

## POULSBO CITY COUNCIL MEETING OF NOVEMBER 8, 2017

### MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, Director of Engineering Kasiniak, Chief Schoonmaker, and IT Manager Stenstrom.

**ABSENT:** Councilmember Stern

### MAJOR BUSINESS ITEMS

- \* \* \* Budget Amendment/BA# 07-0408 Pump Track
- \* \* \* Central Interceptor CIPP Project Update and Budget and Budget Request
- \* \* \* Public Hearing for 2017-18 Mid-Biennial Budget Amendment
- \* \* \* Modification Requests with Recommendations

#### 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** McGinty.  
Motion carried.

#### 3. COMMENTS FROM CITIZENS

Bill Austin said he was retiring and he would like to turn over decorating the downtown to the City. He also wants to talk about the City taking over the waterfall, and he noted the pavilion is being worked on.

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

Councilmember Lord congratulated Mayor Erickson and Councilmembers Stern and Musgrove on their elections, and she said the library levy passed.

Mayor Erickson said City Hall will be closed on Friday in observance of Veterans Day. She announced there is a large service at the Presidents Hall in Silverdale at 10:30am.

Councilmember Henry said he is pleased with the vote on the library. He announced the Veterans Celebration at Suquamish is Saturday and all veterans are invited.

## 5. CONSENT AGENDA

**Motion:** Move to approve Consent Agenda item a.

The items listed are:

a. Budget Amendment/BA# 17-0408 Pump Track

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

## 6. BUSINESS AGENDA

### a. Central Interceptor CIPP Project Update and Budget Request

Director of Engineering Kasiniak gave a presentation on the Central Interceptor CIPP Project. Presentation highlights included:

- Project Status
  - Project Advertised – July 14, 2017
  - 3 Bids – Low Bidder Insta-Pipe - \$770,000 - Engineering Cost Estimate \$1M
  - Original Schedule
    - Clean & Video Pipe – 3 Weeks – October
    - Order Pipe – 4 to 6 Weeks - November                      Install      Liner
    - Pipe – 3 Weeks                      December
  - Project Challenges
    - Pipe required having cleaning. Contractor removed much more loose material from pipe
    - Challenging access to manholes – need for access road & removal of chlorination station
    - Need for new channels in existing manholes – pipe 18", some channels 12", 14"
  - Changed orders for additional work completed and anticipated \$70K
- Budget Summary
  - Close to exceeding authority to approve change orders.
    - They want to increase contingency by an additional 10%

- Construction management by 5%.
- Total request \$115,500

**Motion:** Move to recommend approval of the proposed budget amendment in the amount \$115,500 and increase the Mayor's authority to sign change orders by \$77,000 to \$154,000.

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

#### **b. Public Hearing for the 2017-18 Mid-Biennial Budget Amendment**

Finance Director Booher gave a presentation on the 2017-18 Mid-Year Budget Modifications. Presentation highlights included:

- 2017-18 Additional Budget Changes by Fund
  - All Funds
    - Revenues
      - Investment Earnings
    - Expenditures
      - Wages and Benefits
      - Contractual Changes
  - General Fund
    - Revenues
      - Property Tax
      - Capital Proceeds –Museum Payment
      - Grant Revenue –Mental Health Grant
    - Expenditures
      - Voter Registration Costs
      - Auditor Increase
      - Transfers for Revenue Adjustments and Debt Payments (Vehicle Purchase, PW Admin Building and Noll Road)
      - Expenditures related to Mental Health Grant
  - Special Revenue Funds
    - Fund 121 – Capital Improvement Fund
      - REET-Real Estate Excise Tax (\$100,000)
      - Transfer for Noll Road Debt (-\$200,000)
    - Expenditures
      - Voter Registration Costs
      - Auditor Increase
      - Transfers for Revenue Adjustments and Debt Payments (Vehicle Purchase, PW Admin Building and Noll Road)
  - Mid-Year Adjustment Requests Funded
    - Council approves tonight to implement for final modification approval

- Special Revenue Funds
  - Increased Real Estate Excise Tax Projections 2017 to match amount collected
  - Adjusted transfer of mitigation funds to match amended CIP for Noll Road
  - Adjusted HDPAs as per Lodging Tax (LTAC) Grant
  - Adjust amount allocated for LTAC Grants
- Debt Service Funds
  - Amended Debt amounts for the following changes
    - Added debt payments for Vehicles
    - Eliminated anticipated debt for Public Works Yard
    - Eliminated Debt for Noll Road
- All Proprietary Funds
  - All Funds – Eliminate anticipated debt payment for New Public Works Facility
  - Added fund for PW Grading/Land acquisition
- Sewer
  - Adjust debt payment amounts for Kitsap County Treatment Plant debt
  - Sewer Funds –Adjustment to project timings per CIP
    - Lemolo Force Main and Siphon Phase 2 to 2019
    - Kitsap County payment for pump station and plant upgrades update budget and timing
    - Kitsap County Resource & Recovery and Staff Building per County CIP bump out to future years
    - Applewood Pump Station reduce budget in 2019
    - Add SR305 Manhole
- Solid Waste
  - Reducing expenditures by the purchase of one truck in 2017, leaving funds to purchase one truck in 2017 and one in 2018.
- Storm Drain
  - Storm Drain Fund–Adjustment to project timings per CIP
    - Noll Road moved to 2019
    - Added fund for PW Grading/Land acquisition

At 7:26pm, Mayor Erickson opened the public hearing.

Becky Lorber asked why the Vista Park project was removed.

At 7:27pm Mayor Erickson closed the public hearing.

Mayor Erickson said the reason Vista Park was removed was because there was an acquisition of all the land around Olhava. The new owner is moving forward with a hotel in a different location. Her hope is that the City will be able to partner with the

new owners. She has not given up on Vista Park. She thinks it is inevitable, because the land is unbuildable. The amount of money that was in the budget was unrealistic, and it would be better spent improving Centennial Park.

Finance Director Booher said this was an overview of the changes that are coming forward in the modification. All of the numbers will be reviewed on December 6, and then adopt the amendment.

**c. Modification Requests with Recommendations**

Finance Director Booher presented the Mayor's and Finance-Administration Committee's recommended modification requests for the Mid-Biennial Budget Amendment process.

Regarding the Municipal Court Casual Labor request, Councilmember Nystul talked with Judge Tolman, and the Judge said that when he is absent, one of the folks in his office would fill in, but the new prosecutor is not comfortable with doing that. There are also more cases coming in.

Mayor Erickson noted Judge Tolman has never had a market adjustment for his wage, and he has been here for almost 20 years. Next year there will be request for an increase to the Judge's wages as a budget amendment. She agreed the pro-tem funding needs to be in the budget.

Regarding the increase in Nelson House Utilities, Councilmember McGinty would like to see the historical rates for the property of what the City is paying for utilities.

Regarding the request for safety lighting, Councilmember Lord needed reassurance that they have adequate safety lighting right now. Director of Engineering Kasiniak shared that Public Works Superintendent Lund said he has enough in his budget to start to buy pieces, instead of buying an entire system right away. He can absorb most of it in the existing budget.

In response to Councilmember Musgrove, Mayor Erickson said there about \$100,000 worth of requests that are "waits" if you take the 0.5 FTE, the lobbyist, and the fireworks measure. She would like to see what the carry forward looks like in the first quarter, and see if we can afford that extra \$100,000. Her supposition is we should have a substantial carryover, but she does not want to commit to that until we see

what that number looks like. She would like to hold off for a little bit for the 2<sup>nd</sup> floor receptionist, and she concurs with a half time position.

Councilmember Lord agrees with holding off and assessing what kind of support might be needed on the second floor (half time or full time).

Councilmember Thomas explained that the Finance Committee wanted to provide the additional funding for the records management software because they felt records management is vitally important, and to hold off on that puts the City at a legal exposure that we don't want to be in. Mayor Erickson said for records management software to be implemented, you must have a person dedicated towards doing it. The software is only as good as the labor you put into the implementation and the follow through. The new clerk would be helpful to the department in doing that process. Councilmember Nystul gave an example that you could perform key word searches on all the minutes. City Clerk Fernandez said the additional licensing would provide a dedicated license to each department, and a web portal for the public to access the records that are put in there. The software will have the state's retention schedule already built into it, and once staff members are trained, they can help with scanning their records into the portal. The Mayor is okay with funding the full amount for the software, at the time she made the decision, she was unaware it would come out of the capital fund.

Councilmember Nystul said the carry over fund balance is as budgeted, and we know historically most departments don't spend 100% of their budgets. The committee is comfortable with the lower ending fund balance, and it meets all our policies. Mayor Erickson added as our cash flows increase, the requirements of our policies increase.

The Council is in concurrence with the Finance-Administration Committee recommendations with the addition of the Municipal Court request for pro tem judge casual labor for \$2,155. The items on the wait list are the fireworks ballot measure, the lobbyist, and the second-floor receptionist.

Finance Director Booher said the General Fund balance will still stay consistent with our financial management policy. Based upon their projections for 2018, they would have an ending fund balance of \$2,179,333.

## **7. COUNCIL COMMITTEE REPORTS**

Community Services Committee: Councilmember Thomas reported they received some park project updates for the Waterfront Park (restrooms coming November 20, pavilion roof work is underway, and concrete walkway is being poured tomorrow with a compass rose stamp), Fish Park (last Saturday had salmon viewing event with 450-500 participants), and Morrow Manor (delays due to the park following the actual building of the residency); the Tree Board has an opening because long-time tree board member Bill Lockard is retiring (involved for 31 years); Little Free Libraries can be placed in the city right-of-way after getting approval from the Parks Department; and Daffodil Days had 49 participants and 79 bags of bulbs were planted.

Public Works Committee: Councilmember Musgrove reported the next Public Works Committee and Economic Development Committee are rescheduled to November 29. Highlights of the meeting included: bathrooms at Waterfront Park will be open by Julefest; reviewed the Kitsap Conservation District ILA renewal and approved recommendation; received a neighborhood speeding project update; reviewed Arco Night Work request and recommended approval; had a Solid Waste summary discussion; Noll Road Roundabout update; and they reviewed and recommended the Gardner Bay contract amendment. He also added regarding the Little Libraries, volunteers need to maintain what is in the box, or a disclaimer needs to be added because you never know what people will put in there.

## **8. DEPARTMENT HEAD COMMENTS**

None.

## **9. BOARD/COMMISSION REPORTS**

Mayor Erickson said PSRC mets tomorrow starting with the Transit Caucus Group, then the Transportation Policy Board, and then the Project Selection Task Force. Tomorrow night is the KRCC Legislative Delegation Reception.

Councilmember Nystul announced Mayor Erickson was elected as vice chair for KRCC next year. He reported the KRCC dues are substantially the same as last year.

## **10. CONTINUED COMMENTS FROM CITIZENS**

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

## **11. MAYOR & COUNCILMEMBER COMMENTS**

Councilmember Lord asked if the City has the capability of placing flags in the cemetery on Veterans Day. Councilmember Thomas said there are groups putting flags up. When it comes to Memorial Day, it will be a little more organized. He said there will be a rifle

squad salute and other ceremonies in the Poulsbo Cemetery at noon by the VFW Post 2463.

Councilmember Henry reminded everyone he will be out of town next Wednesday.

## **12. ADJOURNMENT**

**Motion:** Move to adjourn at 8:25pm,

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

Motion carried unanimously.

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Rebecca Erickson, Mayor

ATTEST:

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Rhiannon Fernandez, CMC, City Clerk