

POULSBO CITY COUNCIL MEETING OF MARCH 14, 2018

MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, Director of Engineering Kasiniak, Public Works Superintendent Lund, Police Chief Schoonmaker, IT Manager Stenstrom.

ABSENT: Councilmember Stern

MAJOR BUSINESS ITEMS

- * * * Payable Disbursements for February 2018
- * * * Discussion and Approval of Budget Amendment #18-0105, 2018 Carryover
- * * * West Poulsbo Waterfront Park Grant Acceptance

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 that business agenda items a and b would be swapped for their order of presentation.

Motion: Move to approve the agenda as amended.

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 Musgrove announced the cleanup at Centennial Park on Saturday from 9am to noon. Sunday at 3:00pm at the NK Auditorium is the Poulsbo Orchestra. Last Sunday was a successful beer run downtown.

Mayor Erickson announced a free camp for cybersecurity July 23-27 for middle school students offered by WWU. She reported there were 900 registered runners for the beer run last weekend. Saturday night was the fundraiser for the NK Choir and the Jewel Box Theater. On March 24, there is the cod fish dinner at the Sons of Norway to support the Poulsbo Historic Society.

Councilmember Lord said tickets are still available for the cod fish dinner. She said the Centennial Park volunteer opportunity has a bonus opportunity for citizens to get healthy bamboo.

5. CONSENT AGENDA

Motion: Move to approve Consent Agenda item a.

The items listed are:

a. Payable Disbursements for February 2018

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

6. BUSINESS AGENDA

a. Discussion and Approval of Budget Amendment #18-0105, 2018 Carryover

Finance Director Booher presented the carryover process. Presentation highlights included:

- Calculated actual balances after year end books are closed
 - Usually not ready until April/May for posting
 - Due to biennial budget in off year, more time was available and prepared earlier
 - Sooner balances can be adjusted makes reports more accurate and timely
- Funding
 - Items are not usually considered for additional funding at this time unless it has gone through the budget process or a mandate or contracted amount has been changed (i.e. Insurance Premium, indirect allocation)

- Additional requests are encouraged to go through the budget preparation process or an amendment process through committees and then Council
 - Should not fund on-going expenditures with one-time dollars
- Review with Mayor
 - First item to be adjusted – any planned transfer from reserves to fund budget variance
 - Review carryover requests – items in the 2017 budget, but not able to execute
 - Review items not funded – Midyear Modification Requests
 - Recommend funding for Fireworks Ballot Issue
 - Only item not funded – 2nd floor receptionist
 - Recommend funding for items not addressed during the budget cycle, but reviewed with committee and Council
 - Jail Budget – final months invoices and trends indicate current budget not able to support
 - Painting of interior of building – maintenance item mayor has previously discussed with Council
 - Recommend funding for items not address during the budget cycle, but reviewed with committee and Council
 - Transfer funds to reserves to support new public works building
 - Transfer funds to reserves to fund future payroll liabilities
 - Transfer residual to reserves for items deemed by Council for future amendments or future budgets
- Reviewed with Finance/Administration Committee
 - Reviewed with Committee on February 21
 - Committee concurred with Mayor's recommendations
- Where We Are Now
 - Although carryover exceeds the projection, projected revenues are still less than projected expenditures
 - Using beginning balance to supplement the variance
 - Operating revenues – projected: \$12,448,763
 - Operating Expenditures – less one-time transfers and library payment – projected: \$13,041,999
 - Difference – projected: \$593,236
 - City Council presentation 3/7/18
 - Reviewed amendment

- Approval of amendment as presented or as amended 3/14/18
- Balances will be posted in system providing more accurate and timed reports

Councilmember Musgrove asked if the reserves are invested. Finance Director Booher said the City has an investment advisor and invests all of them. The revenues go back to the funds they came from. They are pooled together to get the maximum earnings.

Councilmember Musgrove said he wanted to get a proactive economic development push started in Poulsbo. He saw this as an opportunity to get the money invested into something proactive rather than sitting in an account. However, it is not really appropriate to start a substantial new program at this time; it would be more appropriate to do this during the standard budget cycle and allow time to get it fully flushed out. He wants to bring this up at the Economic Development Committee.

Councilmember Musgrove said the Council has not yet decided whether to do the fireworks ballot, but he understands this is a set aside to do it. He is concerned that one of the big misunderstandings around this issue is that it is misunderstood. People don't know what is legal and illegal. He would like to increase the ballot measure set aside by a few thousand dollars for signage to educate the public on what is okay and not okay for fireworks.

Councilmember Musgrove asked how \$500,000 was arrived at for the Public Works Facility. He wondered if it should be more.

The Council agreed with increasing the fireworks ballot measure to \$10,000.

Mayor Erickson explained the amount of \$500,000 for the Public Works building. She knows the City should be getting \$800,000 from the sale of the old police station, which would bring the total to \$1.3MM for the facility from the General Fund portion of the project (1/5 amount, knowing there are pieces that will come from the enterprise funds).

Councilmember Musgrove asked if maybe we should dump all of this in now and take a portion of the proceeds from the sale, or if we just put in \$500K now and all of the proceeds later. Is there a reasonable difference to discuss how it goes? Finance Director Booher said the amount that is staying in the general fund keeps the City

consistent with its financial management policy with a little bit of breathing room. We are transferring it there, and once we sell the police station and look at the closing costs, we'll see the balance and be able to evaluate it. These are all in reserve dollars, and even though we are sending it to Capital Reserves, Council still has the authority to send it back to any governmental purpose. When you put a place holder on it, you think about it before using it for other things. A budget expenditure is not being built right now.

Motion: Move to approve Budget Amendment Number 18-0105 for 2018 carryover adjustments as amended.

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

b. West Poulsbo Waterfront Park Grant Acceptance

Director of Engineering Kasiniak presented the agenda summary, noting the City has been awarded a \$400,000 grant from Washington State Recreation and Conservation Department for the purchase of the waterfront property at 5th Avenue NW and Viking Ave for a future waterfront park. The City will match \$400,000 from a combination of park and storm reserves.

Councilmember Musgrove said this went to the public works committee, and they recommend approval.

Motion: Move to accept the \$400,000 RCO grant and authorize the Mayor to sign the grant agreement on behalf of the City of Poulsbo.

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

7. COUNCIL COMMITTEE REPORTS

Public Works Committee: Councilmember Musgrove reported they received an update of the flushing of manganese for putting Lincoln Well 2 online this weekend; discussed Waterfront Park grant; Noll Road Project ROW Acquisition Resolution; Central Interceptor CIPP project; and the utilization of the City Lobbyist for PW issues.

Community Services Committee: Councilmember Lord reported they went over the colors for the city hall interior repaint; Viking Tour and the Poulsbo Criterium special event applications (locations have changed); and reviewed a Banner Policy that will need to come before the Council for approval.

8. DEPARTMENT HEAD COMMENTS

Public Works Superintendent Lund reported they installed a couple bins to put branches and dirt in at the cemetery; they are ordering containers; and the lamp pole at Centennial Park is fixed now (it was hit by an inattentive driver).

City Clerk Fernandez reported the City is having its kick off meeting for the Laserfiche project next week, and the City Clerk's new employee, Renee Mizar, started on Monday.

9. BOARD/COMMISSION REPORTS

Councilmember Thomas reported he attended the NKSD board meeting last week. They expressed gratitude to citizens for passing the local school initiatives, they discussed school security, they are contracting to conduct a facilities survey, and are doing a review of the student population trends.

Mayor Erickson reported she attended the Kitsap Transit Board Composition Review meeting and the "Homes for All" meeting.

Councilmember Lord attended the Historic Downtown Poulsbo Association general membership meeting last night. They have their plans in place, their budget is healthy, and they are being proactive on working with merchants, the City, and having successful events.

Councilmember Garland attended the Tree Board meeting, and reported they welcomed their new board member, Joe Seals, and shared a few of the many educational opportunities coming up. They discussed Arbor Day, which will be on April 28 at 11am at American Legion Park (PSE is going to be donating trees that will be planted at that park). Tree Board Member Jim Leary has been working on the Heritage Tree Program, and it will be coming forward to the Council for approval.

10. CONTINUED COMMENTS FROM CITIZENS

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

11. MAYOR & COUNCILMEMBER COMMENTS

Councilmember Lord relayed a "thank you" to the City from HDPa for the storage containers.

Mayor Erickson thanked HDPa for the amazing levels of volunteerism from the group.

12. ADJOURNMENT

Motion: Move to adjourn at 7:51 PM,

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

Motion carried unanimously.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk