

POULSBO CITY COUNCIL MEETING OF OCTOBER 18, 2017

MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, Director of Engineering Kasiniak, Planning Director Boughton, Public Works Superintendent Lund, Parks & Recreation Director McCluskey, Police Chief Schoonmaker, IT Manager Stenstrom.

ABSENT: Councilmembers Henry and Musgrove

MAJOR BUSINESS ITEMS

- * * * Budget Amendment BA# 17-0406, Cemetery Headstone
- * * * Purchase of Solid Waste Truck
- * * * Lodging Tax Advisory Committee – 2018 Recommendations
- * * * On Call Contract for Environmental Professional Services
- * * * Set Public Hearing for Mid-Biennium Budget Amendment Ordinance
- * * * Modification Request Presentations

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Erickson called the meeting to order in the Council Chambers at 7:00 PM and led the Pledge of Allegiance.

2. AGENDA APPROVAL

Motion: Move to approve the agenda as presented.

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

Motion carried.

3. COMMENTS FROM CITIZENS

Ivalene Moni thanked the Public Safety/Legal Committee for considering a puppy mill ban in the City of Poulsbo. She urged the Council to adopt an ordinance change to ban the sale of puppy mill pets.

Sue Allison, ED Chamber of Commerce, expressed her concern regarding the process and the recommendation of the Lodging Tax Advisory Committee.

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

Councilmember Lord hopes everyone tries to stay safe with the stormy weather.

Mayor Erickson invited the public to attend Daffodil Planting Day on November 4 at City Hall. She reported the revival of a marathon that happened on Sunday morning stationed at American Legion Park. She welcomed new businesses opening in Poulsbo.

Councilmember Stern asked citizens to make an extra effort to rake out leaves in drains near their homes.

5. **CONSENT AGENDA**

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

The items listed are:

- a. Budget Amendment BA# 17-0406, Cemetery Headstone
- b. Purchase of Solid Waste Truck

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

6. **BUSINESS AGENDA**

a. **Lodging Tax Advisory Committee – 2018 Recommendations**

Parks & Recreation Director McCluskey presented the agenda summary, noting Poulsbo's Lodging Tax Advisory Committee met on September 27 to hear presentations by the six organizations requesting 2018 Lodging Tax funds. The LTAC then met October 5 to discuss and make recommendations on funding levels on these requests. This open meeting was for deliberations only, and the applicants were not required to attend. The amount to be awarded in 2018 was first estimated to be \$110,000; but due to increased revenues and 2016 carryover, staff requests this amount be adjusted to \$135,000 through the mid-biennium review. The City Council has committed to spending all available dollars above the fund's "Reserves" level as set by the City Council.

Councilmember Nystul discussed the function and composition of the Lodging Tax Advisory Committee and reviewed the statute requirements and the council's ability

to accept or reject the recommendation. He said the committee had requests for over \$207K, and \$135K available to allocate, which meant a 35 percent reduction. They did not feel making a blanket cut of 35 percent to every application was the logical thing. They went through each of the applications and reached a consensus amongst the committee as to the levels of funding. He pointed out the committee did not make any specific recommendations to any entity who received funding as to how to spend their dollars. It is up to each entity to decide how to allocate amongst themselves.

In response to Councilmember McGinty, Councilmember Nystul said everyone who applied received funding. He clarified the funding between HDPa and PMC for 2017 and 2018.

Councilmember Thomas said he attended the presentations of the applicants, and he was impressed with the committee. At Community Services Committee (CSC), they had some of the members of the some of the groups who applied for the funding attend the meeting, and they asked the CSC to reconsider the recommendation. The CSC felt it was not appropriate for them to do so, because the recommendations go from LTAC straight to the full Council. He said as a policy maker, he can answer in his mind the concerns expressed by some of the applicants, and he is favor accepting the recommendation as presented.

In response to Councilmember Stern, Councilmember Thomas said a part of the problem is that there are a couple of coalitions who receive funding, and the coalition has multiple groups together asking for the grant. That makes it difficult for the coalition to divide up the funds when they don't receive their full request. There was also a concern as to the makeup of the committee, but we know that is determined by state law, and the City doesn't get much say as to who sits on the committee.

Councilmember Lord added there were four to five people who attended the Community Services Committee (CSC) meeting who were part of the Poulsbo Marketing Coalition. However, the issue became apparent not everyone who was part of the coalition was represented. That was a concern of the Committee. It was a difficult meeting, because they did not expect to be lobbied. She felt if a group wants to lobby, everyone that is part of the group should have a chance to say something, so it was a little skewed with no way of truly assessing the full feeling of the Poulsbo Marketing Coalition. She noted this was the first year that LTAC has had to meeting

more than once, or twice. They met three times, and this was a difficult situation when there are more requests for funding than what can be allocated. She noted the Poulsbo Marketing Coalition (PMC) presented a matrix to the Community Services Committee that gave a breakdown to the seven participants of the coalition, and presented arguments that their recommended allocation was not appropriate for the seven pieces. The committee only had an hour, and they allowed everyone who was present have their say.

Councilmember McGinty questioned how the number for Item 3 was arrived at. Councilmember Nystul said this organization was brand new in 2016 and they thought it was worth giving some seed money to their digital technology project. They looked at what their understanding was where the product was used, and noticed in passing what their spending was at three quarters through 2017. They feel it is a good technology that has potential. If they come back next year with a clearer demonstration of all the uses, it could get more funding. He also noted the first four applicants had funding from other sources.

Councilmember Stern said \$93,500 seemed to satisfy the Poulsbo Marketing Coalition last year, which HDPa was a part of that coalition. This year the HDPa is separate from the Poulsbo Marketing Coalition. When he adds both applicants recommended allocations, it is a 10% increase over last year's granted amount, which seems reasonable. He is trying to understand how a 10% increase in the aggregate is now causing deep concern for the PMC.

Mayor Erickson noted there was some concern expressed about being able to fund Viking Fest if this allocation stays. She said the Council might need to be prepared later on this year to come up with more money if in fact we don't have enough funding for fireworks.

Councilmember Nystul said from the grant application last year and this year, they have no ability to answer Mr. Stern's question.

Mayor Erickson said they use to go to Port Madison Enterprises (PME) every year for the third of July fireworks, and PME said that was going to end.

In response to Mayor Erickson, Finance Director Booher said Parks & Recreation Director McCluskey asked to bump up the amount to \$135K, because numbers have been tracking higher, and this leaves \$20,000 in reserves. It could come in a little higher, but it has already been bumped up.

Councilmember Lord said that cushion of money is held in case there is an emergency request that may need funding that fit the parameters of the lodging tax. They are not trying to hold the money from helping promote tourism. It was a number derived by the Council as being prudent.

Mayor Erickson asked if the Council wanted to consider using the same reserve policy for this fund that they do for other funds.

Councilmember McGinty said when they were doing the Centennial Planning, they were running the reserve at \$80K. They lowered it to \$20K for projects that come forward midyear, like the Maritime Museum. The money is for projects that would not be able to happen if the City wasn't ready to move on them. That is why that amount has been left in there. He feels \$10K would be too low.

Finance Director Booher said the projected fund balance for the end of the year is \$49K. That is why Parks & Recreation Director McCluskey brought the recommendation forward to spend more than the projected revenues.

Motion: Move to approve the 2018 grant applications of the Lodging Tax funding LTAC recommendations as on the screen.

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

Motion carried.

b. On-Call Contract for Environmental Professional Services

Planning Director Boughton presented the agenda summary, noting The Planning and Economic Development Department is seeking to renew the City's on-call professional services agreement with Grette Associates to assist City departmental staff with environmental and critical area review. The PED has used Grette Associates for many years, and the current contract will expire in early November 2017. The scope of work has been modified to include review of new environmental/critical area studies that were identified in the Critical Areas Update. Grette provides the required peer-review of developer submitted wetland, and fish and wildlife habitat studies, as well as provides consultant services to City-initiated environmental, critical area or shoreline code updates.

Motion: Move to authorize the Mayor to sign an on-call contract with Grette Associates to provide environmental and critical area professional services to the City.

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

Motion carried.

c. Set Public Hearing for Mid-Biennium Budget Amendment Ordinance

Finance Director Booher presented the agenda summary, noting The City Council, per RCW 35A.34.130, is required to hold a Public Hearing on the 2017-2018 Mid-Biennial Budget Amendment Ordinance.

Motion: Move to set a Public Hearing for November 8, 2017 at 7:15pm to allow the public time to address the Council regarding the 2017-2018 Mid-Biennial Budget Amendment Ordinance.

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

d. Modification Request Presentations

Finance Director Booher noted this is the departmental part of the Mid-Biennium Budget presentation. There is a budget already established for both years, and this is reviewing where we are at and any possible modifications we will need to make. The council review and approval of mid-year modifications will be in November, and the adoption of the amended budget will be in December.

Finance Director Booher reviewed the changes she is seeing in the Finance Department, which included:

- 2017-18 Adjustments – Revenues
 - Increase revenue for Investment Earnings
 - Property Tax based on updated Assessor values
- 2017-18 Adjustments – Expenditures
 - Wages and Benefits
 - Number of licenses for Office 365
 - Insurance Premium
 - Equipment Replacement
 - Miscellaneous Contractual Changes
 - Actual CPI 3%
 - Auditor Increased rates
 - Debt Payments
 - New Equipment debt
 - Eliminate Anticipated PW Complex Debt
 - CIP Adjustments
 - Primarily moving between years
- Mid-Year New Modification Requests

- Software Upgrade
 - \$6,400 – One-time Cost
- Additional Module for Procurement Cards
 - Would like this approved now for immediate implementation
 - Total Cost \$3,313 – Ongoing cost \$2,148
- Additional Module for CAFR Statements
 - Still Looking for other solutions. Large cost is for training which would be billed as incurred.
 - Total Cost \$38,368 – Ongoing Cost \$13,400
- New Updated Utility Billing Module
 - Working on projected cost

Mayor Erickson presented a new request to fund a City Lobbyist. It is a low priority for funding in 2018 (depends on the cash flow), but this would be a high priority for 2019.

City Clerk Fernandez presented the following requests for the Clerk's Office and Legislative budgets:

- Reconsiderations
 - Office Clerk 1 (1.0 FTE) as a reconsideration for 2018.
 - RMS Software with two options – 1) additional funding for server hosting, or 2) reconsideration of the original 2017 request for 2018.
- New Requests
 - Purchase a new microfilm reader
 - SeeClickFix Upgrade
 - Fireworks Ballot Measure

Planning Director Boughton presented a new request from the second floor to hire a second-floor receptionist (1.0 FTE) to be shared by Engineering, Building, Planning, and Public Works.

Parks & Recreation Director McCluskey presented the following new requests:

- Lodging Tax Revenues are anticipated to collect an additional \$25,000 for 2018.
- Trail Plan Update - \$2,500 for staff overtime and printing costs.
- Marketing professional services to help produce the P&R brochure.

Police Chief Schoonmaker presented the reconsideration of an additional FTE, with a change from police officer to police supervisor. Justifications for the change included:

- Outside Evaluator Recommendations
 - Increase in field supervisory coverage from 66% to over 90% coverage
 - Officers forced to make critical decisions without the resource of a supervisor
- Increase in Field Activity
 - 7.4% increase in calls for service this year
 - Critical tasks – pursuits, tactical situations
- Workload
 - Administrative and collateral assignments take away from time supervising in the field
 - Limits patrol officers access to supervisors in the field
- Professional Experience
 - Most liability issues are generated in patrol at the line level
 - Strong supervision greatly assists in identifying issues, development of our employees, clearer communication and a higher level of professionalism

Public Works Superintendent Lund presented his modifications requests, which included the following:

- General Fund – New Requests
 - Public Works Administration
 - Salaries and Benefits - Addition of a 2nd Floor Receptionist, Public Works share (.25 FTE) of position \$14,610
 - Building Maintenance/Janitorial
 - Repairs and Maintenance - Renewal contract with Air Management Systems for upkeep of the City Hall HVAC. Increase of \$3,600 in 2018.
 - Parks
 - Utilities - Ongoing cost of utilities to Nelson House are expected to increase due to higher occupancy of rental. Increase of \$450 in 2017 and \$1,800 in 2018
 - Streets
 - Parking Facilities – Utility Srvs City - New budget line was added in 2017 to cover the ERU costs of the King Olav parking area. This was previously covered by the old city hall property,

but a new tax parcel was created upon the sale of the old city hall property. This will be an ongoing cost. Increase \$3,500 in 2017 and \$3,600 in 2018.

- Proprietary – Water & Sewer New Request
 - Salaries and Benefits - Re-allocation of Stormwater Tech for GIS mapping of Utilities. Increase \$4,500 per utility. This is not an increase but reallocation of funds.
- Secondary Consideration of Previous Requests Not Funded in 2017-2018
 - Backhoe – shared expense with Streets, Water, Sewer, Solid Waste, and Storm Drain. Total Increase \$115,000 in 2018
 - Compact Push Camera – shared expense between Sewer and Storm Drain. Total Increase \$7,000 in 2018
 - GPS Cameras for Solid Waste trucks. Increase \$6,500 in 2018
 - Capital Replacement of Parks Gator. Increase \$12,500 in 2018
 - .5 Mechanic Assistant – shared expense with Streets, Water, Sewer, Solid Waste, and Storm Drain. Total Increase \$31,500 in 2018
 - .5 Parks Position – shared .3 Parks, .2 Storm Drain with a current .5 Janitorial position. Total Increase \$37,100 in 2018
 - Safety Lighting – shared expense with Streets, Water, Sewer, and Storm Drain. Total Increase \$10,500 in 2018
 - Street Sweeper – Shared between Streets and Storm Drain. Total Increase \$235,000 in 2018
 - Capital Replacement of Parks Mower. Increase \$10,000 in 2018

Finance Director Booher said the next step is for staff to work with the Mayor to receive a recommendation. Those recommendations will be brought to the Finance-Administration Committee for their recommendations. Finally, both recommendations will be brought forward to the Council for final approval to be built into the modifications.

7. COUNCIL COMMITTEE REPORTS

Finance-Administration Committee: Councilmember Stern reported the City Clerk presented proposed changes to the City's Public Records Act Ordinance, Fees Schedule, and Public Records Act Policy & Procedures. The committee recommends approval of all three, and they will be brought forward to the November 1 Council meeting. They also received a recommendation from the Finance Department regarding the Banking Services RFP and an update on monthly sales tax and real estate excise tax.

Public Safety/Legal Committee Meeting: Councilmember Stern reported they discussed banning puppy mills (right now the cities of Bainbridge and Bremerton have enacted the ordinances); discussed "I can't pay" motions regarding civil matters; received a report from Councilmember McGinty regarding the day he spent at Municipal Court; the nine new police cars are coming in and will be operable before year end; and the Deputy Chief position has four good candidates.

8. DEPARTMENT HEAD COMMENTS

Public Works Superintendent Lund thanked the Council for approving the garbage truck on the consent agenda tonight. He has gone out for a request for qualifications for the gazebo roof, but has not heard back from anyone yet. The waterfront bathrooms had a delay, but they hope to have it finished before Thanksgiving.

Planning Director Boughton reported on the draft Land Division Ordinance. A workshop will come to the City Council on November 15.

Director of Engineering Kasiniak gave an update on the Central Interceptor CIPP Project and the several challenges with the project. They will be coming forward in the future for authorization for additional change orders for the project. Mayor Erickson said their primary concern is no spillage.

9. BOARD/COMMISSION REPORTS

Councilmember Thomas participated in a West Sound Alliance conference call, and he sent a report to all councilmembers. He reminded everyone one of the items discussed was the Hwy 305 working group prioritized the project list. An open house is schedule for Poulsbo on October 25 from 6:30-8:00pm.

Mayor Erickson reported Kitsap Transit discussed how the new bus lines are being reconfigured throughout the county by a consultant. They are talking about direct express routes from the north end to the south end of the county, adding a route to Indianola and they encouraged them to look at a route that goes from Poulsbo to Kingston. They also talked about passenger only ferry and a new consultant that has been hired by the ad-hoc committee.

Councilmember Stern said he is still advocating for double-deckers to carry more passengers on SR-305 (they invited Norm Dicks to explore federal opportunities). Regarding the Ad-Hoc Committee for the RP1, the committee is contracting an individual who will do an independent analysis of staffing and systems approach.

Councilmember Stern announced the Intergovernmental Committee will meet on October 25 at 2:00pm.

10. CONTINUED COMMENTS FROM CITIZENS

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

11. MAYOR & COUNCILMEMBER COMMENTS

Councilmember Lord reminded everyone that there are great Halloween festivities downtown.

Councilmember Thomas said government takes place at different levels. He thinks we all recognize that sometimes the business that normally happens at the federal, state, or city level can spread and merge. In principal, he has always felt that things that should be federal should be done in Congress, things that are state things should be done in the legislature, and things that are county things in the county, and so on down to the municipalities. Whenever there are questions about things that belong at a different level, he is going to raise that question. Ultimately though, he believes in pragmatic common-sense solutions. Sometimes you just look at what makes sense for our community. So, he is willing to entertain things that sometimes probably should belong at a different level.

Mayor Erickson said she thinks that local government gets desperate and makes decisions desperately, because the upper layers of government aren't doing what they need to do. Ultimately, all government is local. But when the County, State, or Feds are recalcitrant, we locally end up picking up the pieces a lot of the time. We generally do a good job of it. It is frustrating to see that occurring.

Councilmember McGinty agreed. He finds it frustrating that they sometimes don't do what they need to do and send unfunded mandates on us.

12. ADJOURNMENT

Motion: Move to adjourn at 9:30 PM,

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

Motion carried unanimously.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk