

POULSBO CITY COUNCIL MEETING OF DECEMBER 14, 2016

MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, Parks & Recreation Director McCluskey, Senior Engineering Technician Hart, Senior Engineering Technician Bateman, IT Manager Stenstrom.

ABSENT: Councilmembers McGinty, Stern

MAJOR BUSINESS ITEMS

- * * * Approval of November 16, 2016, Council Meeting Minutes
- * * * Budget Amendment/BA#16-0404 Police Chief Recruitment
- * * * Budget Amendment/BA#16-0406 Year-End Streets Fund
- * * * Budget Amendment/BA#16-0407 Year-End Solid Waste Fund
- * * * Budget Amendment/BA#16-0408 Solid Waste Study Phase II
- * * * ILA Renewal with Kitsap County for Stormwater Education
- * * * Special Event Application: Criterion
- * * * Special Event Application: Walk MS
- * * * 7:15 Public Hearing for November 2016 Draft Comprehensive Plan
- * * * Resolution No. 2016-24, Engineering Fees Update
- * * * Final Review and Approval of 2017-2018 Budget

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** Henry, **Seconded by** Lord.

Motion carried.

3. COMMENTS FROM CITIZENS

Ms. Rita Hagwell wanted to speak regarding the comprehensive plan. She will hold her comments until the public hearing.

Ms. Tammy Matson spoke in support of the Twilight Criterium special event. She has joined the team of the event organizers to help better communicate to the downtown merchants, and she is excited to work with the Police Department to improve the road closure process.

4. MAYOR'S REPORT AND COUNCIL COMMENTS

Councilmember Musgrove reminded citizens to be careful when driving around with the kids out of school and visitors in town for the holidays. He also noted a Kitsap County news release regarding holiday garbage pickup schedules, and he commended the City of Poulsbo for being the only jurisdiction in Kitsap County that continues to provide garbage services during the holidays.

a. Swearing In Ceremony – Community Service Officer Jeremy Robinson

Mayor Erickson spoke regarding the new position in the City. Community Service Officer Robinson will provide security in courts, code enforcement, and be active in the community working with citizen groups. This will relieve patrol officers and bring a new light to the police force in the City of Poulsbo.

Mayor Erickson swore in Community Service Officer Robinson. Community Service Officer Robinson said it was a privilege to be here, and thanked everyone for coming. He gave his work experience, and shared that he is a Poulsbo resident for the past four years. They love Poulsbo, and enjoy being a part of this community.

Chief Schoonmaker thanked the Council for the addition to the Police Department, and they will make good with the opportunity the Mayor and Council gave them.

Mayor Erickson said she is pleased with the work she has seen going on with the Police Department and the new Police Chief. We always had a great department, and she feels it is going to be greater.

Councilmember Nystul said code enforcement has to be one of the toughest jobs these days. He welcomed Community Service Officer Robinson and wished him the best in his new position with the City.

Mayor Erickson also noted that the City had its first snow event since November 2010. She is proud of how the Public Works team responded. They have been applying deicer every night and focusing on the arterials. She spoke regarding the City's limited snow removal equipment and asked for citizens' patience during snow events.

5. CONSENT AGENDA

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

The items listed are:

- a. Approval of November 16, 2016, Council Minutes
- b. Budget Amendment/BA#16-0404 Police Chief Recruitment
- c. Budget Amendment/BA#16-0406 Year-End Streets Fund
- d. Budget Amendment/BA#16-0407 Year-End Solid Waste Fund
- e. Budget Amendment/BA#16-0408 Solid Waste Study Phase II

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

6. BUSINESS AGENDA

a. **ILA Renewal with Kitsap County for Stormwater Education**

Senior Engineering Technician Hart gave a presentation on the ILA Renewal with Kitsap County for Stormwater Education. Presentation highlights included:

- NPDES Permit Requirement for Public Education & Outreach
- Valuable Benefits of ILA
- Collaboration History
- Costs
- Budget

Councilmember Musgrove questioned why the budget is almost doubling to \$9,421 for 2017-19, if the actual costs for 2014 and 2015 were \$1,088.28 and \$3,740.17 respectively. Senior Engineering Technician Hart said they are building a social media campaign, which will require a lot of staff time, research, preparation, focus groups, surveys, and consultants. She referenced Exhibit A in the Scope of Work section to show what is involved with the major campaign.

In response to Councilmember Thomas, Senior Engineering Technician provided details regarding the Mutt Mitt Program and how it supports community volunteers wanting to enhance the safety and enjoyment of neighborhood common areas, trails, and other open spaces by making pet waste cleanup easy and convenient for dog owners.

Motion: Move that the City of Poulsbo continues to participate in the West Sound Stormwater Outreach Group for the purpose of protecting the water quality of Liberty Bay and other City surface and ground waters and fulfilling NPDES Permit requirements; and authorize the Mayor to sign the "*Interlocal Agreement Between Kitsap County and the City of Poulsbo for the West Sound Stormwater Outreach Group.*"

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

b. Special Event Application: Criterium

Parks & Recreation Director McCluskey presented the special event application for Poulsbo Twilight Criterium. The sponsor is Seattle Cancer Care Alliance, and they propose to use downtown (Front/Jensen/3rd Ave/Iverson Streets) on June 3, 2017, 2:30-9:30 pm, with an expected number of people attending to be 700-800. The 1st Poulsbo Twilight Criterium was held June 11, 2016. The Criterium event involves a series of races throughout the late afternoon/evening, each lasting about 25-75 minutes. The racing loop must be closed to vehicular traffic during this time. There were 164 racers and 300 spectators involved at the 2016 event. Prior to the Community Services Committee meeting on November 9, 2016, the City received nine letters of support or concern, which are included in the packet. The 2017 event will be held the 1st weekend in June, which is not graduation weekend for North Kitsap Schools. The CF Walk is proposed for the morning hours of June 3 at College Marketplace. The Criterium organizers have included feedback and proposed improvements.

Mayor Erickson thanked Tammy and Brad for their efforts in organizing this event. She thought it was a special event last year and hopes it is twice as big next year.

Councilmember Lord said some of the negative input received reflected an issue they always struggle with, and that is how to please everybody. Overall, the committee recommended this. She observed if we were to have a response to the few that don't want to have Front Street closed, we would have to have a policy that we would never close it for anything. She doesn't believe the community wants to dispense with the regular events that require street closures downtown. She said they are trying to be sensitive and look to the greater good of what people want, and try to provide quality events in our town.

Councilmember Musgrove said he appreciates all of Brad's work on this, and anyone who helped it. It was monumental. He also thanked the Mayor for pounding the pavement and letting the merchants know about it. They wanted more warning the next time, and feel they will receive that notice next year. They realize it was a first-year effort. Mostly people get upset when things fall apart the wrong way. Additionally, anytime there is something downtown, the primary considerations must be: 1) Does it keep people out of downtown? 2) Does it benefit the merchants? (because that is their livelihood). He would like the committee to think about "why are we doing the event?" If it does those benefits, that is when it works great. He looks forward to things working better next time.

Councilmember Henry said the local elders he heard from were really enthused by the event, and he welcomes the event again next year.

Mayor Erickson recognized that change is hard, and she appreciates the downtown merchants and they will try to do everything in their power help them through this and make it a success.

Motion: Move to approve the special event application for the Poulsbo Twilight Criterium event on June 3, 2017 as presented.

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

Motion carried.

c. Special Event Application: Walk MS

Parks & Recreation Director McCluskey presented the special event application for Walk MS. The sponsor is National MS Society, and they propose to use the MIW Waterfront Park on April 8, 2017, 6am-2pm, with an expected number of 400 participants.

The Kitsap MS Walk is moving their event to Poulsbo in 2017. The event includes a 1.5-mile walk on sidewalks, starting at the park, heading north on Front Street, and looping back on Jensen to the park. The park will be the site of music, vendors, and refreshments.

Motion: Move to approve the special event application for the National MS Society event "Walk MS" on April 8, 2017, as presented.

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

Motion carried.

d. 7:15 Public Hearing for November 2016 Draft Comprehensive Plan

At 7:42 PM, Mayor Erickson opened the Public Hearing.

Planning Director Boughton gave a presentation on the 2016 Comprehensive Plan Update. Presentation highlights included:

- Periodic review and update of comprehensive plan as required by the Growth Management Act.
- Poulsbo's Comprehensive Plan was significantly updated in 2009 and amended annually since then.

- The 2016 update was initiated with a public “community check-in” which occurred Summer-Fall 2015, and consisted of a community questionnaire and open house.
- The City also began in 2015 updating its functional plans – sewer, storm water, transportation and parks/open space/recreation plans were updated in 2015/2016. The water plan was updated and adopted in early 2015.
- The City Council identified the Economic Development Chapter as an area of the plan to spend time reviewing; a stakeholders group assisted the Economic Development City Council Committee identified priorities for the chapter.
- One site specific amendment was submitted to the City to be reviewed as part of the 2016 update.
- 2016 comprehensive plan update review process
- November draft modifications
- CPA 2016-01 Site Specific Redesignation/Rezone Request
- Public input received/additional modifications
 - A matrix of public comment received on the September and/or November Draft has been developed.
 - Additional modifications to the Draft November 2016 Comprehensive Plan. A Modification Document has been prepared to keep track of the modifications:
 - Suggestions made at the Planning Commission Public Hearing.
 - Suggestions made by the EDC at their 11/9/2016 workshop.
 - Comment letters received by WSDOT, Washington Department of Commerce and PSRC.
 - Other public input was received at the PC hearing on the proposed site specific
 - Updated Modification Document (v.3) provided tonight.
 - Addresses modifications in response to Councilmember Nystul and McGinty comments. None of these changes were substantive changes to the policies.
 - Provides modifications in response to PSRC’s letter. These comments would not affect certification. Most of their comments are related to the Transportation Chapter.

Ms. Molly Lee commented on the park land acquisition goals in the Johnson Creek corridor of West Poulsbo. She requested a site be added to the plan to become a future City park. The land is located at Parcel No. 102601-3-054-20-02. She believes that if the City of Poulsbo with a letter written by the whole Parks & Rec committee presented the request to Walmart’s Acres for Acres Program, that there is a good

chance that money could be obtained for acquisition. Parks and Recreation could use the area as a learning resource, which would be compelling to Walmart. Two hundred acres south of this site have been turned over from the State to the County for preserving a large portion of the head portion and middle fork of Johnson Creek. Plus, the fact that the City calls the north fork a wildlife corridor are ideals that Walmart looks for in their Acres for Acres Program. The property is 9.2 acres and south of some City-owned property.

Ms. Rita Hagwell spoke regarding how her land never belonged to anybody but her. She presented documents to the Council. Document 1 was regarding Marilane Lane ownership. She showed that she had things done through her lawyer, and that there was never anything that said her neighbor owned Marilane Lane. She gave the history of the property ownership. Document 2 was regarding Parametrix putting a proposed force main on Marilane Lane. She showed she has water rights claim. They put asphalt in 1973. She has a well covenant. She does not want a force main on her land contaminating her water. She talked about Poulsbo deciding to put a trail on her land. She was told if she didn't allow the sewer, she would lose her land. She talked about being bullied and how her taxes increased during the recession after this conversation. She said her land value went down because of trails. She said she wanted the City Council to look at it, but was told it would cost \$1,848.

Ms. Jan Wold said the Parks Policy eliminates the wording for wildlife. She felt the wording should be put back in the document. She noted the southern end of proposed Road M should be eliminated because it encroaches on Johnson Creek and the Johnson Creek Wildlife Corridor. Road M should stay as close to the ridge top near Viking Way as possible to lessen its impact. Road M should end at proposed Road L, which would then connect to Viking Way at a much better location for a traffic light. At a minimum, the southwest T of Road M would be eliminated due to appearing to head for a buffer and a possible bridge crossing of Johnson Creek. This is unnecessary due to other options of gaining access to the east side of Johnson Creek. She said many of the transportation diagrams and maps and the open space map are missing on the internet version of the Comp Plan. They should be provided to the public on the internet, and the public comment period should be extended to give people time to look at them. She thought there is an error in the housing unit information in Appendix A 1.6. Additionally, Appendix C shows a grand total of additional housing for 664 more people, which is at odds for data for the entire town, when considering the Edward Rose development on Bond Road provides housing units for 1,400 people and 540 apartments. She suggested the College Market Place Athletic Fields be eliminated or reduced in size because it is partially located in the

buffer area of the headwaters of Johnson Creek and the aquifer recharge area. She requested parking areas in the Johnson Creek drainage areas be constructed of pervious pavement at a minimum. She said for years, she has been pointing out a mapping error on the southern portion of Viking way that shows a non-existent south fork of Johnson creek with 150' wide buffers. The current map shows the non-existent creek parallel to and to the south of the actual south fork of Johnson creek. Regarding the site-specific rezone request, it is in the Johnson creek drainage, and it would seem an industrial use of that land would be a poor use as compared to housing or apartments.

Motion: MOVE to close the public hearing at 8:09 PM.

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

Motion carried.

In response to Councilmember Lord, Planning Director Boughton said the Planning Commission recommended removing Parks Policy 2.4, as a condensation effort since policies of wildlife was added to other policies. She had no concern if the Council wished to reinstate PRO 2.4 on page 156. In regards to the housing unit numbers in appendix A 1.6, this information was generated by outside sources, and there is not much the City can do about the data. In regards to Appendix C, it is a table that supports the approved permits from 2009 to September of 2016. She would need more time to review this comment, and double check if Edward Rose was in there. She noted that Edward Rose was approved as a Master Plan. At this point in time they don't have any land use permits approved. They may have made a notation of that and not included those units. In regards to Road M, she noted it was on the future roads map TR3 page 90. Proposed Road M is a north-south connector from Finn Hill and Viking Avenue. The City plans for redundant road systems. Senior Engineering Technician Bateman said the new road maps are intended to be very conceptual. Ms. Wold makes lots of good comments. No work has been done at this point to look at critical areas or buffers. They are showing that we know there needs to be a spine road somewhere there to collect the traffic from the neighborhoods and get it to both Finn Hill Road and Viking Avenue. The intent is not that the roads would be built in that exact place.

Councilmember Henry would like a response to his satisfaction regarding Ms. Hagwell's complaints. Mayor Erickson will put some documents together for Councilmember Henry regarding Marilane Lane and the property. Mayor Erickson also noted she came into the City through annexation, and it is not a comfortable

situation to be in. But she also understands the rule of law about what we can do and cannot do.

Councilmember Lord reviewed PRO 2.4, and found no reason to delete it. The Council agreed to add PRO 2.4 back into the plan.

The Council accepted the modifications in response to comments from Councilmember Nystul, Councilmember McGinty, and PSRC.

Councilmember Nystul thanked Planning Director Boughton to appropriately responding to his comments.

In response to Councilmember Lord, Planning Director Boughton said it would be appropriate to add the land Ms. Lee suggested to the Comp Plan if it is something the Council wishes the City to explore. Councilmember Lord said it should be explored, because we want a park over there. Planning Director Boughton said the way to do it is to add it to the 20-year acquisition list in the Capital Facility Chapter (page 279) and identify it on the park land acquisition map, Figure PRO 2.

Motion: Move to approve the November 2016 Draft Comprehensive Plan included as Exhibit A to the City Council Public Hearing Staff Report, with modifications as identified in Exhibit B of the staff report entitled the November 2016 Draft Comprehensive Plan Modification Document, as well as the following modifications identified during City Council deliberations Attachment A and B, and reinstate PRO 2.4 Park & Recreation Open Space Policy on Page 156, and add to the 20-year park acquisition list on Page 279 the Cross Property to explore for future acquisition and to the map PRO-2 as submitted by Molly Lee.

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

Motion carried.

Motion: Move to add the following language to the comprehensive plan motion above: to direct the City Attorney to prepare an adopting ordinance in support of this decision. **Action:** Approve, **Moved by** Lord, **Seconded by** Musgrove.

Motion carried.

Motion: Move to approve the site-specific application CPA 2016-01, a comprehensive plan map re-designation and zoning map rezone request, two parcels located at 1700 NE Finn Hill Road and 21426 Urdahl Road from Residential Low to Office Commercial Industrial; and direct the City Attorney to prepare an adopting ordinance in support of this decision.

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

e. Resolution No. 2016-24, Engineering Fees Update

Senior Engineering Technician Bateman presented Engineering Fees Update. Presentation highlights included:

- Engineering Fees Update History
 - Engineering Application Fees last adjusted in 2013
 - Engineering hourly rate last adjusted in 2013
 - Engineering Construction Plan Review fees last adjusted in 2009
 - Grading Permit fees established in 1997 and not adjusted to date, based on complicated formula from 1997 UBC
- Engineering Fee CPI Adjustment
 - All fees are being adjusted for CPI, using June CPI-U Seattle, per city policy and previous method
 - Engineering Application Fees & Hourly Rate – 2014-2016 = 5.5%
 - Engineering Construction Drawing Review – 2009 – 2016 = 13.4%
 - Grading Permit Fees – 1999 – 2016 = 54.5%
- Grading Permit Fees
 - We are recommending two adjustments to grading permit fees: CPI Adjustment and Workload Adjustment
 - Recommend an additional 50% increase due to significant changes to DOE regulations, as well as simplification of method
- Grading Permit Fee Comparison
 - Local Jurisdictions have a mix of fee calculations and fee amounts
 - Poulsbo proposed: 500 CY = \$360 50,000 CY = \$1,810
 - Gig Harbor: 500 CY = \$1,665 50,000 CY = \$4,237
 - Kitsap County: 500 CY = \$2,080 50,000 CY = \$3,380
 - Bainbridge Island: 500 CY = \$225 50,000 CY = \$1,100
 - Port Orchard: 500 CY = \$160 50,000 CY = \$780
 - Mayor Erickson noted there aren't any square flat pieces of land left. The nature of engineering involved involves steep hills. Doing analysis of those grading permits is more difficult and time consuming.
- Anticipated Revenue Increase
 - A simplified conservative analysis of the combined fee increases indicates that a 10% increase in Engineering Revenue due to fee increases is anticipated.

- \$90,000 Currently Budgeted Engineering Revenue
- %90,000 + \$9,000 = \$99,000 Estimated Engineering Revenue

Councilmember Lord commented that this was discussed at the Public Works Committee and they recommended approval.

Councilmember Nystul said he understood this to be a CPI adjustment for now, but that they plan to look at these and the rationale for them to do better tweaking down the road. Senior Engineering Technician Bateman agreed there are some fees that would be appropriate to look at to see if we are covering our costs. That is a larger effort.

Mayor Erickson would like the fees to be reviewed frequently to avoid getting behind.

Motion: Move to adopt Resolution 2016-24, a resolution of the City Council of the City of Poulsbo, Washington, adopting the amended Engineering fee schedules as set forth in Attachment A.

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

Motion carried.

f. Final Review and Approval of 2017-2018 Budget

Finance Director Booher presented the 2017-18 Budget Final Review & Approval. Presentation highlights included:

- 2017-18 Budget Changes
 - Reduction in Utility Taxes for Water and Sewer from 9% to 6%
 - Updated Property Tax projections with 0% increase with the exception of new construction and refunds
 - Updated revenue and expenditure projections
 - Updated benefit rates for Wages
 - Updated revenue projections with more current history and events as a base
 - Baseline Adjustment and New Program Requests
 - Updated Beginning Balances
- 2017-18 General Fund adjustments
- 2017-18 General Fund Operating Budget
- 2017-18 Budget Changes - Other Funds
 - Beginning Balance Adjustments
 - Baseline Adjustment and New Program Requests

- Capital Project Updates from CIP
- Various Wages and Benefit Changes
- 2017-18 total funds - \$81.5 million

Mayor Erickson said this was really well done by the Finance Department. She thinks of capital expenditures are investments in the City.

Councilmember Nystul said budgeting is an art and not a science. We rely upon our staff to pay attention to what is going on. We cannot build a trigger on the revenue side. Expenditures are controlled. There are 85 different lines in the revenue and it comes in at different times. We concentrate generally on the General Fund which is \$12MM, but there is an additional \$25MM that we need to cognizant of. The Council hasn't observed the proprietary funds in the past, to make sure they do more than break even to cover debt service. On the expenditure side, we never spend 100%. In 2015, the General Fund was 94.78%, giving a comfort level on the expenditure side of \$600,000. So, he is comfortable with staff projecting the revenues instead of waiting for the carry over in March, and is happy about this change. He is interested to see what the two-year budget looks like.

Councilmember Thomas said good job on all the work. Switching to the biennial budget is a big move. It has been relatively painless. He attributes that to staff.

Motion: Move to approve the City of Poulsbo's 2017-2018 budget.

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

Motion carried.

7. COUNCIL COMMITTEE REPORTS

Public Works Committee: Councilmember Lord reported they discussed the following items: contract amendment for the Liberty Bay and Village Pump Stations (need to complete the design as desired, and move forward with bid); utility adjustment request for a commercial account (policy being developed for one-time forgiveness per parcel if warranted and if approved by the Council); systems telemetry project update (moving to phase 2) underground utilities (need to update franchise agreement with PSE); Bond Pump Station (new amendment to scope of work); and Lincoln Well 1 and 2 (treatment of manganese scope of work/change of contractor).

Community Services Committee Meeting: Councilmember Thomas reported they discussed the Twilight Criterium; reviewed a special event work book which will assist people who want to have special events in the City; Poulsbo Skate Park proposal; bench program update; project to build a gravel pathway on 4th Ave with NKHS Interactive Club; WA Conservation Corp Crew is coming to help in Fish Park and American Legion Park. Councilmember Lord added their volunteerism is equivalent to \$5,000.

8. DEPARTMENT HEAD COMMENTS

None.

9. CONTINUED COMMENTS FROM CITIZENS

Ms. Rita Hagwell said proposed Road M is Marilane Road. She said conceptual is okay if there are good people working for the City and on the Council. She hopes something can be done about items on her submitted document no. 4. She does not want her land to be a trail. There is a very good map, it shows how steep the land, it is too dangerous to be a trail. She hopes there is no sewer interfering with her water.

Ms. Jan Wold said she is happy the Council is recognizing the importance of parks and wildlife in Poulsbo. She said it is misleading to not show the potential of the Edward Rose development. If it is a master plan and it does not show in this comp plan, she thinks that is misleading to the public and developers. She would encourage the City to put an asterisk on the plan and note the development, because it is a 15 percent increase for the whole population of Poulsbo.

10. COUNCILMEMBER COMMENTS/BOARD/COMMISSION REPORTS

Councilmember Thomas asked everyone to be safe out there; it is a wonderful community to spend this time of year. We live in a great community.

Councilmember Lord said they try to do what they can as a City to give back to the citizens, so the Bremerton Symphony Youth Orchestra will be performing for the last Council meeting of the year. She encouraged everyone to come down for a free concert.

Mayor Erickson noted she is taking some time off at the end of the year, so her Saturday office hours for the last two Saturdays in December will be cancelled. Tomorrow she will be at PSRC. East King County is upset about conditional certifications of their plans. She noted there has been a homeless housing group meeting over the last year in the City. The County group started a couple of months ago. They have a finance subcommittee, which she will be running to put financial models together to fund housing. She will be working with Stuart Grogan (HK), Kurt Wiest (BHA), and Monica Bernard (KCR).

11. ADJOURNMENT

Motion: Move to adjourn at 9:18 PM,

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

Motion carried unanimously.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk