

POULSBO CITY COUNCIL MEETING OF OCTOBER 17, 2018

MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, Director of Engineering Kasiniak, City Engineer Lenius, Police Chief Schoonmaker, City Attorney Haney, IT Manager Stenstrom.

ABSENT: Councilmember Garland

MAJOR BUSINESS ITEMS

- * * * Minutes of September 19, 2018, Council Meeting
- * * * Minutes of October 3, 2018, Council Meeting
- * * * Payable Disbursements for September 2018
- * * * 2019-2020 Revenue Sources Public Hearing
- * * * Central Interceptor CIPP Project Acceptance
- * * * Finn Hill Road Project Consultant Contract
- * * * Harrison Force Main Project Update and Budget Amendment
- * * * Noll Road Improvement Project Condemnation Ordinance No. 2018-24

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

Mayor Erickson noted Business Item 6e would be moved to 6a.

Motion: Move to approve the agenda as amended.

Action: Approve, **Moved by** Lord, **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 noted that the Everett Yacht Club is coming this weekend. The next Port meeting is tomorrow at 7:00 p.m. at the Port of Poulsbo.

Councilmember Thomas noted that the Parks & Recreation Commission meeting is on October 22, 7:00 p.m.; the joint meeting with the Port of Poulsbo is October 24, 7:00 p.m.; the NKSD board meeting is November 24, 6:00 p.m.; the Kitsap Strong elected officials luncheon is October 26; and Veterans Day coming up they need volunteers to help place flags at the Poulsbo Cemetery on Thursday, November 8, 10:30 a.m.).

Mayor Erickson stated the First Lutheran Lutefisk Dinner is this Saturday at 1:00 p.m.

Councilmember Stern reminded everyone November 5 is Intergovernmental Committee with the Suquamish Tribe. He asked the council committees send him agenda items for this meeting.

Councilmember Nystul stated that Saturday was the 243rd birthday of the Navy. With the election coming up, it is important to know what affect things might have on the City, especially I-940. He asked Police Chief Schoonmaker to discuss I-940.

Police Chief Schoonmaker stated that I-940 has good and bad elements. He urges everyone to read it. Some concerns he has are that parts 2, 3, 4, and 5 have some extensive training requirements, some that are already being done. Part 6 discusses the deadly force standard, and the way it is written, it becomes a tough standard to meet, because passing both a good faith test subjectively and objectively would be a tough standard to train to.

Councilmember Thomas said with the mandated training, the local tax payers would have to pay for the new requirements. Councilmember Lord said she had concerns about how the law would impact Poulsbo. She asked the citizens to read the initiative, read it carefully and think in terms of our City.

Councilmember Musgrove thanked Police Chief Schoonmaker for pink patches in support of Breast Cancer Awareness.

5. CONSENT AGENDA

Motion: Move to approve Consent Agenda items 5a, b, and c as presented.

The items listed are:

- a.** September 19, 2018 City Council Meeting Minutes Approval
- b.** October 3, 2018 City Council Meeting Minutes Approval

c. Payable Disbursements for September 2018

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

6. BUSINESS AGENDA

At 7:11 p.m., Mayor Erickson recused herself. Deputy Mayor McGinty continued the meeting.

a. Ordinance No. 2018-24, Noll Road Improvement Project Condemnation

City Engineer Lenius presented the agenda summary, noting the ordinance provides for the condemnation of property in the South Segment of Noll Road. This ordinance allows the City to move forward with possession and use, or condemnation, if necessary.

City Attorney Haney said they have had some discussion about condemnation in the past. This is a step in the process. Part of the reason for passing the condemnation ordinance is to be able to ultimately set the schedule that we need, knowing that if we are unable to reach a negotiated settlement with the property owners that we will be able to get the right-of-way in time in order to certify so the construction can take place. They are optimistic that they can reach settlements, the negotiations have been going well. If not, they need a date out there that they know they will have the right-of-way. The steps for condemnation involve filing a condemnation action in the Superior Court of Kitsap County, which gives the City a trial date. The trial date is in case they are unable to reach settlement and must try the case in front of a jury to find out how much the property is worth.

Councilmember Stern asked if there is an advantage to the property owners in the condemnation process. City Attorney Haney said yes, because they will not pay real estate excise tax and perhaps receive some income tax advantages.

Deputy Mayor McGinty said this is not an adversarial action. He met with the City Engineer and she is very optimistic. This is a commitment to follow through with our project.

Councilmember Musgrove clarified this is not an action with no end date. They will not be able to condemn anything else after this project is done, it is solely for this project. City Attorney Haney said each time they decide to condemn property, the Council must pass an ordinance and give notice to the property owners who will be

subject to the ordinance. This ordinance authorizes condemnation of the specific properties identified in the exhibit.

Councilmember Lord said condemnation is a red-flag word; however, they have had many conversations about how this process is working and how complex it is. They have a lot of grant money coming in and deadlines surrounding the grant money. If they don't meet the deadlines, they will lose the funding and the project.

Motion: Move to adopt Ordinance No. 2018-24, an ordinance of the City Council of the City of Poulsbo, Washington, directing the city attorney's office to file and prosecute the appropriate legal proceedings for condemnation on the identified properties for the Noll Road Improvement Project.

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

Motion carried.

At 7:24 p.m., Mayor Erickson rejoined the meeting.

b. Public Hearing: 2019-2020 Revenue Sources

Finance Director Booher gave a presentation on the 2019-2020 Revenues Sources and noted according to RCW 84.55.120, the City of Poulsbo is required to hold a Public Hearing on revenue sources for the upcoming year's General Fund budget. The hearing must include consideration of possible increases in property tax revenues and must be held before the Property Tax Levy request is submitted to the County. Presentation highlights included:

- A review of the 2019-2020 projected revenue sources;
- City's budgeted funds operating revenues (exclusive of beginning balances);
- General fund by categories comparison (actuals 2017, budgets 2018, 2019 & 2020);
- 2019-2020 general fund revenue by type;
- Property taxes
 - Comparison of cities in Kitsap County
 - Population/2019 Estimates
 - Assessed value comparison
 - Tax comparison
 - Real Estate Excise Tax comparison
 - City's 2019 Property Tax levy
 - City's 2019-2020 property taxes
 - City's assessed values and new construction in 2018 to establish 2019 property tax levy

- City's property tax rate (\$1.60)
- City's 2019 property taxes (\$2,573,109 – includes tax refunds)
- Comparison to Kitsap County Property Tax Rate
- How the City Spends the \$1.38
- Comparison of City property taxes (2017-2018 actuals, 2019-2020 projections)

At 7:46 p.m., Mayor Erickson opened the public hearing, and hearing no comments closed the public hearing at 7:47 p.m.

Councilmember Stern said tonight at the Finance-Administration Committee they looked at revenues, but what they are going to want to key in on is the expenditures. They will be having a special meeting of the Finance-Administration Committee on November 14 at 5:00 p.m.

c. Central Interceptor CIPP Project Acceptance

Director of Engineering Kasiniak presented the agenda summary, noting the City has successfully completed this project. The final contract amount was \$943,811.71. The final paid contract total was \$944,066.76. There were four change orders on the project totaling \$174,007.71 (22% of the contract - approved by Council on 7/18/18). Final payment was made to the contractor on 9/26/2018. Retention in the amount of \$41,999.02 is held on the project and will be released once the project has been accepted and released by all agencies.

Councilmember Lord said this was a remarkable project from start to finish.

Councilmember Thomas said this method is not widely used in the USA and innovative. Director of Engineering Kasiniak said this was the first project of this size in Washington State.

Councilmember Musgrove said it is good staff considers technologies not used before, and helpful that there was some experience in the USA with this technique. He said the Public Works Committee reviewed this and recommended approval.

Motion: Move to approve acceptance of the Central Interceptor CIPP project as complete.

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

Motion carried.

d. Finn Hill Road Project Consultant Contract

Director of Engineering Kasiniak presented the agenda summary, noting the task authorization is through the on-call consultant contract with Struck Environmental to provide right of way acquisition support, environmental permitting and project design support for the Finn Hill Road Improvement project in the amount of \$24,990.00.

Mayor Erickson said she is excited by this project. She would like to see trees planted along there. The walking path will be similar to Lincoln. It will be safe to the kids.

Councilmember Thomas said this project is very important for safety. The funding formula is a good buy for the City with the grant funding.

Motion: Move to approve the task authorization for the on-call consultant contract with Struck Environmental in the amount of \$24,990.00 and authorize the Mayor to sign the task authorization on behalf of the City.

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

e. Harrison Force Main Project Update and Budget Amendment

Director of Engineering Kasiniak gave an update on the construction of Harrison Force Main project and the project budget. Staff recommended a budget amendment in the amount of \$125,000 to be funded by water, sewer, and storm reserves because of additional work, unforeseen conditions, and utility conflicts encountered during the project. The Engineering Department is also recommending increasing the threshold the Mayor has authority to approve change orders on the Seton Construction contract to 20 percent.

Councilmember Lord complimented Public Works, Engineering, and the contractors for the way they kept the neighborhood up to speed on the project impacts, and the coordination to the businesses downtown to minimize the impact to traffic.

Councilmember Musgrove said he only saw one backup downtown for three minutes, which is marvelous. The GIS is kind of tough the first time finding everything, but he is looking forward to the future with the new technology with GPR and floating transmitters to see into the ground before we dig. He hopes it gets faster and easier as we have future projects.

Motion: Move to approve authorization for the Mayor to sign change orders up to 20 percent over contract value – or up to \$148,056.

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

Motion carried.

Motion: Move to recommend a budget amendment in the amount of \$125,000.00 to be split proportionately between the three utilities – Sewer, Water and Storm.

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

Motion carried.

7. COUNCIL COMMITTEE REPORTS

Finance-Administration Committee: Councilmember Thomas reported they reviewed the budget calendar and the special Finance Committee meeting is November 14 at 5:00 p.m.; and they prepared for the November 7 council workshop for the executive office discussion.

Public Safety/Legal Committee: Councilmember Nystul reported they discussed the Boise, Idaho case of the homeless camping in public spaces; Judge Tolman reported the video arraignment system installation should be done at the end of the year, the court is now 0.58 FTE, they are establishing two calendars on Wednesdays to accommodate the increased workload, and bail is an issue; the Police Department is fully staffed, however, they are down to 11 officers for patrol due to injuries and training.

8. DEPARTMENT HEAD COMMENTS

None.

9. BOARD/COMMISSION REPORTS

Councilmember Thomas reported on the NKSD board meeting he attended last week at Poulsbo Elementary School. He noted education is a community issue, not just for parents and kids. Mayor Erickson said she thinks the NKSD is getting very good.

Councilmember Lord thanked Councilmember Thomas for going to the Poulsbo Elementary tour. She has been up there many times with her grandson, and his youngest sister is now attending that school.

Councilmember Stern reported on a meeting he is attending as an alternate for the AWC Puget Sound Partnership Ecosystem Coordinating Board on October 25 regarding Fish Barrier Removal Board and its funding.

Mayor Erickson noted the problem with the Puget Sound Partnership and the West Central Local Integrating Organization. After attending meetings for five years, they finally received \$100,000. None of the money got down to where it could be used, it was used for planning.

10. CONTINUED COMMENTS FROM CITIZENS

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

11. MAYOR & COUNCILMEMBER COMMENTS

Councilmember Musgrove thanked the Mayor for forwarding the JLARC report, and said he planned on attending the Ogden Murphy Wallace seminar on October 24 about the small cell issue and the federal cap.

Councilmember Thomas said Fishline's Grand Opening will be next month. Mayor Erickson added that Vibe and High Spirits opened up as well.

Councilmember Lord asked the Council to check their emails for a link to the 10K run video done by a drone last week.

Councilmember Stern said the Bremerton Symphony has a concert this Saturday. He thanked Councilmember Lord for all her work with the symphony. He also thanked Councilmember Thomas for his work with the NKSD, and he would be interested in attending when the board visits the NKHS.

12. ADJOURNMENT

Motion: Move to adjourn at 8:46 p.m.,

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

Motion carried unanimously.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk