

POULSBO CITY COUNCIL MEETING OF MARCH 1, 2017

MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, Director of Engineering Kasiniak, City Engineer Lenius, Public Works Superintendent Lund, Parks & Recreation Director McCluskey, Transportation Engineer Bateman, Engineering Technician Roberts, IT Senior Technician Williamson.

MAJOR BUSINESS ITEMS

- * * * Approval of February 1, 2017, Council Meeting Minutes
- * * * Payable Disbursements for January 2017
- * * * Budget Amendment/BA#17-0101 Small Anderson Parkway – Phase II Project (water)
- * * * Budget Amendment/BA#17-0102 Small Anderson Parkway – Phase II Project (storm)
- * * * Approval of February 8, 2017, Council Meeting Minutes
- * * * Resolution No. 2017-004, Proclaiming a Local Emergency from 2/15/17 to 2/18/17
- * * * Comcast Night Work Request
- * * * Evergreen Mountain Bike Alliance MOU Amendment
- * * * Contract with RH2 for Central Interceptor Project (I&I Repair)
- * * * Contract with BHC for Central Interceptor Project (Storage Evaluation)
- * * * Solid Waste Evaluation

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Erickson called the meeting to order in the Council Chambers at 6:30pm 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. EXECUTIVE SESSION

At 6:32pm, Mayor Erickson recessed the meeting into a 15-minute Executive Session for the purpose of discussing potential litigation pursuant to RCW 42.30.110(1)(i).

At 6:47pm, Deputy Mayor McGinty recessed the meeting into a 15-minute Executive

Session for the purpose of discussing real estate matters pursuant to RCW 42.30.110(1)(c).

At 7:02pm, Mayor Erickson reconvene the Council into open session.

Transportation Engineer Bateman displayed a map of a city-owned property near the library and the public works yard. There is a survey hiatus in between where the two surveys don't meet. The City owns the lower properties and will be proceeding with an action to clear up the hiatus

Motion: Move to authorize the City Attorney to file a quiet title action regarding the library property hiatus as discussed in executive session.

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

4. COMMENTS FROM CITIZENS

Mr. Bill Austin displayed an image of the construction of the waterfront gazebo. He noted two pillars are rotten and is willing to help fix it. He discussed the PW department has donated zinc that was supposed to be installed on the gazebo.

Mayor Erickson said the City was aware of the pillars needing to be replaced, and that it is in the Public Works 2017 workplan. They have \$5,000 budgeted to fix the pillars. She also talked to Jeff Archer about the zincs today. She supports seeing how we can make it work.

5. MAYOR'S REPORT AND COUNCIL COMMENTS

Councilmember Stern said he attended the AWC City Action Days with Mayor Erickson and Councilmember Henry. They met with legislators that week. He also passed out a brochure from AWC to guide cities when working with the legislature for protecting the interests of the citizens and the community.

Councilmember Thomas said he hopes to join next year at the AWC Action Days.

Mayor Erickson reported on the Harrison Hospital hearing last week. She noted she testified as a citizen, not as the Mayor, that she supports the new hospital and she hopes they treat the City of Bremerton with respect in how they handle the old hospital building.

Mayor Erickson also reported they had a good and productive time in Olympia during the AWC Action Days.

Councilmember Lord agreed with the Mayor regarding the new hospital proposal. She also feels we must support our sister City to encourage some good utilization of the old hospital if they abandon it.

Councilmember Henry reported last week the Suquamish Tribe had open houses regarding Liberty Bay being cleaned up and now they are able to begin commercial shell fishing.

6. CONSENT AGENDA

Mayor Erickson noted there was a minor change to the February 1, 2017 minutes in the teal folders for Consent Item 6a.

Motion: Move to approve Consent Agenda item a as amended and items b through e.

The items listed are:

- a. Approval of February 1, 2017, Council Minutes (Fernandez)
- b. Payable Disbursements for January 2017 (Booher)
- c. Budget Amendment #17-0101 Small Anderson Parkway – Phase II Project (water) (Booher/Kasiniak)
- d. Budget Amendment #17-0102 Small Anderson Parkway – Phase II Project (storm drain) (Booher/Kasiniak)
- e. Approval of February 8, 2017, Council Minutes (Fernandez)

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

7. BUSINESS AGENDA

a. **Resolution No. 2017-04, Proclaiming a Local Emergency from 2/15/17 to 2/18/17**

Public Works Superintendent Lund presented the agenda summary, noting on February 15, 2017 there was a significant rainfall event causing flooding and damage in the City of Poulsbo. On February 16, 2017, the Public Works Superintendent notified the Mayor of the resulting damage. In particular, the heavy rain plugged the storm pipe under Front Street at the intersection of Torval Canyon, which resulted in a partial collapse of the pipe, flooding, sliding of the hillside next to Liberty Bay Auto, and failing of portions of Front Street. This necessitated immediate repair work to ensure public safety and the continued transportation function of the road and constituted an emergency per the PMC, RCW, and the City's Emergency Operations Plan. Accordingly, the Mayor issued Emergency Proclamation No. 01-2017, in

accordance with PMC 2.60.010 (A) and the City's Emergency Operations Plan. The Proclamation permitted the involved departments to proceed with acquisition of services, materials, and equipment, as well as awarding of any contracts without going through the competitive bidding process that might otherwise be required. Sound Pacific Construction was retained to complete the work, along with Public Works staff. This resolution ratifies the proclamation and confirms written findings of the existence of the emergency.

Next steps to finish the project are to repair the asphalt road, repair the hillside, and compile all costs and submit for potential reimbursement from the State for emergency relief funding. The estimated total cost is \$55K-\$60K.

Councilmember Stern said it was a great triage. It was a disaster averted.

Councilmember Musgrove asked if there are other sites that we might need to investigate. Public Works Superintendent Lund said there are a lot of sites in town they are discovering with the video camera. They are itemizing items and putting together a plan.

Mayor Erickson thanked the citizens for being sympathetic to the situation.

Motion: Move to approve and adopt Resolution No. 2017-04, proclaiming a local emergency from February 15, 2017 to February 18, 2017.

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

Motion carried.

b. Comcast Night Work Request

Engineering Technician Roberts presented the agenda summary, noting Comcast will be overlashing a fiber to an existing aerial line between Lincoln road and the south side of Hostmark street along the highway. There will be short lane closures on Lincoln and Hostmark and the remainder of the work will be conducted using parking lots along SR305. The contractor already has permission to use the parking lots, however the City feels this work best be done at night to minimize traffic disturbance and disturbance to local businesses. The work will be conducted with a truck so noise will be typical of highway traffic noise levels. In addition, the entire overlash will only take one night to complete.

Councilmember Nystul commented regarding getting Comcast to change the display title on the Bremerton Kitsap Access Television programming. Right now, it says Poulsbo City Government. He asked if he has opportunity to communicate with any of the Comcast folks, our IT Manager would like to talk to them.

Councilmember Musgrove said this was discuss in Public Works Committee and they recommend approval. They are settling towards a policy that applications of night work are preferred, because it inconveniences a few during the night, instead of many during the day.

Motion: Recommend approval for Comcast contractors to conduct night work in accordance with PMC 15.32 to minimize traffic disturbance and disturbance to local businesses along the highway.

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

Motion carried.

c. Evergreen Mountain Bike Alliance MOU Amendment

Parks & Recreation Director McCluskey presented the agenda summary, noting the City Council approved a MOU with Evergreen Mountain Bike Alliance on September 9, 2015, for a non-exclusive and revocable license to develop, manage, and operate a pump track at the former Little Valley Ballfield site. Evergreen secured its permits in April 2016, at a cost of \$11,415.50. The park is not yet complete due to a lack of volunteers and funds. City staff has worked with City Attorney Haney to come up with an option so that Evergreen can be reimbursed its permitting fees once the park is complete. This will allow Evergreen to put the funds into pump track development costs. The MOU amendment states that Evergreen will plan, staff, advertise, and sponsor an annual free public event at the Poulsbo Pump Track each year. The Parks and Recreation Director will work with Evergreen on a mutually agreeable event, but it could be educational, a skills clinic, or a competition. In addition, the City has asked Evergreen for a progress report at the end of each month, with the park completed by May 31, 2017.

Mr. Brian Kilpatrick said they are excited to be in the final few months of the project. He had never gone through a SEPA process before. So far at the track they planted trees, stabilized the parking lot, paved the apron and the ADA spot. They have a bathroom on site now, they have the little track built, and they started work to prepare it for planting to create bioretention cells in the small track. The neighbor is happy they have displaced the negative activity that was happening there. They have a new project manager, Chris Holzner, a civil engineer, who has time to work on this project. They are on target to have this completed by May 31, 2017.

In response to Councilmember McGinty, Parks & Recreation Director McCluskey said public access will be just like other parks, open from dawn to dusk. There will be no gate.

In response to Councilmember Musgrove, Mr. Kilpatrick said he has a landscape plan he could provide. They are plants that are typically found in a bioretention cells.

In response to Councilmember Stern, Mr. Kilpatrick said they want to finish by May 31, but they don't have a dedication date yet. But he plans to do a lot of marketing of the event once they have a date.

Councilmember Lord complimented them on their vision and putting this together. It is going to be such a great asset to the community. She said they need to plan a big dedication.

Motion: Move to approve the 2017 amendment to the MOU with Evergreen Mountain Bike Alliance as presented (or as modified).

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

Motion carried.

d. Contract with RH2 for Central Interceptor Project (I&I Repairs)

Director of Engineering Kasiniak gave a presentation on the central interceptor. Presentation highlights included:

- Central Interceptor is 18" sanitary sewer reinforced concrete pipe located on SR 305 between Sol Vei and Johnson Metering Station.
- It is a critical element of our sanitary sewer infrastructure, it conveys all the wastewater from the City to the County, 0.6 MGD (Peak Flows 2.2 MGD), 4,000 lf.
- Recent video inspection showed that the pipe is deteriorated and needs to be rehabilitated.
- Evaluated two options/Replacement vs Pipe Lining
 - Replacement
 - High Cost – 3 times more
 - Much longer construction time
 - Impact to SR 305 Traffic
 - Much more challenging to bypass sewer flows

- Pipe Lining
 - \$300K - \$400K
 - 2 weeks for construction time
- Existing central interceptor peak capacity = 1,250 gallons per minute (gpm) when the Central Interceptor is unsurcharged.
- With new CIPP = 1,660 gpm, (32% increase in capacity)
- Contract with RH – Pipe Lining
 - Develop As-built- drawings of Existing System
 - Prepare Preliminary Plan Sheets
 - Prepare Preliminary Cost Estimate
 - Prepare Traffic Control Plans for WSDOT
 - 95% Plans, Technical Specification, Bid Documents
 - Attend Pre-bid meeting
 - Respond to questions from bidders
 - Prepare Addendum

Councilmember McGinty asked how long we can expect to maintain the newly-gained capacity. Director of Engineering Kasiniak said they will monitor the capacity. The liners are very tough. It should last as long as a PVC pipe. Eventually we'll need the off-site storage facility. Hopefully, this can be delayed with efficiency improvements.

Councilmember Musgrove said he loves to see creative fixes that improves our position. In response to Councilmember Musgrove, Director of Engineering Kasiniak said the RH2 contract will develop the complete bid documents and plans that are ready for construction. They plan to spend \$300K-\$400K for the liner.

In response to Councilmember Thomas, Public Works Superintendent Lund said the substance of the liners is like a very hard fiberglass, almost like PVC. It cures and bonds to the existing structure. Director of Engineering Kasiniak said he is confident the liners will carry the load.

Councilmember Lord said this fix is remarkable. The Public Works camera has given shocking images of how deteriorated the pipe really is. This needs to be taken care of sooner rather than later.

Mayor Erickson said we must take care of our infrastructure. If we don't, we imperil ourselves.

Councilmember Musgrove said it is better to take care of our problems early while it is cheaper. Dealing with the problem after the pipe collapses would be far worse.

Motion: Move to approve the contract with RH2 for the Central Interceptor upgrades in the amount of \$50,126.00 and authorize the Mayor to sign the contract on behalf of the City.

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

Motion carried.

e. Contract with BHC Consultants for Central Interceptor Project (Storage Evaluation)

Director of Engineering Kasiniak continued the Central Interceptor Project presentation, noting the contract with BHC would provide:

- Visibility Study to install 100,000 gallons offline sanitary sewer storage structure.
- Data Collection – flow analysis and GIS mapping
- Alternative Analysis – employ one or a combination of three storage facilities
- Cost Estimate and Method of Construction
- Identified Challenges, Operation and Maintenance Concerns
- Constructability and Permits

Motion: Move to approve contract with BHC for the Central Interceptor Storage Evaluation in the amount of \$22,449.00 and authorize the Mayor to sign the contract on behalf of the City.

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

Motion carried.

f. Solid Waste Evaluation

Director of Engineering Kasiniak gave a recap of all the previous discussions regarding the Solid Waste Utility and whether to keep it in house.

Councilmember McGinty said the Council spent a lot of time with staff going through the spreadsheets in details to make sure they understood what they were talking about. Questions the Council is faced with is: 1) do we want to keep Solid Waste in-house or not, 2) what will the levels of service be, and 3) we need to look at distribution, i.e., commercial vs. residential. He feels we can be competitive in-house, and it would be better for the public to keep it in house. The Council needs to decide tonight how the City will move forward.

Mayor Erickson said she pushed hard at the last council meeting, because the City has been working on this for 15 months. We need to replace garbage trucks and hire staff. It became obvious to herself and staff that we could keep Solid Waste in house and make it cost effective for citizens while providing better customer service. She needs the council to make a firm decision.

Motion: Move to approve keeping the Solid Waste utility in-house and direct staff to move forward with the Solid Waste Comprehensive Plan.

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

Councilmember Thomas said there has been a lot of effort put into this decision by many people. A lot of information was gathered and a lot of analysis was done. Even though in effect there is no fundamental change that is going to happen, it is a wise decision if we move forward in this way. It is progress.

Councilmember Lord said there will be some changes that we will be implementing. We will have a comprehensive plan and a business plan so we can track how we are managing this utility. We have managed it in the past, but not the same way as the sewer, stormwater, and water plans. We have worked really hard on this. The Public Works Committee has had the benefit of discussing all kinds of numbers and scenarios. When push came to shove, when the analysis was done to compare apples to apples, it is interesting how it all shook out. It is best if we oversee our own fate, control what we need to control, and not leave it up the whims of some outside contractor. She is pleased this turned out the way it did.

Councilmember Nystul said it has been an interesting process and one that we have gone through with the other utilities. One of the things the City has been known for is garbage trucks breaking down along the edge of the highway. It is disturbing, and he doesn't think the Council was aware how bad of a condition things were. In 2012, we had \$2.2MM cash to buy trucks, but we didn't. It was a problem with management. We have made a profit in 2014 and 2015, but in 2016 we changed the Solid Waste process, which is good, after all we invested \$800,000 in the transfer station. There is a number of things in the financial schedule that are subject to interpretation. The allocation back in 2014 and perhaps in 2015 really were not accounting for labor properly. That is one of things going forward that he has full confidence in our staff that they will be looking at. On the comparison to the two private contractors who made a proposal, the only point that he tends to disagree in the numbers is that we required them to have a 20% allocation to pay the City. The numbers are close enough to make a decision. The intangibles are perhaps the most

important: having local control and managing our people. The unknown is that we need to do a risk assessment. The federal rules--who knows what those folks are going to do. We have some assurance that the transfer station in Kitsap County will remain in operation. There are a lot of us on the peninsula that rely on that. He is comfortable with the decision, but there are opportunities to fine tune the financials. He concurs with the motion.

Councilmember Stern said this goes back to 15 years ago when there was a long conversation about exploring those enterprises that lended themselves to privatization. In those days, one department supported the other, and there was sharing of staff and cost. The whole exercise was worth it. We have gone from operating a garbage department to developing a business model. Now we can move forward with the certainty of a business model that protects the rate payers, carries out the function, and justifies the exercise.

Councilmember Musgrove appreciated the opportunity for all the work that Public Works and Peter has done on these numbers. The numbers is where the answers are. The numbers must support your decision. We are in a unique position. We are making a \$40MM 20+ year decision. We are fortunate in a way that our RFP was highlighted by a lack of response, which sounded even more dangerous that we might hand this off to someone who didn't even answer our first question adequately. The bottom line is that privatization might be useful in many segments of government. Sometimes though, we have few private operators to fall back on. You get choice 1 or choice 2, if you are lucky. You really don't have leverage, and you cannot get it back if you let it go. What he was looking for when looking at the numbers was an actual answer of what is the best value for our residents. That is the answer that he got. Holding the utility in-house and running it as a business is the best thing for our residents. This is a perfect opportunity to streamline things and upgrade equipment. He appreciates the one week delay, it answered a lot of questions. He is excited about this moving forward.

Councilmember Henry said his main concerns is customer service and giving them somewhere to turn when things are not working correctly.

Motion carried.

8. COUNCIL COMMITTEE REPORTS

Finance-Administration Committee: Councilmember Stern reported the financial report will be distributed monthly, and that they are discussing the exempt salary review. He polled the Council if there would be a benefit to printing the committee minutes for Council distribution. The Council agreed having the minutes on the website was satisfactory.

Economic Development Committee: Councilmember Lord said she attended the HDPa meeting with Councilmember Musgrove and the Mayor last night. HDPa is trying to regroup. They are committed to make sure it remains healthy and viable. They did broach the subject with HDPa for fire protection for the downtown properties. The issue was raised that the properties are very vulnerable.

9. DEPARTMENT HEAD COMMENTS

Public Works Superintendent Lund thanked the Council for making a decision tonight.

Director of Engineering Kasiniak said Anderson Parkway is almost complete; hopefully paving will be done at the end of next week. He also reported they are installing pressure reducing valves on Viking Avenue.

Mayor Erickson thanked Peter for working diligently on this. She also announced the City received the letter of no further action on the old city hall pad.

10. CONTINUED COMMENTS FROM CITIZENS

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

11. COUNCILMEMBER COMMENTS/BOARD/COMMISSION REPORTS

Councilmember Stern said it was a productive meeting. Not only did we take out the garbage, we have a silver lining for an old pipe, and we are pumped about the bike track. Councilmember Thomas said he has been hearing from citizens outside of Poulsbo about the Franciscan CHI Certificate of Need Hearing. He appreciates they are worried about the hospital leaving Bremerton and how it is going to affect drive time to the new facility. However, if they put themselves in our shoes in the northern part of the County, he feels Silverdale is a more central location. It is a thing of balance. He would like to see the current facility used in some way for urgent care.

Mayor Erickson noted that a fire chief from Mason County testified moving to Silverdale would be faster for them to get from Mason to Silverdale, than it is from Mason to East Bremerton. It is faster for us in Poulsbo to get to Port Orchard than it is to get to the East Bremerton location. The location in Bremerton is difficult. They are on a 7-acre campus, and there isn't enough parking.

Mayor Erickson said the City is going to add more content to the City website for HDP and LTAC. This will provide a little more transparency and openness, because people don't know how that works. She noted the Social Services Committee Workshop has been bumped to April in order to arrange schedules for speaker availability.

Councilmember Lord announced the NKSD superintendent candidates have been narrowed down to three. Next week they will be visiting and there will be opportunities to meet with the candidates.

Councilmember Henry reported he attended the realtors award luncheon this afternoon. The County is having a big problem with water and new regulations coming out. He also noted taxes are being raised by the State of Washington.

12. ADJOURNMENT

Motion: Move to adjourn at 8:39 PM,

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

Motion carried unanimously.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, CPRO, City Clerk