

## POULSBO CITY COUNCIL MEETING OF MARCH 8, 2017

### MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, Planning Director Boughton, Public Works Superintendent Lund, Parks & Recreation Director McCluskey, Transportation Engineer Bateman, Associate Planner Powers, IT Manager Stenstrom.

### MAJOR BUSINESS ITEMS

- \* \* \* American Legion Park Project Presentation
- \* \* \* Public Hearing on Interim Floodplain Management Regulations
- \* \* \* Financial Management Policy 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

Mayor Erickson noted the agenda stands as published; however, there will be a presentation on Arendal under Mayor's Report.

**Motion:** Move the approve the agenda as presented.

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

Motion carried.

#### 3. COMMENTS FROM CITIZENS

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

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

Councilmember Musgrove reported the North Kitsap School District is seeking input on the 2017-18 budget shortfall. There is an online survey on their website. He also shared some Western Washington University continuing education classes.

Councilmember Thomas noted the North Kitsap School District is going through the process of determining their new superintendent. Their online survey will help them determine priorities for their budgeting.

Councilmember Thomas attended the Chamber luncheon today with a presentation from NKSD Superintendent Page. He said everyone should pay attention to what is going on at the school, even if you don't have kids or if they are grown up.

#### **a. Arendal Presentation**

Planning Director Boughton and Associate Planner Powers gave a presentation on the Arendahl Development. Presentation highlights included:

- Arendal proposal
  - 6.67 acre site (approx. 40% of site being developed)
  - Type IV rated wetland (and buffer) 1.87 acres
  - Zone: Residential High (11 to 14 du/acre)
  - # of units: 91 (max. allowed 93)
  - Four apartment buildings with 11,000 to 12,000 sq. ft. each
  - Club House 2,500 sq. ft. total
  - Parking stalls: 174
  - Approx. 24% of parking stalls to be underbuilding
  - Residential Amenities: Club House, fitness center, outdoor terrace & BBQ area, children's play area, paths & passive seating areas, community garden
  - Total landscaping Required: 58,109 sq. ft.; Proposed: 73,180 sq. ft.
  - Tree Retention Required: 25% of existing trees > 10" in diameter = 52 trees
  - Tree Retention Proposed: 98 trees retained. Additional 78 trees to be planted for setback landscaping

Mayor Erickson said this is the first apartment complex built in 20 years. There is some interest in this project from Housing Kitsap.

Councilmember Thomas commented that it easy to sometimes think that wooded land is park land, when it fact is private property zoned for development. This project is not part of Fish Park property.

Councilmember Musgrove said this is also an opportunity to remove invasive species, keep the best trees, and replant more appropriate trees for the area.

Mayor Erickson suggested to staff to try to get the name changed to Arendal at Fish Park; due to there already being a principal street named Arendal in a big neighborhood.

### **5. CONSENT AGENDA**

No consent agenda items.

### **6. BUSINESS AGENDA**

**a. American Legion Park Presentation**

Councilmember Thomas noted the American Legion Post 245 has a proposal to place a memorial in the American Legion Park. It has been before Community Services and they recommend Council approval.

Mr. Dan Phillips, American Legion Post 245 Commander said they are proposing a modification to the rooftop of the bathroom at the park to commemorate the 100<sup>th</sup> Anniversary of the American Legion in August 2019. They are looking at a raised memorial with a commemorative plaque dedicated to Poulsbo citizens that fought in the wars. It would be surrounded by bricks with the names of veterans paid for by family member donations.

In response to Councilmember McGinty, Planning Director Boughton said they have made preliminary contact with Planning and Engineering. Any required permitting would be minor, if they are needed at all.

**Motion:** Move that American Legion Post 245 be authorized to proceed with this project, as presented, with permission to install the memorial in American Legion Park, pending plan review and approval by the City of Poulsbo departments concerned, and obtaining any necessary permits. This motion is made with the understanding that all related costs will be paid by the Post 245 through fundraising efforts, and that this project would be accomplished at no cost to the City of Poulsbo.

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

In response to Councilmember Stern, Transportation Engineer Bateman said the effective loss of parking is two spots. From an engineering standpoint, he would prefer to have a memorial on top of the building instead of parked cars.

Councilmember Lord added that it will open up the vista. It is an excellent way to honor the park and the veterans. She is in favor of this project.

In response to Councilmember Musgrove, Mr. Phillips said the flag will be maintained and lit at night. The Post would be responsible for maintaining it.

Councilmember Musgrove said the parking is probably the most used part of the park for people stopping to eat their lunches. He is pleased to see this proposal and the benches. It will have a better view This is the most used part of this park, mostly people eating at lunch. This will provide a better view, and a nice place to eat lunch instead of sitting inside of a car.

Mayor Erickson said this is a remarkable idea and a better use of the space. It is a great way to honor our veterans.

Motion carried.

**b. Public Hearing on Interim Floodplain Management Regulations**

Transportation Engineer Bateman presented the agenda summary, noting in 2016, FEMA completed a coastal zone flood mapping update, using better technology to properly map the effects of high water combined with wind driven wave action. This study and the associated maps were finalized and published with the official date of February 3, 2017. As a part of the update, FEMA staff also reviewed PMC chapter 15.24 for compliance with current FEMA National Flood Insurance Program (NFIP) requirements, identifying changes needed. By the time the code update changes were finalized, there was not enough time remaining to go through the full Type 4 review process as required for these regulations. As such, the City Attorney's office prepared emergency ordinance 2017-01 to make the changes effective in time for the City to maintain NFIP compliance, passed at the January 18, 2017 Council meeting. This public hearing is required to hear any public testimony related to the emergency ordinance and the associated changes. The code and map changes will subsequently be going through the full Type 4 process, with public involvement plan and hearings, scheduled for kickoff the week of March 13. No motion is needed tonight.

Mayor Erickson opened the public hearing at 7:30 PM, and receiving no comments closed the public hearing 7:31 PM.

Planning Director Boughton said this is a Type 4 process, because under the Growth Management Act (GMA), all development regulations are considered legislative in nature and require going through a Type 4 process, which is the legislative review approval process. The City Attorney did determine that there are some development regulations that are affiliated with the flood plain management update, and therefore he determined under the GMA they would be considered development regulations.

**c. Financial Management Policy Update**

Finance Director Booher presented the agenda summary, noting Council approved original Financial Policy in January 2008 and updated in January of 2010. Main revisions for the Financial Policy update include:

- References to Annual Budget reflecting the change to the City of Poulsbo adopting a Biennial Budget.
- Adding Line Item 4 under Reserve Fund Policies requiring Quarterly reports.

- Updated section for Enterprise Funds addressing operating, debt and capital reserve levels
- Addition of summary language for Investment Policy referencing the City's certified Investment Policy adopted by City Council Resolution.

In response to Councilmember McGinty, Finance Director Booher said the 12 percent, or 2 months operating cash, requirement are Government Finance Officers Association (GFOA) recommended levels. She said reserve policies are very important to bond rating agencies. A higher amount is always going to generate more savings, but you want to maintain what is a good reserve level to have versus what is considered hoarding and cutting services for a high level of savings. Twelve percent is normal. She has seen between 8 to 20 percent.

Councilmember Musgrove said the wording sounds like you have to keep all the money that you will need for the next years on hand. Finance Director Booher said if you go through the City Improvement Plan (CIP), you will see there is defined funding pieces. Some are funded by grant, some are funded by debt, and some are funded by reserves. We must build those reserve levels to be consistent with the level that we said we were going to use in the CIP. We must have reasonably assured funding for what is on the CIP.

In response to Councilmember Stern, Finance Director Booher said some departments are stronger at performance measures than other departments. Performance measures were a strong emphasis from GFOA in the past. With the economic downturn and with some cities' fund balances dropping so low, the greater emphasis has become strategic long term planning. There has been a push in the industry to go toward strategic long term planning, instead of performance measures. She tries to work with every department that if they have a goal, there must be a way to measure if we have met the goal. We have been getting better.

Mayor Erickson added that performance measures work well when you have transactional operations; not so well with things like engineering. Strategic planning is more helpful.

Finance Booher noted measurements were also built in the past that were not useful, and it became more work to do the measurement than for it to be a useful tool. You don't want to spend a lot of time and effort if it is not going to serve a purpose in the end just for the sake of creating more paper.

In response to Councilmember McGinty, Public Works Superintendent Lund said connection fees are based on the value of your infrastructure. As we replace our infrastructure, it becomes more valuable. There is a calculation the Director of Engineering Kasiniak does, and they are to look at it every 3-5 years, not every 10

years. Councilmember McGinty would like these to be checked more often to make sure some of these big projects get in there.

In response to Councilmember Stern, Finance Director Bond said they have shut down all the little Local Improvement District (LID) accounts.

Councilmember Stern said we have a past practice in the City of Poulsbo to develop a working budget, where we would develop it with the City staff, Council and Mayor in a cooperative, unfolding way. He appreciates the Mayor's continuation of honoring that past practice of developing a working budget. The Mayor agreed it helps to have a cooperative relationship between the branches of government, and we are all a team.

**Motion:** Move to approve the City of Poulsbo's Financial Management Policy.

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

Motion carried.

## 7. COUNCIL COMMITTEE REPORTS

Outside Committees: Councilmember Stern reported he attended Kitsap Transit yesterday, and encouraged them to explore interurban loops for all the urban cores and allow all day passes for such routes. He reported he attended the Kitsap Regional Coordinating Council and they had the new Olympic Region Director from WSDOT speaking on transportation. He asked them to consider correcting the highway signage for ferries and fixing the distance. Councilmember Nystul added it was an opportunity for the Director to hear from us about the importance of the roundabout at Johnson Road and an opportunity to hear from him on how the projects are moving along.

Mayor Erickson said we were very clear that the Connect Washington money in the first biennium (\$4-6MM) should be coming our way for the roundabout. The rest of the money is going to Bainbridge Island. We need to get that roundabout built, if for no other reason than public safety. The City of Poulsbo has already dedicated a lot of its own money and federal grants to make sure that roundabout is built. We will build it first, and they can use it as a template on the islands. It is the right thing to do for the entire corridor.

Cemetery Improvement Committee: Councilmember Thomas said the committee is in the process of winding it down. They had hoped to wrap up the City's part by June. They are in the process of transferring the movement towards the group of citizens who will continue working on this. They meet in the City Hall 2<sup>nd</sup> floor conference room at 1:30pm on the first and third Thursday of each month.

Community Services Committee Meeting: Councilmember Lord reported they recommended approval on a new special event called The Art of Music; received a report from the Mayor on the proposed social services committee (Council Workshop scheduled for April 5); had discussion on a metropolitan park district.; and, received an update on the Skate Park.

Public Works Committee: Councilmember Lord reported they talked with Bill Austin and came up with a plan to work on the waterfront pavilion; discussed the Liberty Bay Waterfront Trail Project Contract Amendment; received a report on the Liberty Bay and Village Pump Stations Project Update; discussed neighborhood parking standards; received an update on a test parking program on 10<sup>th</sup> Avenue to create additional parking spaces; received an update on the bench program, discussed the Anderson Parkway dumpster enclosure, discussed the fire protection for downtown, and discussed newly designed bathroom that is open to both sexes.

## **8. DEPARTMENT HEAD COMMENTS**

None.

## **9. CONTINUED COMMENTS FROM CITIZENS**

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

## **10. COUNCILMEMBER COMMENTS/BOARD/COMMISSION REPORTS**

Councilmember Stern said he and Councilmember Nystul took a drive to Manette to see their chip seal project. He said if there are irregularities in the street, a chip seal won't remedy it. Councilmember Musgrove asked Public Works Superintendent to find out what kind of chip seal they did.

Councilmember Musgrove congratulated IT Manager Stenstrom for streaming the City Council meetings live on the internet.

Mayor Erickson attended a ribbon cutting for Go Girls Eyewear on the top of Hostmark. Sherwin Williams opened up behind the Starbucks on Hwy 305. Brown Bear is looking like it is getting close to being finished.

Councilmember Lord said this week there are meetings for NKSD seniors and they are also taking registrations for kindergartners.

## **11. ADJOURNMENT**

**Motion:** Move to adjourn at 8:43 PM,

**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, CPRO, City Clerk