

POULSBO CITY COUNCIL MEETING OF APRIL 19, 2017

MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, Director of Engineering Kasiniak, Planning Director Boughton, Public Works Superintendent Lund, Transportation Engineer Bateman, and IT Manager Stenstrom.

MAJOR BUSINESS ITEMS

- * * * Approval of April 12, 2017, Council Meeting Minutes
- * * * Budget Amendment/BA#17-0204 Hillside Benches and Plaques
- * * * Budget Amendment/BA#17-0207 Parking Garage Door Replacement
- * * * Budget Amendment/BA#17-0208 Stormwater Capacity Grant
- * * * Payable Disbursements for March 2017
- * * * Conveyance Agreement and Lease Extension with Western Washington University
- * * * 1st Quarter 2017 Financial Status Report Presentation
- * * * Ordinance No. 2017-04, 1st Quarter 2017 Budget Amendment
- * * * Bernt Road Sewer Extension Night Work Proposal
- * * * 7:15 PM Public Hearing for 2017 Floodplain Management PMC 15.24
- * * * Ordinance No. 2017-05, Amending PMC 15.24 – Floodplain management
- * * * Fjord Drive Sewer/Water/Storm Contract
- * * * Liberty Bay Pump Station Construction Support Services Contract
- * * * Village Pump Station Construction Support Services Contract

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

Mr. Rick Eckert made comments about the intersection of Hostmark and Caldart. He feels the intersection is dangerous and would like it looked at now while the traffic volume is high.

4. MAYOR'S REPORT AND COUNCIL COMMENTS

Councilmember Stern announced this Friday is the YWCA Annual Women of Distinction celebration. Ms. Ardis Morrow will receive a lifetime achievement award.

Councilmember Nystul said he attended the school board meeting last week, and Mr. Eckert was there speaking on the same issue. He commented the City should be thankful for the budget process we have, because the school's budget process is challenging (levies and ghost money). They had several students who were honored for their artwork and they had 47 choir students raise money and put on three concerts in California schools. One of the schools they visited was \$55MM in debt.

Councilmember Thomas announced this Saturday at 11am at Centennial Park there is the Arbor Day Celebration and at noon the League of Women Voters are putting on a homelessness forum at City Hall.

Mayor Erickson responded to Mr. Eckert's comments. She said Caldart and Hostmark is a tough intersection. There are 2,000 students and faculty at that substantial campus. The four-way stop at Caldart and Lincoln is really tough. She is not sure what we are going to do to fix it. It would be a great place for a roundabout. She said the City can take a look at it. She invited Mr. Eckert to come talk to her during her open office hours on Saturdays from 9am-12pm. She said she is not seeing as much cut-through traffic. She would like to lobby for a secondary road on the school campus to go behind the middle school.

Councilmember Lord said she attended the Washington Administration of School Administrators annual awards ceremony. Superintendent Page received the 20 Year and Retirement Award, by consensus from all the school districts. She reported the Poulsbo Noon Lions also received a community award for their help with the NKSD. She agreed with Councilmember Thomas on how Centennial Park is unique and not visited often. The City has plans to develop the park. A Western Washington University intern is making identification placards for the trees in the park. The Arbor Day celebration is Saturday at 11am with public tree planting and signage.

5. CONSENT AGENDA

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

The items listed are:

- a. Approval of April 12, 2017, Council Minutes
- b. Budget Amendment/BA# 17-0204 Hillside Benches and Plaques
- c. Budget Amendment/BA# 17-0207 Parking Garage Door Replacement
- d. Budget Amendment/BA# 17-0208 Stormwater Capacity Grant
- e. Payable Disbursements for March 2017

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

6. BUSINESS AGENDA

a. Conveyance Agreement and Lease Extension with Western Washington University for the Marine Science Center

Planning Director Boughton presented the agenda summary, noting on May 24, 2016, the City and Western Washington University (WWU) entered into an agreement for WWU to lease the Poulsbo Marine Science Center (MSC) in order to continue science and educational programs for the Poulsbo community. This agreement was made with the understanding that the City will transfer title and ownership of the MSC to WWU. The term of the current "wind down" lease is set to expire May 31, 2017. Over the past year, the City and WWU have prepared an agreement that sets out the terms of conveyance of the Marine Science Building to WWU. The agreement is now ready for review and acceptance by both the City Council and the WWU Board of Trustees. The conveyance agreement includes certain real estate actions that remain to be completed before full conveyance can be made. Therefore, an extension of the lease agreement between the City and WWU until December 31, 2017 is included in order to provide adequate time to complete these real estate actions.

Councilmember Stern recognized Transportation Engineer Bateman, Finance Director Booher, Public Works Superintendent Lund, Mayor Erickson, Planning Director Boughton, and City Attorney Haney for all of their hard work. Mayor Erickson agreed with Councilmember Stern on all the challenging work done. She noted the fountain was taken out of the agreement in the eleventh hour.

Councilmember Stern recognized Mr. Bill Austin for his involvement with the Marine Science Center.

Motion: Move to approve an agreement regarding terms of future conveyance of the Poulsbo Marine Science Center by the City of Poulsbo to Western Washington University, as set forth in Exhibit A of this agenda item packet, and authorize the Mayor to sign the agreement on behalf of the City of Poulsbo and move to approve the Extension of Wind Down Lease for the Sea Discovery Center agreement as set forth in Exhibit B of this agenda item packet, extending the lease term until December 31, 2017, in order to provide adequate time to complete the necessary items identified in the conveyance agreement and authorize the Mayor to sign the agreement on behalf of the City of Poulsbo.

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

Councilmember Lord encouraged everyone to understand the benefits of the of the educational program we are able to have continue in perpetuity with the Western Washington University. Last week with the combination of the Poulsbo Historical Society and Kitsap Maritime Heritage Foundation, they're partnering up to extend the benefits of environmental studies using the schooner that is under restoration in Brownsville. They have already been in communication with WWU to allow school children to be on board to learn maritime things. It is another example of WWU being willing and visionary to pick up this facility and allow it to continue its old mission.

In response to Councilmember Henry, Planning Director Boughton said the agreements states "upon satisfactory completion of the terms of the agreement (there is the escape clause)," but as far as council action, a motion is made tonight, and if the terms are satisfactory to both parties, we move forward with closing. The Mayor will determine if things are satisfactory for the City.

Councilmember Musgrove said he had a question for the Mayor before the meeting. There are a lot of caveats in the agreement. He asked if we want to anything, or how would we know if we want to do anything. Basically, he understands if the Council needs to know or do anything, staff will let them know.

Councilmember Nystul recognized Councilmember Stern for his work on this.

Motion carried.

Mr. Bill Austin said this is very pleasing. He is proud to be part of the whole operation. It wasn't easy; it was a huge gamble. He thanked Bruce Harlow who took

charge after him. He shared his memories on what got him involved with the center and getting it reopened. He thanked the Mayor and Council for everything they have done.

b. 1st Quarter 2017 Financial Status Report Presentation

Finance Director Booher presented the 1st Quarter 2017 Financial Status Report outlining revenues, expenditures, financial policy compliance, cash and investment balance, and capital project status year-to-date through March 31, 2017.

Councilmember Stern noted when Finance Director Booher refers to market recovery, she is referring to interest rates and how they have increased to a degree. Finance Director said we have an investment advisor and we have an investment policy. There are certain areas under Washington State Law that we are able to take our portfolio into where we place our investments.

In response to Councilmember McGinty's question with the trend and being at 90%, are we going to see it every quarter, Finance Director Booher said she would have to look at how the posting entry is. We do one journal entry in January to reverse that and get it all back. Every month as we record the portfolio, it should reduce that variance.

Mayor Erickson commented that the City of Poulsbo is on a modified cash basis accounting process, which means we are not full accrual on every month. When the cash comes in or when the cash is spent, that is what is reflected in our accounting. At the end the year we go and make the accruals, but only on an annualized basis for our financial statements.

c. Ordinance No. 2017-04, 1st Quarter 2017 Budget Amendment

Mayor Erickson opened the floor for any public comment regarding the budget amendments for the 1st Quarter of 2017. No public comment was received.

Motion: Move to adopt Ordinance 2017-04, an ordinance for the City of Poulsbo, Washington, amending the 2017-2018 Budget adopted by Ordinance No 2016-21 to revise the revenues and appropriations from certain funds and approving an ordinance summary for publication.

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

d. Bernt Road Sewer Extension Night Work Proposal

Public Works Superintendent Lund presented the agenda summary, noting this is a Public Property Construction permit project undertaken by local business owners to extend sewer main on Bernt Road in order to serve North Kitsap Self Storage, Valley Nursery, and Poulsbo Business Park. The project includes extending sewer 650 feet on Bernt Road, a two-inch grind and two-inch overlay of the full pavement width the extend of the trench line. The sewer will meet City standards and be installed in the center of the road. Since Bernt Road is fairly narrow, a limited night time closure to through traffic will be necessary to expedite construction. In accordance with PMC 15.32, staff recommends and requests a recommendation to Council to allow this project to be completed as night work.

In response to Councilmember Thomas, PW Superintendent Lund said access for one house will be impaired at night. They will still be able to go another way.

In response to Councilmember McGinty, PW Superintendent Lund said they will ensure the time frame for the work is reasonable. He would expect three to four nights.

In response to Councilmember Lord, emergency vehicles won't be able to get to the storage shed, which will be closed at night.

Motion: Move to approve construction on the Bernt Road Sewer Extension project as night work in accordance with PMC 15.32 to expedite construction due to the nature of the roadway.

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

e. Public Hearing for 2017 Floodplain Management PMC 15.24

Transportation Engineer Bateman presented the agenda summary, noting Chapter 15.24 of the Poulsbo Municipal Code regulates and manages development within areas of special flood hazard within the City. Periodically FEMA revises and updates the Flood Insurance Maps, Chapter 15.24 adopts the maps thereby allowing citizens to purchase flood insurance through the National Flood Insurance Program (NFIP). 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 associated maps were finalized and published with the official date of February 3, 2017. As part of the update, FEMA staff also reviewed Chapter 15.24. The Draft NPDES Permit Code Amendments has been reviewed by the

Poulsbo Planning Commission. A public hearing was held on April 11, 2017 and with a vote of 6 for, the Planning Commission has recommended approval of 2017 Floodplain Management Revisions - PMC 15.24 to the City Council.

Councilmember asked what kind of public outreach exists to let people know they need to get flood insurance and that they are in a flood plain. Transportation Engineer Bateman said anyone who carries a mortgage is required to carry flood insurance. The City tries to make an effort for public outreach for homeowners who don't have a mortgage. He plans to increase the outreach.

Mayor Erickson opened the public hearing at 8:02pm, and having received no testimony, closed the public hearing at 8:03pm

Motion: Approve the 2017 Floodplain Management Revisions - PMC 15.24, thereby amending sections of the Poulsbo Municipal Code, and adopt an ordinance establishing an effective date.

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

f. Ordinance No. 2017-05, Amending PMC 15.24 – Floodplain Management

Engineering Technician Roberts and Transportation Engineer Bateman presented the agenda summary, noting this ordinance will establish an effective date to amend PMC 15.24 – Floodplain Management as previously adopted.

Motion: Move to adopt Ordinance No. 2017-05, an ordinance of the city of Poulsbo, Washington, amending chapter 15.24 of the Poulsbo Municipal Code in order to revise definitions, update the flood insurance map, and make other minor revisions to the city's floodplain management regulations; providing for severability; and establishing an immediate effective date.

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

g. Fjord Drive Sewer/Water/Storm Contract

Director of Engineering Kasiniak gave a presentation on the Fjord Drive Sewer/Water/Storm contract. Presentation highlights included:

- Limits for sewer force main, storm sewer and watermain

- 2017-2022 Enterprise Capital Improvements (Sewer) – CIP-27 Harrison Force Main Replacement \$283,671
- 2017-2022 Enterprise Capital Improvements (Water) – CIP-46 Fjord Street Main Replacement \$170,000
- 2017-2022 Enterprise Capital Improvements (Storm) – CIP-61 Fjord Drive Storm Drain \$206,000
- Project cost = \$659,000
 - Design Contract for \$43,597.32
- Public Works Committee recommends approval

In response to Councilmember Nystul, Director of Engineering Kasiniak said the entire road will be repaved and should last at least 20 years. Sidewalks would be a separate project; this is a utility project. It is tight with the right-of-way, they would need to take a look at the map.

In response to Councilmember Henry, Director of Engineering Kasiniak said this does not include 10% overage, it is a design contract.

Motion: Move to approve the contract with Exeltech for the Fjord Drive Sewer/Water/Storm project in the amount of \$43,597.32 and authorize the Mayor to sign the contract on behalf of the City.

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

Motion carried.

h. Liberty Bay Pump Station Construction Support Services Contract

Director of Engineering Kasiniak gave a presentation on the Liberty Bay Pump Station Construction Support Services Contract. Presentation highlights included:

- Scope modifications
 - Repairing Wet Well
 - New Emergency Generator
 - New Submersible Pumps
 - Power, Controls, Telemetry
- Project background
 - Engineering Cost Estimate \$627,000
 - Design Contract with CHS \$75,900
 - Design completed in March 2017
 - Project Advertised on March 24, 2017
- Contract CHS for Construction Services
 - Bid Review
 - Preconstruction Conference
 - Shop Drawings and Submittal Review

- Construction Inspection
- Final Inspection
- Punch List
- Record Drawings
- Project Closure
- Contract Cost \$29,900 or 4.7% of construction costs
- Public Works Committee recommended approval

Councilmember Lord said CHS is going to do some landscape design to make it look a lot nicer, because it is a terminus of a trail and park.

Mayor Erickson said she was very pleased that the generator is included in the project. This is a good step forward.

Motion: Move to approve the amendment of the existing contract with CHS Engineers for the Liberty Bay Pump Station in the amount of \$29,900.00 and authorize the Mayor to sign the amendment on behalf of the City.

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

Motion carried.

i. **Village Pump Station Construction Support Services Contract**

Director of Engineering Kasiniak gave a presentation on the Liberty Bay Pump Station Construction Support Services Contract. Presentation highlights included:

- Project scope
 - Repairing Wet Well
 - Demolition Building
 - New Emergency Generator
 - New Submersible Pumps
 - Power, Controls, Telemetry
- Project background
 - Engineering Cost Estimate \$949,000
 - Design Contract with CHS \$92,400
 - Design completed in March 2017
 - Project Advertised on March 24, 2017
- Contract CHS for Construction Services
 - Bid Review
 - Preconstruction Conference
 - Shop Drawings and Submittal Review
 - Construction Inspection
 - Final Inspection
 - Punch List

- Record Drawings
- Project Closure.
- Contract Cost \$33,600 or 3.5% of construction costs
- Public Works Committee recommended approval

Motion: Move to approve the amendment of the existing contract with CHS Engineers for the Poulsbo Village Pump Station in the amount of \$33,600.00 and authorize the Mayor to sign the amendment on behalf of the City.

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

Motion carried.

7. COUNCIL COMMITTEE REPORTS

Finance-Administration Committee: Councilmember Stern reported the committee made a recommendation on the police fleet vehicles replacement: replace eight vehicles this year using the state program and include a vehicle for engineering. Next year, either three or four vehicles with an interfund loan. No vehicles in the third year, and one vehicle in the fourth year. Councilmember Nystul reviewed his draft analysis on when the vehicles need to be replaced. The analysis is based solely on mileage. Staff is looking at the analysis right now. The committee recommended the four-year financing option and depending on use, an 8- to 9-year replacement cycle. Finance Director Booher will email the spreadsheet and PowerPoint that was presented at the committee meeting to the Council. Councilmember Musgrove suggested the committee look at purchasing a fleet maintenance software program that will tell us where we are with all of our vehicles. It will give the departments a better handle on when they should be replacing vehicles.

Councilmember Stern also reported they had a discussion with the Planning Department on what kinds of reports could be received from the SmartGov system. They had a discussion on the need for a document imaging system

Councilmember Thomas added that a resolution will come forward at a future meeting to change the Council Rules of Procedure to move the Council Committee Reports higher up in the Council Agenda order.

Public Safety/Legal Committee Meeting: Councilmember McGinty said the Mayor presented a proposal for Coffee Oasis to manage the park maintenance while providing training and support for youth in crisis at the Nelson Park House. Discussion was also held regarding the social services committee (going to try to figure out where the pieces fall, if it doesn't work, then another committee will be formed). Municipal Court reported their credit card was compromised and they have six jury trials coming up. The Police Department reported their responses have increased by 11%. The Prosecuting Attorney brought forward a parking in fire lanes ordinance fee increase. The fine will increase from \$35 to \$250. Mayor Erickson said they will check more jurisdictions to make sure this is

the correct number for the fine. Councilmember Lord said we need to educate citizens of the increase (Mayor Erickson said new signage will be added that says Fire Lane - \$250 fine). The Fire Department is working towards moving the emergency response center back to the fire station. Councilmember Henry added the warming center will still be located at City Hall.

Economic Committee: Councilmember Lord reported they had a first look at the Critical Areas Ordinance update so they can make a recommendation to Council. This needs to be adopted in June. Most of what is getting changed is passed through from state agencies that we have no control over. There are no changes to the delineation to the critical areas in the City. This is to keep us in line with GMA. The committee will look at this again at their meeting next week.

8. DEPARTMENT HEAD COMMENTS

Public Works Superintendent Lund said his department is gearing up to for Viking Fest. He also noted he is going to attend a solid waste expo.

9. CONTINUED COMMENTS FROM CITIZENS

Mr. Rick Eckert thanked the Mayor for her comments. He agreed, he doesn't see a solution, he just sees a fear. He discussed the school district's budget shortfall and the challenges they face.

10. COUNCILMEMBER COMMENTS/BOARD/COMMISSION REPORTS

Councilmember Stern announced Western Washington University have a quarterly board meeting tomorrow at 3pm at the Olympic College campus. City Clerk Fernandez sent out a notice of quorum for the Western's reception for community leaders at 5:15pm at the SEA Discovery Center. It continues Friday morning at 8am at the Clearwater Resort Hotel.

Councilmember Musgrove shared with the Council that Office 365 has a change in Outlook. He encouraged the Council to check their "focused" and "other" folders. Outlook sorts on its own decision making authority.

Councilmember Thomas announced the Cemetery Improvement Task Force meets tomorrow at 2:30pm. The task force is winding down and will conclude in June. They will ask for time at the Public Works Committee meeting.

Mayor Erickson announced she will be attending the Western Washington University reception at 5:15pm tomorrow, and then move onto the Spirit of Giving event at the Suquamish Tribe at 6:00pm. On Friday, she will attend the YWCA Women of Achievement event. On Saturday, she will attend Arbor Day at 11am and at noon is the

League of Women Voters homelessness summit in the Council Chambers. She reported the Easter egg hunts were packed.

11. ADJOURNMENT

Motion: Move to adjourn at 9:05 PM,

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

Motion carried unanimously.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk