a presentation tomorrow to the board. The project is now being referred to as the Westside Water from access Aquatic Park. They are coming to the end of the TIB Grant application time and will be applying for arterial category grant for Noll Road, a non-motorized grant for Finn Hill, and a pavement restoration grant for Forest Rock Lane. Kasiniak reminded council they will be discussing the Sewer Comprehensive Plan at the next council meeting and to view the information on the website.

9. CONTINUED COMMENTS FROM CITIZENS

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

10. COUNCILMEMBER COMMENTS/BOARD/COMMISSION REPORTS

Councilmember Nystul reported: he was elected chair of Finance/Admin Committee; as where the traffic from Bainbridge on Highway 305 has improved, the traffic to Bainbridge is not good.

Councilmember Stern reported: the Poulsbo Historical Society meeting yesterday with the Tribe was an excellent meeting; new WWU president will be in town tomorrow and he will be briefly meeting with him.

Councilmember Thomas reported: he also found the Poulsbo Historical Society meeting to be very interesting; he is working with the Cemetery Restoration Group which will be meeting on 8/18 at 2pm and invited the community to join him.

Mayor Erickson reported she will be attending AWC Legislative Policy Committee meeting tomorrow.

11. EXECUTIVE SESSION - REAL ESTATE SALE PURSUANT TO RCW 42.30.110(1)(c)

Motion: Move to adjourn from Executive Session.

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

Motion carried unanimously.

At 8:38 PM, Mayor Erickson recessed the meeting into a 40-minute Executive Session for the purpose of discussing real estate sale pursuant to RCW 42.30.110(1)(c).

12. ADJOURNMENT

Meeting adjourned at 9:18PM.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk

Respectfully prepared and submitted by Kati Diehl