

POULSBO CITY COUNCIL MEETING OF NOVEMBER 2, 2016

MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, Prosecuting Attorney/Risk Manager Foster, Human Resources Manager Kingery, Public Safety Director Delany, Deputy Chief Pate, Judge Tolman, Court Administrator Baker, IT Manager Stenstrom, Civil Engineer Zavack.

MAJOR BUSINESS ITEMS

- * * * Minutes of October 12, 2016, Council Meeting
- * * * Budget Amendment/BA#16-0403
- * * * Animal Control & Pet Licensing Agreement
- * * * Sewer Utility Extension Request
- * * * Budget Discussion/Revenue Sources
- * * * Public Hearing for 2017-18 Revenue Sources
- * * * Public Hearing for 2017-18 Budget
- * * * Special Budget Work Session #1

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 the approve the agenda as presented.

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

3. COMMENTS FROM CITIZENS

Dana Steege-Jackson spoke regarding the lack of services for homelessness, and spoke against the anti-camping ordinance.

4. MAYOR'S REPORT AND COUNCIL COMMENTS

Councilmember Lord reminded everyone to exercise their right to vote.

Councilmember Musgrove reminded the public that the City of Poulsbo has three behavioral health specialists assisting citizens with mental health concerns at municipal court. He recognized Matt Duthie, Mindy Nelson-Oakes, and Linda Melseth. He reminded the public to turn back their clocks this weekend.

Councilmember Nystul encouraged the public to attend Daffodil Day on Saturday. He also noted the city arborist looked at street trees on Jensen Way, Ash Crest Loop, and Sunset Street, due to the sidewalks raising and cracking and streets falling over. The interesting observation is that the boulevards are too narrow to plant street trees, and the trees that are planted are shallow rooted trees. They are now city trees, but the homeowners need to take care of them. He also commented on how polite the children were at Halloween and what a nice community it is.

Councilmember Stern shared the Puget Sound Business Journal that focused on Kitsap County as a feature. The City and WWU partnered to feature Poulsbo as a college town. It talks about being able to get an affordable education on this side of the water.

Mayor Erickson proclaimed November 14-20 as National Hunger and Homelessness Awareness Week.

Mayor Erickson commented on the anti-camping ordinance. She noted there was a newspaper article on the ordinance, and needed to correct the misconception that Poulsbo is making homelessness illegal. She said that is not true. The ordinance gives the City a tool to help people who have been working on homelessness intervention and housing; it is a social safety net for a vulnerable population. Essentially, if we encounter someone camping in public spaces, we will approach them and give the info on the availability of services. If we do not have available services to address their need, we have no action called for and nothing happens. We are not running around arresting homeless people. It is a methodology and establishment of a protocol for approaching folks that are having problems and are vulnerable living on our streets. We are doing no favors to the homeless by leaving them on our streets. They are vulnerable people and we have a moral obligation to help them. It gives us a venue to approach people with our behavioral health specialists to find safety and a home. That is what it is about. The Mayor said she has been working on this for a long time, and it started when Councilmember Henry told her there were kids sleeping in woods by Wal-Mart. She reached out to Coffee Oasis and teamed up with Meredith Green and the Poulsbo Rotary to bring Coffee Oasis to Poulsbo, and now Morrow Manor is coming. There has been a task force that has been looking at bringing more affordable housing to Poulsbo. It has been tons of work. She is going to suggest in January to form a new Council Committee that would meet on the first Wednesday of the month to provide oversight on the social service outreaches. She has been working with NK Fishline, Kitsap Rescue Mission, Coffee Oasis, and Morrow Manor, and feels it is time to involve the Council in developing policy directives. She said the Olympic Community of Health might be coming our direction and working with us as well. She would like the Council to think about what that would look like starting in January.

Councilmember Lord commended the Mayor for that idea. This Council would be happy to participate on this effort. She feels if the city can do a part, having a coordinated effort will prevent spinning wheels. It is an overwhelming problem trying to figure out what to do. If we can

get some policy and join resources, they can make a difference. The Council has different angles on how to approach this.

Mayor Erickson said she is writing up a protocol as they do steps for outreach, and when they hit barriers, they figure out a way to provide resources for that barrier.

Councilmember Lord thanked the Mayor for clarifying the City's intent with the adopted ordinance.

Mayor Erickson invited the public to attend Daffodil Day this Saturday morning at 9:00 am to help plant 3,750 bulbs in the City's right-of-way.

5. CONSENT AGENDA

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

The items listed are:

- a.** Council Meeting Minutes for October 12, 2016 (Fernandez)
- b.** Budget Amendment/BA#16-0403 (Booher/Kasiniak)
- c.** Animal Control & Pet Licensing Agreement (Fernandez)

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

6. BUSINESS AGENDA

a. Sewer Utility Extension Request

Civil Engineer Zavack presented the agenda summary, noting an existing secondary residence on 925 NW Karkainen Lane, off Finn Hill Road, has been declared uninhabitable by the Kitsap Health District after sewer effluent was found to be discharging from the surface of the property, due to a failed septic system. The primary residence on the property has already connected to City sewer during the Finn Hill Rd. Widening Project, when the contractor had to remove a portion of their existing septic drain field during road widening construction. An additional side sewer connection stub was installed at the time for the secondary residence. The home owner, Roger Van Horn, has already agreed to the conditions of the sewer utility extension and has paid the utility extension request application fee.

Councilmember Lord said this was discussed at Public Works Committee and they recommend approval of the request.

Prosecuting Attorney/Risk Manager Foster said this started in 2003 with the start of the Finn Hill Road construction. There was an agreement should there be an issue with the septic drain field that the City and the County would connect the house to the sewer. There was no issue at that time with the drain field. Since then, their septic system has failed on the second house, and so this is the first step in remedying that failure, allowing them to connect the second property to the City sewer.

Civil Engineer Zavack added the house is in the UGA and just outside of City limits.

Mayor Erickson said this request was consistent with policies for extending utilities outside the City limits in the case of emergencies, especially to our UGA.

Motion: Move to approve the sewer utility extension request for the secondary residence at 925 NW Karkainen Lane.

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

Motion carried.

b. Budget Discussion/Revenue Sources

Finance Director Booher presented historical data and new revenue sources for 2017-18 budget. Presentation highlights included:

- Review of 2017-18 projected revenue sources
- City's budgeted funds – Operating Revenues (exclusive of beginning balances)
- Projected 2017-18 Revenue Sources
 - 2017 General Fund operating revenues \$11,249,692
 - 2018 General Fund operating revenues \$11,401,293
- General Fund by categories comparing actuals 2015 and budgets 2016, 2017, & 2018
- 2017-18 General Fund revenue by type excluding beginning balances
- Property Taxes
 - Comparison of Cities in Kitsap County 2017 Estimates – Population
 - Poulsbo 4% of population
 - Assessed value comparison of Cities and County
 - Poulsbo 5% of assessed value for total
 - Tax comparison to other Kitsap County Cities
 - Real Estate Excise Tax Comparison for Kitsap County Cities
 - City's 2017 Property Tax Levy
 - This is the first time the City of Poulsbo is issuing their property tax with a population over 10,000 people.

- By state law the City can levy no more than one percent above our highest allowable levy, unless you have a population of higher than 10,000, then you need to levy the lower of one percent or your implicit price deflator (IPD). The IPD is 0.953 percent this year. So, the City by state law can only levy 0.953 percent.
- If we do a substantial need resolution, we can levy up to one percent, almost all cities over 10,000 would be doing that.
- The Mayor recommends a zero percent increase, but wants to pass the substantial need resolution to allow up to levy one percent in 2018 (not take the increase in 2017, but maintain bank capacity going forward to 2018 when we might be going out for debt for Noll Road or PW Facility).
- The Finance-Administration Committee agrees with the Mayor's recommendation.
 - City of Poulsbo's assessed value and new construction values for 2006-2017.
 - How the City spends the \$1.58 that is received from property tax.
 - Comparison of 2016 and 2017 city property taxes.

Councilmember Nystul said the Finance-Administration Committee discussed this and noted property tax computations are not a straight forward task. The good thing is there is a marketing and a psychology of not raising property taxes. This enables our Mayor to market the City that we aren't raising taxes, we don't have B&O taxes, and we are reducing utility taxes from 9% to 6%. We are holding the line and are being good fiscal stewards.

Councilmember Stern agreed with the Mayor's recommendation and Councilmember Nystul's comments.

Councilmember Nystul pointed out that adopting the substantial need resolution will give us the ability to bank the capacity for 2018.

Mayor Erickson said the whole point is that the citizens were very understanding when we raised the utility taxes from 6% to 12% during the recession. Now the City is running very well, we do not need this money, and we are living within our means. We don't need to raise the taxes. In the future, we might have to come back and say we need more money. It is easier to do that when we don't take the money when we don't need it. It is prudent management.

Councilmember Lord said she is proud of the Council for committing to keep utility taxes going downward for the last three years. We really care about the impact to the citizens.

The Council agreed on a zero percent and a substantial need resolution for next week's meeting.

c. Public Hearing for 2017-18 Revenue Sources

Finance Director Booher presented the agenda summary, noting per RCW 84.55.120 the City Council is required to hold a Public Hearing on revenue sources for the upcoming year's General Fund budget. The hearing must include consideration of possible increases in property tax revenues and must be held before the Property Tax Levy request is submitted to the County.

At 7:47 PM, Mayor Erickson opened the public hearing, and receiving no comments, closed the public hearing.

Finance Director Booher will bring forward an ordinance at the November 9 Council meeting.

d. Public Hearing for 2017-18 Budget

Finance Director Booher presented the agenda summary, noting a Public Hearing regarding the 2017-2018 Budget to be opened tonight and continued to November 9 and 16, 2016. This gives the public an opportunity to address the Council regarding the 2017-2018 Budget. The budget is available online, at the library, and there is a copy at City Hall.

At 7:52 PM, Mayor Erickson opened the public hearing. No comments were received.

Motion: Move to continue the hearing to Wednesday, November 9, 2016, in the Poulsbo City Council Chambers.

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

Motion carried.

e. Special Budget Work Session #1: Department Presentations

HDPA

Brook Dalton, HDPA Treasurer, outlined the 2017-18 HDPA proposed budget. She noted the 2017-18 budget remains conservative, as there are a couple of large square footage shops that are vacant. They want to build up their revenues to do more projects in the future.

In response to Councilmember Thomas, Ms. Dalton said examples of repairs and maintenance would be planters, hanging baskets and flowers, and watering.

In response to Councilmember Stern, Ms. Dalton said the status of reserves is for 2016 they decrease about 20%. This leaves them with a beginning balance for 2017 of \$44,000.

In response to Councilmember Stern, Mayor Erickson said they are going to have to replace waterlines in 2021, unless they find grant funding sooner.

In response to Councilmember McGinty, Finance Director Booher said a bad debt expense is when somebody does not pay their bills and it goes to the collection agency. We have a policy in the City to write off bad debt after so much time.

Municipal Court

Judge Tolman reported the Municipal Court budget is mostly spent on salaries and benefits. They would like the Council to consider a video system from the jail into the court house. Judge Tolman noted they are in a transitory state of revenues based on some new court cases (and the need to have a colloquy before imposing a fine). It is clear the reimbursement for public defender and warrants costs are not going to be what they were before. They have a new court security officer coming on board and things are going smoothly.

In response to Councilmember Stern, Judge Tolman said it is evident that the City Prosecutor needs an assistant. The in-house City Prosecutor is able 1) by locale and 2) working here every day, to have a better understanding of the bigger picture of the city and if issues arise they can start the dialogue on how to best solve it. Court Administrator Baker said the staff has worked so much better when having an in-house prosecutor. They get a more immediate response when issues come up.

Mayor Erickson said having the prosecutor has been helpful for everyone.

In response to Councilmember Stern, Judge Tolman said he was also very proud of the community services program they had in the past. That is going to be one of the topics they will talk about once the code enforcement officer and police chief are here.

In response to Councilmember Thomas, Judge Tolman said part of the increase of hearings is the court trying to encourage folks to comply with the law. The number of filings are not the same as they were.

In response to Councilmember Stern, Court Administrator Baker said there wasn't much of an impact on them for converting to a biennial budget.

IT

IT Manager Stenstrom outlined the department's 2016 accomplishments and the 2017/18 goals. He discussed his one new program request for surveillance camera installation.

In response to Councilmember Lord, IT Manager Stenstrom said he is requesting \$12,000 for the security cameras.

Mayor Erickson added that Dave, Nick, and Sergeant Leeming spent countless hours replacing the police MCTs in the police cars. It took a lot of work, and they saved a ton of money by purchasing Dell tablets instead of Panasonic laptops (\$1,500 vs. \$5,000). Poulsbo is also the only ones running Windows 10.

In response to Councilmember Musgrove, IT Manager Stenstrom said there is no problem with having cameras in the building. Placement will be run through the Risk Manager.

Personnel

Human Resources Manager Kingery outlined the duties of her position and budget, with no changes requested in the 2017-18 budget. She reviewed her 2016 accomplishments.

Councilmember Lord thanked Human Resources Manager for all of her work this year.

Planning & Economic Development

Planning Director Boughton presented the 2016 accomplishments, 2017-18 goals, and the department budget. She reviewed the department's baseline budget requests.

In response to Councilmember Nystul, Interim Planning Director Boughton said their department felt \$5,000 was sufficient based on what is available.

In response to Councilmember Stern, Interim Planning Director Boughton said it was relatively easy to set their budget. They set their priorities for the next two years, and the baseline adjustment requests reflect the priorities. Projections are trickier; they are making an educated guess on the number of permits that will be received. They face this every year when making projections. They may need to make an adjustment next year. But they feel the projections are still very conservative.

Prosecutor & Risk Management

City Prosecutor/Risk Manager Foster outlined the Risk Management and City Prosecutor departments mission, staffing level, functions, accomplishments, goals, performance measures, 2017-18 budget, and new program request for a legal assistant.

Councilmember Stern expressed his concern regarding bringing prosecutorial services in-house as a cost savings, and now the City is looking at over a 50% increase over the contract with the County. He said we need to staff up, or farm it back out. He likes the idea of it being in-house, but feels there is the fundamental question of how this was presented and how this department and the Clerk's department are short on staffing.

Mayor Erickson said things have changed from what was originally presented and what now exists. When we presented this, we effectively hired an attorney as our city clerk, who handled both risk assessment and the city clerk's position. Then what happened was it was shifted to the prosecutor's office when we decided not to renew prosecuting attorney services contract. She staffs with the skills that are presented to her. We have job descriptions, we hire based on the job descriptions, but when we see skill sets beyond those job descriptions, we move people around in the City. We have a great prosecutor who is doing a fabulous job as prosecutor and risk manager. The request is justified. We are still understaffed substantially from where we were in 2010.

In response to Councilmember Nystul, Prosecuting Attorney/Risk Manager Foster noted the qualifications and skills necessary for a paralegal.

Police

Deputy Chief Pate presented the Police Department's 2017-18 budget: organizational chart, staff levels, goals, baseline budget requests, capital equipment replacement requests, and new program requests.

In response to Councilmember McGinty, Deputy Chief Pate said the department has been stagnant in the number of patrol officers on the street. It has been that way for 16 years, because when the number increases, we put them on special projects.

In response to Councilmember Thomas, Deputy Chief Pate said marine patrol is a part-time situation from June to September, otherwise they respond in a reactive nature when the Coast Guard is unable to respond to local jurisdiction calls from vessels.

In response to Councilmember McGinty, Deputy Chief Pate said the cost of a new officer is not near what the department's overtime costs are, but it will help reduce that cost by a small amount. Hiring two officers will make a noticeable dent.

Mayor Erickson said staff will share with the Council a spreadsheet that the Finance Director put together regarding the police department staffing level history. Deputy Chief Pate said since he has been with the department staffing has increased by three people, but one position was the Deputy Chief, one was the SRO, and one was a detective. The number of officers on the road has not changed in 15-20 years.

In response to Councilmember Stern, Public Safety Director Delaney said this said the budget is in line with what the department needs and where the department is headed. They need greater enforcement in narcotics, and he can see that unit needing to be supplemented. Chief Schoonmaker has not been consulted regarding the budget, because until he is an employee, it would not be appropriate to discuss things like this. Deputy Chief Pate said when he put this budget together he tried to make it as poignant as he could as what he saw were the biggest challenges to the department, yet not do anything that was so specialize that would tie the future chief's hands.

Clerk/Legislative

City Clerk Fernandez outlined the duties, accomplishments, goals, and new program requests for the Clerk's Office 2017-18 budget.

City Clerk Fernandez also presented the 2017-18 Legislative budget and stated the only changes are contractual increases.

7. COUNCIL COMMITTEE REPORTS

Public Works Committee: Councilmember Lord reported the committee met on October 26 and received updates on Small Anderson Parkway Project, Street Maintenance Program Presentation, Solid Waste Proposal Review, Kitsap County Sewer Coordination, Hostmark Mains Project acceptance, Lincoln Well 2 Treatment Plant, and underground utilities.

Motion: Move to continue the meeting until we complete the agenda.

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

Motion carried.

Economic Development Committee Meeting: The committee talked about putting a sharper point on Council policy for the comprehensive plan moving forward. They have a special meeting next Wednesday the 9th from 2-4 PM to do their final review of the comprehensive plan.

Cemetery Ad-Hoc Committee Meeting: Councilmember Thomas announced the committee meets tomorrow at 2pm in the 2nd floor conference room.

Finance-Administration Committee Meeting: The committee met today and reviewed the monthly budget report.

Outside Agency Meetings: Councilmember Stern reported there was a Kitsap Regional Coordinating Council meeting.

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

Councilmember Musgrove said Halloween was awesome.

Councilmember Thomas said the salmon viewing at Fish Park was great.

Mayor Erickson reminded everyone to attend the final SR-305 meeting at Bainbridge Island High School at 6:30 PM, and that Daffodil Day is on Saturday morning.

11. ADJOURNMENT

Motion: Move to adjourn,

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

Motion carried unanimously.

At 10:05 PM, Mayor Erickson adjourned the meeting.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk