

POULSBO CITY COUNCIL MEETING OF MAY 3, 2017

MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, Director of Engineering Kasiniak, Police Chief Schoonmaker, Deputy Chief Pate, Senior Engineering Technician Hart, IT Senior Technician Williamson.

MAJOR BUSINESS ITEMS

- * * * Welcome Home Day Proclamation
- * * * Approval of April 5, 2017, Council Minutes
- * * * Approval of April 19, 2017, Council Minutes
- * * * Health District Contract for Services Renewal
- * * * Debt Issue with State Treasurer LOCAL Program
- * * * Set Public Hearing for 6-year TIP 2018-2023
- * * * Poulsbo Village and Liberty Bay Pump Station Improvement Contract
- * * * Anderson Parkway Phase 2 Change order Signing Authority 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

Motion: Move the approve the agenda as presented.

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

Motion carried.

3. COMMENTS FROM CITIZENS

Ms. Hagwell discussed the concerns she has with her neighbors regarding Marilane Lane. She wants the Mayor to write a letter that says the City cannot do anything regarding her concerns so she can give it to her lawyer.

4. MAYOR'S REPORT AND COUNCIL COMMENTS

Councilmember Thomas reported on the US Navy outreach meeting he attended yesterday at NK High School. They are proposing to expand training activities sites for their special warfare teams.

Councilmember Stern reported on the Western Washington University board meeting, the new building being constructed for WWU, the new student open house last night, and the cyber security program.

Councilmember Nystul spoke regarding the Navy's public hearing process. He said they have been doing these kinds of activities for years and they don't leave an impact.

Councilmember Lord said Olympic College had a job fair today with 50 different businesses networking with students. These job fairs are done several times a year and they are open to the public.

Mayor Erickson said the Port of Poulsbo requested a joint meeting, possibly June 28, and they would prefer to do it at an alternative location (possibly the Sons of Norway). It would still be an open public meeting. The Mayor will work towards scheduling the meeting.

Mayor Erickson reported she attended the 20th anniversary celebration for Coffee Oasis at the Poulsbo Community Church (another proposal will be coming to Public Safety/Legal for another partnership with Coffee Oasis); the "The Big Give" happened last night (\$1.6MM raised, and \$54,800 went to Morrow Manor); the \$1 house closed; received the cash disbursement from the buyers of the City Hall pad (wrote a check to the County for 25% of the proceeds); last Wednesday was a public meeting regarding the old Poulsbo police station (25 units, two stories, with understory parking, the City Hall pad is 75 units and four stories); and the Poulsbo Garden Club has a plant sale on Saturday May 6, 9am-2pm.

a. Welcome Home Day Proclamation

Mayor Erickson proclaimed May 7, 2017, as the Welcome Home Day for Poulsbo's Vietnam Veterans.

5. CONSENT AGENDA

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

The items listed are:

- a.** Approval of April 5, 2017, Council Minutes (Fernandez)
- b.** Approval of April 19, 2017, Council Minutes (Fernandez)

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

6. BUSINESS AGENDA

a. Health District Contract for Service Renewal

Senior Engineering Technician Hart presented the agenda summary, noting to support compliance with the City's NPDES permit, the Kitsap Public Health District provides water quality assessment and related services. This proposal is a renewal of an existing 5-year contract for services that expires June 30, 2017. She gave a presentation on the Health District Contract for Service Renewal. Presentation highlights included:

- The Health District has provided stormwater quality assessment services to the City since 2009
- The contract services are routine for the Health District and they offer the staff, expertise, and equipment necessary to perform the specialized work
- Typical contract work includes water quality testing & sampling at outfalls and streams and investigations/sampling of suspected or known "hot spots."
- Budget has been approved with annual NTE of \$25,000
- The City Attorney has approved the contract as-to-form and the Health District director is satisfied with the contract as presented.

In response to Councilmember Lord, Senior Engineering Technician Hart said the cost has increased due to the number of samplings having tripled and lab costs have increased.

In response to Councilmember Musgrove, Senior Engineering Technician Hart said the enforcement verbiage of local solid waste and human sewage regulations has been changed to environmental health regulations, because they wanted to be more generic. They are not going to do anything on our behalf that we don't ask them to do, outside of their legal authority. Having this be more generic helps bring in water quality in general. This will make the contract more useful.

Motion: Move to approve the contract with the Kitsap Public Health District for water quality assessment and related services in the not-to-exceed amount of \$25,000 per year for the term of the contract and authorize the Mayor to sign the contract on behalf of the City.

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

b. Debt Issue with State Treasurer LOCAL Program

Councilmember Stern reported this was discussed at the Finance/Administration Committee tonight and they recommend the proposal.

Finance Director Booher presented the agenda summary, noting the City intends to join the next debt issue with the Washington State Treasurer's Office LOCAL

Program. The City's Notice of Intent is to issue debt on behalf of the City in the amount of \$460,000. The debt is for purchasing nine new Police Vehicles and one new vehicle for the City's Building Department - Building Inspector. Many of the City's vehicles are long past their lifespan and newer vehicles are necessary to provide a secure and safe tool for City employees. Replacements have been delays due to lack of resources in prior years. Resources are continuing to grow and the need is to replace a larger number. The City will assume debt payments for four years in lieu of using existing reserves. The amount allocated for annual debt payments is equivalent to 2017 and 2018 budget for the planned purchase of four police vehicles. The issuance of debt will allow the City to purchase a larger number of vehicles sooner to replace the aging fleet. A certificate for reimbursement from bond proceeds is being signed by Finance Director.

Mayor Erickson said effectively we are buying ten cars, no cars will be purchased for four years for Engineering and the Police Department. If this is approved tonight, then staff can make the order for purchasing the cars. Before the final purchase occurs, it will be brought before the Council for approval with the exact amount and the list of the cars that will be purchased.

Motion: Move to authorize the Finance Director to sign and submit Notice of Intent and Credit Application to the Office of the State Treasurer LOCAL Program with the intent on issuing \$460,000 of debt to be utilized to purchase City vehicles.

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

In response to Councilmember McGinty, Finance Director Booher will clean up the credit application and have actual amount on there once she knows the number.

In response to Councilmember Nystul, Chief Schoonmaker said one of their vehicles was being towed yesterday. He thanked Finance Director Booher, Deputy Chief Pate, Sergeant Leeming and Councilmember Nystul for all of their work on this project. It is certainly a need that has been identified and he appreciates the Council's consideration in this matter.

Councilmember Musgrove thanked the Police Department and Councilmember Nystul for the analysis. He mentioned if we cannot secure a fleet tracking program to manage the fleet moving forward, he asked that we continue to collect the data, such as maintenance costs. He said the retail value would increase if we save the backseats and any other items that are taken off when they are converted.

Mayor Erickson said the reason why the City is buying all of these police cars at one time is because when we were in the recession, one of the things we cut was buying new cars. We fell behind on our replacement cycle. We now have a tsunami of old vehicles falling apart. We are making up for the last five years.

Councilmember Lord said there is heavy use that happens to these vehicles. In order for the vehicles to be safe, they have to be in tip-top shape. They have heavy, odd use put to their transmissions, engines, and brakes.

In response to Councilmember Henry, Mayor Erickson said the City is looking at purchasing the vehicles from the State pool.

Motion carried.

c. Set Public Hearing for 6-Year TIP 2018-2023

Director of Engineering Kasiniak presented the agenda summary, noting the six-year Transportation Improvement Program contains a total of eleven transportation projects. Top priorities include improvements to Noll Road along the length of the corridor. The Council is asked to set a public hearing for the TIP for June 7, 2017.

In response to Councilmember Nystul, Director of Engineering Kasiniak said putting the Fourth Avenue sidewalk on the list would be based on priorities and funding, the City's funds are very limited. The Mayor has a substitute proposal that is cheaper, and Transportation Engineer Bateman is working on that project. Mayor Erickson said we don't have the money for the sidewalks, so the City is going to grade areas on both sides in order to create a six-foot wide crushed gravel trail. She is hoping to get that done by the end of June.

In response to Councilmember Nystul, Director of Engineering said there are some State funds and Federal non-motorized funds, but a project of this type does not score high enough because there isn't heavy pedestrian traffic, and it is not near a school.

Motion: Move to set the public hearing date for the six-year transportation improvement program for June 7, 2017.

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

Motion carried.

d. Poulsbo Village and Liberty Bay Pump Station Improvement Contract

Director of Engineering Kasiniak presented the agenda summary, noting the Poulsbo Village Pump Station Upgrade & Liberty Bay Pump Station Improvement project opened bids on Monday, April 17, 2017. This project involves the upgrading of two existing pump stations. The existing Village Pump Station will be demolished and the

station will be rehabilitated with a new emergency generator, new submersible pumps and electrical upgrades. This will accomplish increased reliability and capacity to the pump station. Liberty Bay Pump Station will have existing above grade pumps removed and new submersible pumps in wet well installed. The I&I at the station will be sealed and repaired. As previously presented:

- Staff recommends a budget increase of \$193,000 for the Village Pump Station Upgrade from Sewer Reserves.
- Staff recommends a budget increase of \$115,000 for the Liberty Bay Pump Station Improvements from Sewer Reserves.

Five bids were received, and the lowest combined responsive bid of \$1,472,590 was from Harbor Pacific Contractors. The Engineer's Estimate was \$949,000.00 for Poulsbo Village Pump Station and \$627,000.00 for Liberty Bay Pump Station - for a combined estimate of \$1,576,000.

Councilmember Lord said this was vetted through the Public Works Committee and they recommend approval. These are vital elements to get accomplished, and we received good bid responses.

Motion: Move to approve a future budget amendment in the amount of \$193,000.00 for the Village Pump Station and a future budget amendment in the amount of \$115,000.00 for the Liberty Bay Pump Station.

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

Motion: Move to approve the construction contract with Harbor Pacific Contractors for the Poulsbo Village and Liberty Bay Pump Station Upgrades project in the amount of \$1,472,590.00 and authorize the Mayor to sign the contract on behalf of the City.

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

Motion: Move to approve authorization for the Mayor to sign change orders up to 10% over the approved contract amount for Harbor Pacific Contractors.

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

e. Anderson Parkway Phase 2 Change Order Signing Authority Update

Director of Engineering Kasiniak presented the agenda summary, noting due to changes in the project limits, the change orders for the construction of Anderson Parkway Phase II project have exceeded the \$25,500.00 approval limit for the Mayor. Engineering is asking for an increase to the signing limit so that all of the change orders may be signed by the Mayor. The overall approved budget for the project has not been exceeded.

Motion: Move to approve authorization for the Mayor to sign \$24,018.20 in change orders for Sound Pacific Construction.

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

Motion carried.

Director of Engineering explained the delays on this project. He said the project missed its deadline by two weeks. The delays were associated with the terrible weather. The City was lucky in the beginning, because they were able to do the deep excavation on the sea wall when they had decent weather, but then they had a long period of really bad weather, so they couldn't seal the project and pave. Pavement is sensitive to weather conditions, so they had to wait for better weather conditions.

7. COUNCIL COMMITTEE REPORTS

Finance-Administration Committee: Councilmember Stern reported they discussed the disbursement on the proceeds of the old city hall (net proceeds \$651K after disbursement to Kitsap County). Finance Director said the proposed uses would include: water front bathrooms, \$250K; house demos, \$110K; and new public works site grading and paving, \$100K (with money also coming from the Utility Fund to grade the site, build the detention pond, and have a space for Public Works vehicles – Phase 1). Councilmember Stern also said the committee received a monthly sales tax report, which continues to track, and REET is also tracking, although it is a little more uneven and seasonal.

Community Services Committee Meeting: Councilmember Lord reported they had a special meeting to discuss scope change of the Viking Fest permit. Viking Tour was added to Viking Fest permit this year. The first concern was the timeliness of when the application was submitted to the City, and didn't allow for a lot of time for the City to vet the request. The unintended consequences of last minute changes to recurring events caused a lot of angst. The changes have impacts on various parties. HDPA, Rotary and Viking Fest representatives attended the meeting. They discussed the situation and how to accommodate the concerns. Last year, the Tour's start and stop was on Viking Avenue

at Fishline. Fishline was anticipated to be breaking ground on construction at this time, so the tour was proposed to be moved to Little Anderson Parkway this year. This would have removed the parking stalls in Little Anderson Parkway. The interested parties got together earlier today, and the final proposal is to relocate the tour headquarters to City Hall on the outside patio and Moe Street. More information will come before the Council for approval next week. It has been vetted and the Committee recommends its approval.

Mayor Erickson said she wants the downtown merchants and Rotary members to work collaboratively together. She said Viking Fest is a long held valuable institution in our community. It is deeply beloved by most people in North Kitsap. The Viking Tour, going on their third year, expects 400 riders, raising a large sum of money for the Poulsbo Rotary. She feels a good compromise was reached.

Councilmember Lord noted the Historic Downtown Poulsbo Merchants also raised money for Morrow Manor. She said this highlights something we need to clarify: the process of approving recurring events. It has been the intent that if they are the same as the previous year and the City endorses it, they can move forward without any problems. However, when significant changes happen to an event, it takes people time to digest the changes and find solutions. The permit was not received in a timely way, and the tag on with the Viking Tour complicated everything. The City needs to make sure we have a process understood by all the players that we get information way sooner than later, at least 90 days. When you run out of time, it makes it very hard. The committee is going to encourage a good dialogue, especially with Viking Fest, because a carnival will be problematic next year. She thanked the Mayor for coming up with a solution.

Councilmember Stern said the City has worked hard to encourage shoulder events. The Sunday of Viking Fest gets slow, so Rotary tried to come up with an event for Viking Fest to extend the entire benefit of the festival. The shoulder events have always been a target of the hotel-motel tax.

8. DEPARTMENT HEAD COMMENTS

Director of Engineering said Finance Director Booher, Public Works Superintendent Lund, and himself met with Kitsap County Sewer Division. In the Fall, they are coming to present the capital improvement plan. They talked about the need to upgrade our agreement with Kitsap County.

Finance Director said the State Auditor is in the building now performing the City's annual audit. The Entrance Conference is May 15, and a representative from the Finance/Administration Committee will be attending.

City Clerk Fernandez requested the Council appoint three delegates for the AWC Annual Business Meeting in June. The Council appointed Councilmembers Henry, McGinty, and

Stern. City Clerk Fernandez will check on when they need the City flag to be sent down for the event.

9. CONTINUED COMMENTS FROM CITIZENS

Ms. Rita Hayward said she would like the Mayor, City Council, or somebody to write her a letter saying the City cannot get involved because it is private property. She is also concerned about trails being put on her property.

10. COUNCILMEMBER COMMENTS/BOARD/COMMISSION REPORTS

Councilmember Thomas said the proclamation today was very much appreciated. He invited any Vietnam Veterans to drop by City Hall this Sunday, May 7, between 12-4pm, with a personal thank, a handshake, and donuts. He talked to the American Legion Post 245, and they will also have a couple members at City Hall. They will distribute recognition items.

Councilmember Musgrove said he has made his Welcome Home sign to put up downtown. He thanked everyone who was involved in making the Viking Fest and Viking Tour work out.

Councilmember Stern said a slightly revamped business agenda is coming soon before the Council for approval. It will move the Council Committee Reports higher up in the agenda order.

Councilmembers Nystul and Stern shared the presentation that was given at KRCC by Mr. Craig Helmann regarding data trends. Presentation highlights included: How Kitsap County and the region have grown since 2010; where residents live and work; how transit ridership has changed since 2010; and congestion trends. This is data that the folks at PSRC put together, they'll make modifications, and then present it at the KRCC workshop on June 7 Retreat (focus is regional growth centers).

Mayor Erickson said the Growth Management Act and PSRC want people to live in dense urban centers and leave the rural lands alone. They are not being successful. It is cheaper to buy land in the middle of nowhere than the land prices in Kirkland, Bellevue, Redmond and Seattle. It is getting extremely expensive to put any housing or infrastructure in our urban cores. They are trying to define centers and where cities will be located. If you are city, you will get federal money, and if you are not a city, you won't. If Kitsap County can hang in there, we get more money for transportation each year.

Councilmember Lord expressed her appreciation on the response the police department and school district took today regarding an event that caused a lock down.

Councilmember Henry thanked the Mayor for the proclamation. He remembers it well, though he tries to forget it.

11. ADJOURNMENT

Motion: Move to adjourn at 9:04 PM,

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

Motion carried unanimously.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk