

## POULSBO CITY COUNCIL MEETING OF SEPTEMBER 7, 2016

### MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, City Engineer Lenius, Parks & Recreation Director McCluskey, IT Manager Stenstrom.

### MAJOR BUSINESS ITEMS

- \* \* \* Minutes of August 17, 2016, Council Meeting
- \* \* \* Minutes of August 3, 2016, Council Meeting
- \* \* \* Minutes of July 20, 2016, Council Meeting
- \* \* \* Budget Amendment/BA#16-0303, Hostmark Mains Project
- \* \* \* KEDA Quarterly Report
- \* \* \* Ordinance No. 2016-14, Stormwater General Facility Charge
- \* \* \* Finn Hill Reconstruction Design Contract

#### 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** Stern, **Seconded by** Nystul.  
Motion carried.

#### 3. COMMENTS FROM CITIZENS

North Kitsap School Board Member Jim Almond said he would bring enrollment numbers to the next meeting and inquired about a joint meeting. Mayor Erickson said she would work with Superintendent Page on a date now that the summer is over and everyone is back from vacations.

Councilmember Stern thanked him for working with him on how to enhance the Running Start program. He said we need to be working on a win-win solution for all parties, and it critical that we enhance Olympic College and Western while providing that opportunity

to the students. He believes John Powers will be discussing that at the September 22 Tech Committee meeting, and Rep. Drew Hansen will be attending as well.

Mayor Erickson said being a school board member is a huge amount of work and commitment, and it is all volunteerism. She admires the work that the NKSD Board Members are doing.

Mr. Jim Almond asked if the drinking fountain was going to be repaired by the downtown clock. He also asked if another concrete pad could be poured by the stairs down to the water to make it easier for citizens to access the waterfront.

Mayor Erickson said she was unaware of the fountain not working, and would have staff look at both concerns. She also mentioned that citizens can go to SeeClickFix on the city's website to alert the City of things that need to be fixed. Councilmember Stern added there is a free app citizens can download.

#### **4. MAYOR'S REPORT AND COUNCIL COMMENTS**

Councilmember Nystul announced the Lodging Tax Advisory Committee (LTAC) is meeting tomorrow, and he wanted to get Council concurrence to take \$20K of the \$40K LTAC reserve and apply it towards the funds to be awarded to requestors. This would mean the committee would recommend \$130K for allocations, and leave \$20K in the operating reserves. The Council agreed with this request.

Discussion was held regarding Air B&Bs and their tax revenues being received as one lump sum.

Councilmember Nystul recommended that if there are any mid-cycle requests, that the body has to by majority say they will refer to LTAC to consider (with first review by the Community Services Committee). The Council agreed with this recommendation.

Councilmember Stern reported the AWC Champions Award Ceremony is next week. Peter King, CEO, and Dave Williams, Director of Legislative Affairs, will be presenting the award to the Chair of the House Local Government Committee. He also reported the groundbreaking ceremony is tomorrow morning at 9:00 AM for Morrow Manor, and Saturday September 17 is a fundraiser for Morrow Manor at the Sons of Norway. Mayor Erickson noted the tickets are \$25 and they can be purchased at the door, and this is in support of Ardis Morrow.

Councilmember Musgrove gave his condolences for the passing of Denise Bauman. He asked for a quorum notice to be sent out for Sons of Norway on September 18 at

2:30pm. He also commented on seeing informational signage being put up by staff; it has been great seeing people reading the signs. He also noted it is fascinating to visit SeeClickFix and see all the little things the City staff has to deal with on a daily basis.

Councilmember Lord noted Denise Bauman was the wife of former Public Works Director Jeff Bauman, who was a great employee and staff resource. She also thanked Public Works and Engineering for getting Hostmark finished before school started.

Councilmember Henry noted two Poulsbo businesses are in line for a \$25,000 award. He thanked Councilmember Musgrove for his help with that. He wished the businesses the best of luck. He also reported that he attended the Night in Havana fundraiser for the Bremerton Symphony with Mayor Erickson and Councilmember Lord.

Mayor Erickson said she attended a celebration of life for Mr. Bill Arness. She announced the Poulsbo Historical Society will be putting up signs about the history of the buildings.

Mayor Erickson read the Martha & Mary 125<sup>th</sup> Anniversary Celebration proclamation into the record.

Mayor Erickson read the September 11<sup>th</sup> as a Day of Service and Remembrance proclamation into the records.

## **5. CONSENT AGENDA**

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

The items listed are:

- a.** August 17, 2016, Council Meeting Minutes (Fernandez)
- b.** August 3, 2016, Council Meeting Minutes (Fernandez)
- c.** July 20, 2016, Council Meeting Minutes (Fernandez)
- d.** Budget Amendment #16-0303 Hostmark Mains Project (Booher/Lenius)

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

## **6. BUSINESS AGENDA**

### **a. Kitsap Economic Development Alliance (KEDA) Quarterly Update**

Mr. John Powers, KEDA Director, presented the 2<sup>nd</sup> Quarter 2016 Economic Development Report. Presentation highlights included Business Retention Expansion

and Attraction (BRER) – Q2 for the County and Poulsbo; business attraction activity; other recruitment activity; and marketing and outreach.

Discussion was held regarding the Procurement Technical Assistance Center (PTAC) activities and clients.

Mr. Powers reported the next quarterly board meeting is September 22, followed by an open house of the new office building. He also announced the Annual Western Washington Technology Summit is September 22 at 10:30am at the Clearwater Casino.

Mayor Erickson noted she continues to meet with Kathy Coccus on a monthly basis.

Councilmember Lord said it was heartening that the Puget Sound Business Journal is going to give us coverage. With that, the City needs to be even more conscious that we pursue affordable housing. She asked Mr. Powers to be a champion for a need for balance and not leave folks behind.

Mayor Erickson said the task force she has been working on for the last year has a couple projects coming forward. They are going to work on the accessory dwelling units and tiny house ordinance. The big concern is there is a lot of single-family stuff that is high end. Poulsbo needs a diversity of housing stocks.

Councilmember Stern said we need to manage for success. He discussed the opportunities that are already available to residents, and how the City needs to let citizens know what options they currently have.

**b. Ordinance No. 2016-14, Stormwater General Facility Charge**

City Engineer Lenius presented the agenda summary, noting the changes to PMC relating to utilities, specifically stormwater, and the general facility fees, were recommended by the Public Works Committee on 7/13/2016, presented to Council on 7/20/16, and a public hearing was held on 8/10/16.

In accordance with the direction of the City Council to develop an ordinance to adopt the approved changes. It has been reviewed and approved by the City's Attorney.

Councilmember Lord said the Public Works Committee recommended approval of the proposed ordinance.

Councilmember Thomas asked for the definitions of equivalent residential units and impervious surface units. City Engineer Lenius said impervious surface units (ISU) is a standard term that is used when referencing stormwater, and in this case it is based

on 3,000 square feet of impervious surface, and equivalent residential units is a common term for any type of utility equivalent unit.

**Motion:** Move to approve Ordinance 2016-14, an ordinance of the city of Poulsbo, Washington, relating to the municipal water, wastewater, and stormwater utilities; amending PMC 3.12.100(a) and (g) entitled "general facility fees" and "miscellaneous fees and charges", and PMC 13.70.110(b) and (c) entitled "utility system defined" and "equitable share," and PMC 13.70.120 entitled "general facility fee calculation"; adding PMC 13.90.130 entitled "stormwater", providing for severability and establishing an effective date.

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

**c. Finn Hill Reconstruction Design Contract**

City Engineer Lenius presented the scope and budget for the CIP project for Finn Hill Road Reconstruction. The design will be completed in a phased approach. Phase 1 will consist of preliminary design and permits; Phase 2 will consist of final design. The City Engineer recommends approval of Phase 1 of the contract at this time. Phase 2 will be executed at a later date.

Project summary

- Transportation CIP project supported by Olhava traffic impact fees (\$533K)
- Pedestrian and bicycle improvements along north side of Finn Hill
- Benefits: will increase roadway capacity and improve safety
- Intent to construction in 2017
- Two grants applied for in partnership with Kitsap County
  - Safe Routes to School: \$900K
  - TIB: \$745K
  - Grant results in October/November

In response to Councilmember Musgrove, City Engineer Lenius said it is an 80/20 split with the County. If we are successful in the grant process, it could be a better scenario.

In response to Councilmember Nystul, City Engineer Lenius said the shared use path will be separated from the roadway (no curb/gutter). There is no anticipated pavement work.

**Motion:** Move to approve Phase 1 of the contract with Sealaska Environmental Services, LLC for Finn Hill Road Improvements as presented in the amount of \$87,728 and authorize the Mayor to sign on behalf of the City

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

Motion carried.

## **7. COUNCIL COMMITTEE REPORTS**

Finance-Administration Committee: Councilmember Nystul reported sales tax continues to trend 6% above budget; REET at 97% of budget; LTAC discussion; and State Auditor's Office's report on public records and the effect on state and local governments.

Outside Agencies: Councilmember Stern reported on KRCC, and noted the City now has two voting seats due to its new population. They had a presentation from Naval Base Kitsap, and they discussed how criteria are changing as to what is a designated urban growth center.

Mayor Erickson added that Poulsbo is four-and-a-half square miles, but we are a growth center. We are doing the true GMA growth model – very dense development in a small area. The problem is we are also supporting urban services for 40K people outside of the city limits but receiving no revenues for that. The GMA has real challenges facing it and we have some serious decisions about where we fit in that. Our preconceptions about how growth management are suppose to work are not working.

Councilmember Stern mentioned Representative Appleton will be here on September 14 for the awards ceremony, and she has announced in Olympia three meetings of her committee, the house local government to take testimony from both the electeds, the general public, and then whether to open the next session open up with the Growth Management Act for reform or revision. Coincidentally, our North Kitsap County Commissioner Rob Gelder, is heading up the subcommittee for the Association of Counties for their input. So this is a very serious inquiry.

Public Works Committee: Councilmember Lord reported they had a discussion on the Keyport meter at Pump Station 67 (Diane is trying to determine the City's actual share), and reviewed the beginning of the neighborhood streets program (Engineering will give a full presentation to the Council in in early October).

## **8. DEPARTMENT HEAD COMMENTS**

City Engineer Lenius thanked the Council for recognizing the team for the work on Hostmark. She also wanted to thank the three contractors who helped make it happen: Pape & Sons, Lakeside Industries, and Cascade Natural Gas. She reported that the department submitted a grant application for Noll Road for \$1.9MM to TIB. They also submitted a grant application for Forest Rock for \$400K for overlay work.

Mayor Erickson also recognized Field Inspector Smith and Civil Engineer Zavack on Hostmark.

**9. CONTINUED COMMENTS FROM CITIZENS**

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

**10. COUNCILMEMBER COMMENTS/BOARD/COMMISSION REPORTS**

Councilmember Thomas announced the Cemetery Committee is meeting the 1st and 3rd Thursdays of the month. He plans on presenting to the Public Works Committee on September 28 some proposed projects. They have a new entrance sign underway as a citizen initiative, and hopes to have it done next month with a public unveiling.

Councilmember Stern also noted that a beautiful memorial bench is going to be installed at the SEA Center for Denise Bauman.

Councilmember Musgrove said he has enjoyed working on the Cemetery Committee, and he is looking forward to it. He noted a cemetery rehab is a different kind of project, and the history is fascinating. There is going to be a lot of opportunity to get the public involved. He also reminded the public that the City e-Newsletter has been published for September, and there is a ton of information in there to read.

**11. ADJOURNMENT**

**Motion:** Move to adjourn at 8:33 PM,

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

Motion carried unanimously.

---

Rebecca Erickson, Mayor

ATTEST:

---

Rhiannon Fernandez, CMC, City Clerk