

POULSBO CITY COUNCIL MEETING OF OCTOBER 10, 2018

MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, Parks & Recreation Director McCluskey, IT Manager Stenstrom.

MAJOR BUSINESS ITEMS

- * * * Property Transfer Agreement between City of Poulsbo and Kitsap Regional Library
- * * * Minutes of September 5, 2018, Council Meeting
- * * * Minutes of September 12, 2018, Council Meeting
- * * * 2018 Revenues and Expenditure Review – Year to Date
- * * * Ordinance No. 2018-23/3rd Quarter 2018 Budget Amendments
- * * * Fish Park Architectural & Engineering Services Acceptance
- * * * Urban Paths of Poulsbo Update

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Erickson called the meeting to order in the Council Chambers at 7:00 p.m. and led the Pledge of Allegiance.

2. AGENDA APPROVAL

Motion: Move to approve the agenda as presented.

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

3. COMMENTS FROM CITIZENS

Rita Hagwell spoke regarding the history of the area and her property, Marelaine Lane street sign, her well, her water rights, and trails. She hopes the City Council will follow through with removing all trails from her land.

Rick Eckert, NKSD School board, said Poulsbo Elementary will be hosting the board at their school for the School Connections element of their board meeting tomorrow.

4. MAYOR'S REPORT AND COUNCIL COMMENTS

Councilmember Garland said she enjoyed the NKSD homecoming parade and rally tonight.

Councilmember McGinty reported he attended the AWC Regional Meeting last week with Councilmembers Stern and Musgrove.

Mayor Erickson announced two big building openings: Centennial Building, October 26; Fishline Grand Opening, November 10. She invited the public to attend the Poulsbo Marathon on October 13, Daffodil Day on November 3 at 9:00 a.m., and Salmon Tours at Fish Park at 10:00 a.m.

Councilmember Lord said she is excited about the Fishline Grand Opening.

Councilmember Stern said the Intergovernmental Committee meeting is scheduled for November 5 at 2:00 p.m. He asked for any agenda items from the council committees. He said November 7 will be a workshop to discuss the pros and cons of reorganizing the executive office. Mayor Erickson asked City Clerk Fernandez to distribute Councilmember Thomas' PowerPoint from the April 25 meeting, in order for them to review and come up with any outstanding questions they might have.

5. CONSENT AGENDA

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

The items listed are:

- a.** Property Transfer Agreement between City of Poulsbo and Kitsap Regional Library
- b.** September 5, 2018 City Council Meeting Minutes Approval
- c.** September 12, 2018 City Council Meeting Minutes Approval

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

Mayor Erickson thanked Planning Director Boughton for her work on transferring the library property.

6. BUSINESS AGENDA

a. 2018 Revenue and Expenditure Review

Finance Director Booher gave a presentation on the 2018 Revenue Sources Review. Presentation highlights included:

- Review of 2018 Revenue Sources
 - City's budgeted funds (general fund, special revenue funds, debt service funds, capital project funds, and enterprise funds)
 - Operating revenue exclusive of beginning balance (budget \$43,848,789; actual \$27,514,819)
 - 2018 Operating Revenue
 - General Fund Operating Revenue *Budget* as of 9-30-18: \$10,823,654
 - General Fund *Actual* Operating Revenues as of 9-30-18: \$7,284,884
 - General fund operating revenues budget v actual as of 9/30/18
 - 2018 General Fund revenue by type
 - 2018 General Fund revenue by type of tax
 - Sales tax in Poulsbo
 - 2018 Sales tax by SIC Code
- Review of 2018 Expenditures
 - City's budgeted funds at 49%
 - General Fund expenditures (67%)
 - 2018 budget as of 9/30/18: \$11,985,016
 - 2018 actual as of 9/30/18: \$8,021,825
 - 2018 General Fund expenditures
 - By type of service provided
 - By article purchased or service obtained

Councilmember Thomas emphasized the Drug Enforcement Fund being out of whack, because we don't budget much in there. Finance Director Booher said the only thing budgeted in there is investment earnings. Drug seizure funds are added to this fund, and then those dollars are used to pay for the K-9 program and other trainings related to drug enforcement.

Finance Director Booher gave a presentation on the Financial Status Report for the month ending September 30, 2018. Presentation highlights included:

- General Fund revenues YTD % actual to budget (67.31%) with explanations on the property tax, grants, investment earnings and miscellaneous.
- General Fund expenses YTD % actual to budget (66.93%) with explanations on the library, election costs, clerks staffing vacancies, executive professional services, and finance indirect allocations due to the State Auditor's Office required accounting changes, IT professional services, central services

insurance costs, mental health program staffing vacancies, and tree arborist expenses lower than expected.

- Revenues and expenditures for all funds YTD % actual to budget
 - Revenues 60.84%
 - Expenditures 51.94%
- Financial Management Policy compliance
- Investment inventory – all funds
- Total investment balances – all funds
- Cash & investment balance – general fund (less liabilities)
- Capital project status report

Discussion was held on the Capital Project Status Report, and how there are timing differences in the report. When it states “COMPLETED” that means they are 100% complete with the work (outstanding invoices may still come in). The report attempts to combine the accounting data with engineering project status side-by-side. From the engineering side the physical work is done, but on the accounting side, they have bills have not been paid yet, so there is a lag. It is difficult for Finance to say “we are done paying for this project” when Engineering may have bills out there that they are not aware of. The Finance Department has monthly project meetings with Engineering/PW to go over the projects individually, and the learn when pay requests are going out so they have cash flow to pay them. When looking at the report, the worst-case scenario is to anticipate all the funds being expended for a project. The report is not a project management status. Finance Director Booher and Mayor Erickson will look at revising this section of the report.

b. Ordinance No. 2018-23, 3rd Quarter 2018 Budget Amendments

Finance Director Booher presented the 3rd quarter 2018 budget amendments that were approved by Council during July, August, and September.

At 8:01 p.m., Mayor Erickson requested any public comment. No comments were received.

Motion: Move to adopt Ordinance 2018-23, an ordinance for the City of Poulsbo, Washington, amending the 2017-2018 Mid-Biennium Budget amended and adopted by Ordinance No. 2017-21 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.

c. Fish Park Architectural & Engineering Services Acceptance

Mayor Erickson asked Parks & Recreation Director McCluskey to give a summary of the Community Services Committee meeting today and the PFD project proposal deadline coming up in December. Parks & Recreation Director said the project scope may include an event center and/or meeting rooms and recreational facilities. The center may include fields, swimming pool, fitness center, conference and special event size meeting rooms (capacity 200 people). It will be a public/private partnership. It may be located on the city-owned 6-acre parcel in College Market Place. Their plan is to hire a resource consultant to put together the scope of work for a feasibility study. Councilmember Thomas said the initial step is to put together a proposal to take to the PFD to receive funds for a feasibility study that will crystalize these concepts into something they can move forward with as a plan.

Parks & Recreation Director McCluskey presented the agenda summary, noting Poulsbo Parks and Recreation sent a Request for Qualifications to six landscape architects on the MRSC Small Works Roster for improvements to Poulsbo's Fish Park. One statement of qualifications was received back, and the attached scope of work was negotiated. This scope and fee document describes the consultant team's role in providing design and documentation services which will be funded by two approved state grants and associated matching funds. Fischer Bouma Partnership (FBP) will be the prime consultant; Parametrix is on the consultant team to provide civil and structural engineering services related to the boardwalk and overlooks.

Motion: Move to approve the contract with Fischer Bouma Partnership and their subcontractors for \$97,214 for design and documentation services for improvements to Poulsbo's Fish Park as presented, and authorize the Mayor to sign the contract on behalf of the City.

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

d. Urban Paths of Poulsbo Update

Parks & Recreation Director McCluskey presented the agenda summary, noting City functional plans are reviewed every 6 years. The original Urban Paths of Poulsbo (UPP) Trails Plan was approved by the City Council during the Comprehensive Plan amendment process in May 2012, so this is the first update to the original UPP Trails Plan. The 2018 update was led by the Poulsbo Parks and Recreation Commission.

They reviewed questions from five previous city surveys that discussed trails, reviewed and updated existing inventory, discussed maps and trail typology, updated Trails Priorities (projects), and held a community open house in June. If approved by the City Council, this plan will move forward and be docketed in the City's 2019 Comprehensive Plan Update.

Parks & Recreation Director McCluskey reference the letter from the Liberty Bay Condo Association that wanted the line on their property to be removed. She said the line was unintentional. It will be fixed.

Councilmember Thomas said the plan was well done. He complimented the Parks & Recreation Commission for their time and work. He noted on any type of planning map, when there is a proposed path/street, it is a concept, it doesn't mean it is going to go where it is marked.

Councilmember Lord complimented all the work. She was happy with the responsiveness of the Parks & Recreation Commission and staff by having the public come in during some of the charettes they did late last summer. Concerned west-side property owners came and spoke and she is pleased that the Parks & Recreation Commission paid attention to strong concerns of citizens, especially Mrs. Hagwell, and that they removed the conceptual trails on the west side of Viking Avenue. The new proposed conceptual paths throughout the City on the new map exclude any paths on the west-side of Viking Avenue.

Councilmember Nystul noted the letter from Liberty Bay Estate and said he understands the concern of those folks if the line is going between the buildings and the water; however, there is a street there that is a City right-of-way, and they park in the middle of the right-of-way without permission. He said the Council can listen, but they also have concerns.

Motion: Move to approve the 2018 Urban Paths of Poulsbo Trails Plan Update as presented; and recommend it be docketed with the 2019 Comprehensive Plan amendments.

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

7. COUNCIL COMMITTEE REPORTS

Community Services Committee: Councilmember Thomas reported they received a presentation from Rotary on the idea of an ADA compliant park; received a request for a special event on New Year's Eve for a wedding; discussed requests from several entrepreneurs in terms of bicycle rentals; discussed the PFD application; received an update on Centennial Park (hydroseeding, new plants, and a volunteer work party); and discussed the Christmas lights downtown and the cost to put some lights up on Viking Avenue.

Public Works Committee: Councilmember Musgrove reported they discussed taking a tour of Pugh Road Pump Station and asked the Council if they are interested in attending to let him know; in response to Councilmember McGinty's question if replacement parts would be available for the refurbished trucks, staff said parts would be available; staff will be going after some grants for the West Poulsbo Stormwater Refit design work (2019) and construction (2021); Finn Hill consulting contract will be coming forward to Council; Harrison Force Main project will be completed by October 19 (some increased costs due to flagging); the CIPP project is complete; discussed the plastic bag ban ordinance; and the cemetery master plan review (will discuss further at the next meeting).

Councilmember Lord said the cemetery master plan should be retitled visionary plan. When this comes to the full Council, they need to look at what can actually be done and figure out how to frame that while honoring the hard work done by the committee. They are limited on what they can do. It needs to be worded in a way so that they can accomplish some things and adopt the concept with some of the actual tasks if they are workable, and the vision as just a vision.

8. DEPARTMENT HEAD COMMENTS

City Clerk Fernandez asked for feedback on the draft agenda for the joint meeting with the Port of Poulsbo on October 24, 2018. The following items have been proposed by the Port: Port of Poulsbo small joint parking lot, silting of Liberty Bay, joint fund & lease agreement, seawall & floating breakwater. The following items were proposed by Council: Port annexation status, options or alternatives, and intents; current summary of Port tax and fee schemes with any motivations or intents to change them; quick summary from the Port of relevant recent and expected changes of-interest at the Port or within its District.

Mayor Erickson noted the first agenda item states "small joint parking lot." She clarified it is not a joint parking lot, it is a city-owned parking lot that has had exclusive use by the Port.

Councilmember Musgrove asked what items were discussed at the retreat, and if they would be included. City Clerk Fernandez noted the minutes from the retreat stated the City would like to discuss the need for a deep-water pier to handle the cruise ships/deep

water mooring buoy; can something be built to stop the silting of the bay; how the parking lot on Jensen is working out, and what their restroom plans are.

Councilmember McGinty said it would be interesting to see a list of all their festivals.

Councilmember Thomas said our stormwater staff may have some technical information that could be shared regarding the discussion of silting (might be worth to see if they have any technical information when they discuss this).

Councilmember Stern said there is a lot of overlap in this meeting from their previous joint meeting. He hopes the City can better understand the demarcation point between our jurisdictional responsibilities and theirs, and not have this be an ask for money. Some homework in front of an agenda like this would be important, so they are not wandering off into opinions and desires.

Councilmember Lord agrees with getting clarification on silting from PW/Engineering. Regarding the Joint Fund & Lease Agreement, she would like some understanding if what they would like to hear from the City, because we have a lease agreement for our property with the port, and the joint fund has specific earmarks on it, it can only be utilized for specific things. She wants to know if they are asking for the lease to be amended.

Councilmember Musgrove said they need staff support at this meeting to help the discussion. He would like clarification on the joint fund and seawall/floating breakwater. The seawall is part of the joint fund. He would like a little clarification up front on what the Port wants to talk about regarding these items.

9. BOARD/COMMISSION REPORTS

Councilmember Thomas reported the NKSD Board meeting is tomorrow night. They are starting at the district building at 5:00 p.m., and then they plan on heading to Poulsbo Elementary.

Councilmember Stern noted that Superintendent Evans presented at Rotary last Friday morning, and it was an excellent presentation. The question from the club was about Running Start again.

Councilmember Stern reported he represents the cities on the federal economic development district for PSRC. He is back on the executive committee. There are three major private space efforts. They will be touring Blue Origin. He will be attending a national summit and will miss KRCC. He asked Councilmember Nystul to attend as his alternate.

Councilmember Nystul reported on the 305 working group that met on September 27. An analysis is being done on the whole corridor rather than individual SEPA projects. Their final determination will be issued on October 16, and then the City's engineering staff can proceed with the Johnson roundabout. They are starting to think about alternative ingress and egress, like at Sol Vei, Tollefson, and Bay Watch, and whether to do a left turn lane or right-in/right-out. Mayor Erickson said she thinks the goal is to not have left hand turns on that highway due to safety concerns.

10. CONTINUED COMMENTS FROM CITIZENS

Ms. Hagwell thanked those who worked on her land to try to help her. It was a shock to see her land on a map for a trail.

11. MAYOR & COUNCILMEMBER COMMENTS

Councilmember Stern said the Intergovernmental Committee is meeting November 5, and he asked the Council to work in their committees to provide him items of interest to share with the tribe. The gateway artwork project could be one item.

12. ADJOURNMENT

Motion: Move to adjourn at 8:51 p.m.,

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

Motion carried unanimously.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk