

POULSBO CITY COUNCIL MEETING OF FEBRUARY 14, 2018

MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, Police Chief Schoonmaker, IT Senior Technician Williamson.

MAJOR BUSINESS ITEMS

- * * * Poulsbo Cemetery Cupola
- * * * Financial Status Report
- * * * Ordinance No. 2018-05, 4th Quarter Budget Amendment
- * * * Council Rules & Procedures Review

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** McGinty, **Seconded by** Lord.

Motion carried.

3. COMMENTS FROM CITIZENS

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

4. MAYOR'S REPORT AND COUNCIL COMMENTS

Councilmember Stern reported the Kitsap County Board of Commissioners had their first meeting here on Monday night.

Councilmember Thomas said he would like for the Finance-Administration Committee to review the council committee assignments process and the ordinances for appointing the deputy mayor and alternate deputy mayor. He feels there is a question up in the air, and he wants to firm it up.

Councilmember Garland said she attended the Kitsap Humane Society event with two of her kids, and said it was a great event and organization to support.

Mayor Erickson said she appreciates Councilmember Thomas wanting to look at the ordinance for deputy mayor and alternate deputy mayor appointments. She announced this Saturday is a town hall from 10am-11:30am with our state legislators.

Councilmember Musgrove said the Commissioners meeting was a success, and he hopes it makes it easier for them to do their jobs and to have citizens from the north end attend meetings. He reported that Winter Fest was packed and successful.

5. **CONSENT AGENDA**

None.

6. **BUSINESS AGENDA**

a. **Poulsbo Cemetery Cupola**

Bill Austin presented his idea to build a cupola (summerhouse) at the bottom portion of the Poulsbo City Cemetery, located on Caldart Street. He will use volunteers to build a cupola for public use. Mayor Erickson said the anticipated budget is \$35,000. She hopes to fundraise from different organizations, and the City fund the remainder. The project would begin this spring (April 1, 2018 or sooner depending on permit reviews) and completed by July 1, 2018.

Councilmember Lord said Community Services Committee discussed the cupola this afternoon; they support this idea and recommend it to the Council.

Councilmember Musgrove said each one of Mr. Austin's projects are wonderful. He appreciates the things he does like this to give us a stepping stone for a really great project.

Councilmember Thomas said he admires Mr. Austin's work, including the beautiful cemetery entry archway that he recently created and installed.

Motion: Move to proceed with the cupola as presented.

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

Motion carried.

b. **Financial Status Report**

Finance Director Booher presented the Financial Status Report, reviewing the 4th Quarter 2017 Financial Status Report outlining revenues, expenditures, financial policy compliance, cash & investment balance and capital project status year-to-date through December 31, 2017.

In response to Councilmember Musgrove, Finance Director Booher agreed the legal costs fluctuate, and one issue can drastically increase our legal expenditures. In 2018, the City will be negotiating labor contracts, so that will increase costs.

Mayor Erickson asked for an explanation on why Fund 403 started at \$20MM and ended at \$7.5MM. Finance Director Booher said the projected fund balance was an anticipated fund balance and the projected bond proceeds are in there, because they are going out for debt for money that is owed to the sewer plant. That will be done in 2018. They should be going out to debt in the next three or four months. They anticipated having that fund balance, compared to the actual balance of \$7.5MM. She also noted in the projected fund balance there is money that is sent to the County that is being used to fund the sewer project (\$3.5MM). It is recorded as a capital contribution.

Mayor Erickson said Funds 401, 403, 404, and 410 are our infrastructure accounts. We borrow and bring balances up and then spend them, putting a lot of money back into our infrastructure.

Mayor Erickson would like a future report on the telemetry project, she believed that project was done. Councilmember McGinty said the Public Works Committee has not been briefed on that project for a few months. Councilmember Musgrove said they received the indication that there was more work to be done. Finance Director will have the Public Works Department provide a briefing at the next Public Works Committee.

Councilmember Musgrove asked how the funds can be used that are controlled by the County for the sewer. Finance Director Booher said those connection fees can only be used to the capital to support the sewer flow that the County processes on behalf of the City.

Councilmember Thomas asked regarding the City's investment earnings, and if it could be characterized that for every dollar that the City earns from investments, that is a dollar less that we have to take from taxes in a general sense. Finance Director Booher agreed it goes directly to supporting the city and lessens the need to use tax dollars for services.

c. Ordinance No. 2018-05, 4th Quarter Budget Amendments

Finance Director Booher presented the agenda summary, noting budget amendments for the 4th Quarter of 2017 were approved by Council during October, November and December. Exhibit A includes these amendments and summarizes the revised budget by fund.

Mayor Erickson opened the floor for public comments at 7:57pm. No comments were received.

Motion: Move to adopt Ordinance 2018-05, 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** Lord, **Seconded by** Stern.

Motion carried.

d. Council Rules & Procedures Review

City Clerk Fernandez presented the agenda summary, noting every two years the Council reviews the Council Rules of Procedures and can recommend changes. At the December 20, 2018, Finance-Administration Committee, it was recommended to add language that defined the expectations of a council liaison. Section 2.8 has been added to address this request.

Councilmember Lord recommended adding the words "North Kitsap" in front of school district to the section that talks about the organizations that councilmembers are liaisons for.

Councilmember Musgrove suggested a slight rewording in Section 10.6: "we will strive to apply the wishes of the majority while supporting the rights of the minority". He feels it can be misconstrued that there is no bargaining with rights, all we can do apply what we can while respecting those rights.

Councilmember Stern noted the pending voting rights act that could impact us if it is passed. This could impact Section 10.6. Mayor Erickson asked if we should wait on this until after the voting rights act decision. It is calling for the attempt at districting.

Councilmember Musgrove is not speaking of those voting rights, he is speaking of balancing rights, and the Council can only apply rights. It should not have any impact from redistricting from his point of view.

Councilmember Stern noted in 2002 the Council adopted a mission statement. He read the first sentence that says our City's Council endeavors to balance residents concerns and opinions with the law. He feels it addresses the concern head on.

Councilmember McGinty said this was developed as a council procedures and processes. He questioned if majority and minority rights even belong in the document.

Mayor Erickson suggested striking the whole paragraph.

Councilmember Musgrove didn't want to debate on these items tonight but suggested the Finance-Administration Committee look at this changes in the future. He feels the statement helps citizens understand why we do certain things. He withdrew his suggested change for now and asked that it be looked at in the future.

Councilmember Lord noted these are rules and procedures of the council. She hopes the Finance-Administration Committee look at this carefully and suggests eliminating section 10.6.

Mayor Erickson said some of the items in the document are not processes or procedures, but philosophical goals.

Councilmember Musgrove has noted other parts that need a good look. But he suggested moving forward with the current proposed changes at this time.

Motion: Move to approve Resolution No. 2018-02, a resolution of the City Council of the City of Poulsbo, repealing Resolution No. 2017-09, and all subsequent amendments thereto; adopting new Poulsbo City Council Rules of Procedure; and fixing a time when the same shall become effective.

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

Motion carried.

7. COUNCIL COMMITTEE REPORTS

Intergovernmental Committee: Councilmember Stern said he talked with the Suquamish Tribe regarding the liaison for the intergovernmental committee. The Tribe recommended appointing Councilmember McGinty.

Motion: Move appoint Councilmember Jeff McGinty to the Intergovernmental (MOU) Committee.

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

Motion carried.

Community Services Committee Meeting: Councilmember Lord reported Councilmember Garland is the new liaison to the Tree Board. The committee had an eagle scout candidate come in to discuss his project (a nature play installation at Nelson Park). They had a report on the floating dock disposal; legislation update regarding the Public Facilities District; Centennial Park work party on March 17 from 9am-12pm; report on banners on front street and policies being established to create a permit system; and the City received \$460K grant for Fish Park which will connect the two properties.

8. DEPARTMENT HEAD COMMENTS

Finance Director Booher reported the utility payments is fully functioning as of this morning.

City Clerk Fernandez announced she received 134 applications for the Office Clerk 1 position and will be testing 16 candidates next week.

9. BOARD/COMMISSION REPORTS

Mayor Erickson said last week at the Puget Sound Regional Council, there has been an ongoing argument with how military centers are weighted for funding decisions. Kitsap and Pierce County have been saying if you have a military center, it should be recognized as something that causes activity and congestion on the roads. King County has always said no. This argument has gotten pretty heated this time. The vote was defeated by two votes. It is going to come back again at the executive board and voted on again.

10. CONTINUED COMMENTS FROM CITIZENS

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

11. MAYOR & COUNCILMEMBER COMMENTS

No comments.

12. ADJOURNMENT

Motion: Move to adjourn at 8:23 PM,

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

Motion carried unanimously.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk