

POULSBO CITY COUNCIL MEETING OF DECEMBER 5, 2018

MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, Director of Engineering Kasiniak, Senior Engineering Technician Burgess, IT Senior Technician Williamson.

ABSENT: Councilmember McGinty

MAJOR BUSINESS ITEMS

- * * * ILA KC-415-18 Reimbursable Work Performed by Kitsap County Public Works
- * * * Budget Amendment/BA #18-0406 Cemetery Pergola
- * * * Approval of November 7, 2018 Council Meeting Minutes
- * * * Baseline Adjustments and New Program Requests
- * * * Lone Pine Final Plat Approval
- * * * SR305 manhole Rehabilitation Contract
- * * * Lemolo Siphon Feasibility Study Consultant Contract
- * * * Executive Session regarding real estate matters for 10 minutes pursuant to RCW 42.30.110(1)(b)

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 amended.

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

Motion carried.

3. COMMENTS FROM CITIZENS

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

4. MAYOR'S REPORT AND COUNCIL COMMENTS

Councilmember Lord mentioned that at the December 19 Council meeting, the Bremerton Youth Symphony will perform at end of the meeting. She also promoted

Bremerton Symphony's "Holiday Happenings" on December 8 at the Bremerton Performing Arts Center. She attended the Governor's Arts & Heritage award ceremony, which recognized people across the State of Washington who have contributed to our cultural heritage through the arts. She shared the eligibility criteria for the program (arts.wa.gov).

Councilmember Thomas observed the memorial services for former President George H. W. Bush. His son read part of his inaugural speech. There was a phrase in there that spoke to Poulsbo, which is paraphrased: We don't need to be passing onto our children fancy cars or expensive homes, what is better is passing on the value and gratification of serving others in our neighborhood, communities, towns, states, and country. He said those words are so wise. We are lucky here in Poulsbo, our employees, police officers, mayor, councilmembers, and volunteers in the community that give to Poulsbo. That is a good thing to pass onto our children.

Mayor Erickson recommended everyone watch the recorded eulogies given at the services today if they didn't get to watch it this morning. She reported last weekend they had the biggest Julefest since she'd started attending, and it looked like 2,500 people attended. Shop with a Cop was on Saturday at Walmart with 135 kids spending \$18,000. This coming Saturday is the League of Women Voters Land Use seminar in Bremerton at the Norm Dicks building.

Councilmember Musgrove recommends checking out the cemetery pergola. He thanked Bill Austin for all his work. He also thanked Councilmember Thomas for chairing the Cemetery Committee.

Councilmember Garland announced the Level 3 Sex Offenders meeting on December 13 at 6:30 p.m. in the Council Chambers. Citizens will hear from county officials. She thanked Commissioner Gelder for his speedy work on this.

Councilmember Stern reported it takes 90 minutes to travel 11 miles from the Bainbridge Island Ferry to Poulsbo, and the Argosy boat from Seattle was downtown.

5. CONSENT AGENDA

Motion: Move to approve Consent Agenda.

The items listed are:

- a.** ILA KC-415-185 Reimbursable Work Performed by Kitsap County Public Works
- b.** Budget Amendment/BA # 18-0406 Cemetery Pergola
- c.** Approval of November 7, 2018 Council Meeting Minutes

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

Motion carried.

6. BUSINESS AGENDA

a. Baseline Adjustments and New Program Requests

Finance Director Booher presented the agenda summary, noting as part of the budget process, and following all departmental budget presentations, this is the opportunity for the Council to review the Baseline Adjustment and New Program Requests in detail and make their recommendations for funds. Presentation highlights included:

- Baseline Adjustment Requests and recommendations for the general fund and other funds.
- New Program Requests and recommendations for the general fund and other funds.
- General Fund budget impacts
- Next steps
 - Council decision on funding requests tonight
 - Final Budget Review and Approval 12/12/18
 - Final Budget Adopted 12/19/18

Councilmember Nystul asked how many hours a week it takes for an employee to be covered for medical insurance. Mayor Erickson said they must work 40 hours a week.

Councilmember Lord said she supports having the event coordinator position happen if they can come up with a creative way for funding it. In the Economic Development Committee (EDC), they discussed how the City can continue keep the downtown holiday lighting by maintaining, hanging up, and taking down the lights now that Bill Austin is no longer organizing that activity. EDC recommended holding an amount in the budget, so this is not forgotten. The events coordinator position description does not sound the lights would be a part of their function.

Mayor Erickson said the event coordinator would be a part time position in the amount of \$30K-\$35K and the residual budget would be used for services contracted, publications, paying public works crew for help. If the City cannot fund the whole request now, they will make sure there is some funding to take care of the lights downtown and at the junction. Another concern is that Viking Fest Corporation is losing volunteers for their three big events, and the City needs to make sure we have a plan moving forward.

Councilmember Lord asked that the wording of the New Program Request be described more completely to also include the lights. Finance Director Booher added that Council also wants HDPAs to look at their rate structure. Mayor Erickson noted the Port of Poulsbo also supports this position. The position needs to be flushed out a little more.

Councilmember Thomas observed as they went through the process of looking at these requests, they don't approve them all. They try to be prudent with the tax payer's money. As a result of not funding everything, they have built up these reserves. At some point, they cannot hold off forever, some needs become urgent after pushing them off. Although it may seem alarming to go into the reserves, he would like to assure the public that the reserves have been built up because of a prudent fiscal policy.

Finance Director Booher pointed out that although it looks like our operating revenues are not supporting our operating expenditures, what are built into the expenditures are transfers to our capital funds reserve for capital uses. So, we have that leverage too, reducing the transfers to support the general fund. She also noted the increase for the Mayor's wages and Judge's wages are included in the totals. They will not be formally approved until the Salary and Wages Resolution is approved. The budget has been prepared anticipating those changes.

Mayor Erickson said this is a soft-landing budget. The City has been making money, so they're going to take some of that money and put it back into services. She is nervous about the end of 2020-2021. They will be watching this stuff very carefully. They will not spend money they do not have. They will do a mid-year adjustment in 2020 and decisions will be made with fiscal conservatism.

Councilmember Nystul said departments typically don't spend 100% of their budgets, and that amount will offset transferring some reserves. Finance Director Booher agreed that is part of the prediction but noted that some department funds have been tight this year.

Councilmember Nystul asked if the economic trend starts to turn down in 2021, then it would be people who are laid off. Mayor Erickson agreed, that is where the City's money is spent. The reality of government is a service organization and the 85% of expenditures are salaries and wages.

Councilmember Nystul said the Water - Supplies & Repairs line item requested a \$23,000 baseline adjustment and was allocated \$14,000. He asked if Public Works will come back and ask for additional funds if they expend the \$14,000 and still have work that needs to be done. Public Works Superintendent Lund said if they need additional funds, they will come back and ask for more.

Councilmember Thomas noted the training line baseline adjustment request for the Police Department. There was a statewide initiative recently passed, but no state funds provided for the required training, so that training must be paid through local expenses. The City will have to watch that as the program is developed.

Mayor Erickson said the Council can anticipate increased training of law enforcement and increased jail costs. The jail costs are going to be difficult to absorb.

Councilmember Lord is pleased with the efforts made by of Mayor Erickson, Finance Director Booher, and the Finance-Administration Committee. She appreciated the prudent approach. She wished they could fund all the requests but that is not practical.

Councilmember Stern noted they will re-review new program requests and baseline adjustments once the carryover is determined.

Mayor Erickson said the budget is a working document, which they are constantly reviewing and updating. The City has great Finance staff watching all of this.

Motion: Move to approve the budget as presented.

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

Motion carried.

b. Lone Pine Final Plat Approval

Senior Engineering Technician Burgess presented the agenda summary, noting the infrastructure for the plat of Lone Pine, a 15-lot plat located adjacent to NE Lincoln Road, has been completed to the satisfaction of the Engineering, Planning, and Public Works Departments. Lone Pine, as proposed for final plat, conforms to the terms of preliminary plat approval as addressed in the final plat staff report. Given that Lone Pine satisfies the terms of preliminary approval and conforms with Title 17 of the Poulosbo Municipal Code, the City Engineer respectfully recommends that the City Council approves Lone Pine Final Plat subject to the items listed above.

Councilmember Lord appreciated the care the developer took to not disrupt the families who live nearby. The efficiency of that developer is incredible, and it was great to watch.

Mayor Erickson agreed they did a great job and moved quickly.

Motion: Move to approve the Final Plat of Lone Pine with final recording subject to the identified conditions.

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

Motion carried.

c. SR305 Manhole Rehabilitation Contract

Director of Engineering Kasiniak summarized the scope and budget proposed with RH2 Engineering for the design and services during bidding of the SR305 Manhole Rehabilitation project. Also included in this contract are consultant services for lining approximately 500 feet of existing sewer main near Raab Park with cured-in-place pipe (CIPP).

Councilmember Stern asked if any of these are in the right-of-way of SR-305 and are the State's responsibility. Director of Engineering Kasiniak said the right-of-way in the City limits is the City's property. The State operates the highway on top of our right-of-way and is responsible for maintenance of the road. Ditches and culverts of certain sizes are the responsibility of the City, and everything between the fog lines and in-between curb lines are owned by the State. We must have a franchise agreement to work on their property.

Mayor Erickson asked who owns the lamp poles inside the fog lines. Public Works Superintendent Lund said the State maintains the light poles.

Motion: Move to approve the contract with RH2 Engineering for the design and services during bidding of the SR305 Manhole Rehabilitation project in the amount of \$68,178.00 and authorize the Mayor to sign the contract on behalf of the City.

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

Motion carried.

d. Lemolo Siphon Feasibility Study Consultant Contract

Director of Engineering Kasiniak summarized the scope and budget proposed with BHC Consultants to perform a Feasibility Review for the Lemolo Siphon project. The project objective is to develop a conceptual level evaluation associated with the potential construction of new wastewater conveyance system (syphon/force main) to transmit future sewage flows (50 years flows) from Poulsbo to via the Lemolo area, underneath Liberty Bay (30-40 feet below), to Kitsap County facilities near Keyport using a horizontal drilling technology. Contract elements include:

- Develop 50-year sewage flow projections
- Develop vertical profile

- Review existing geotechnical information
- Develop two crossing alternatives
- Review permitting requirements
- Estimate permitting and design durations
- Develop conceptual level of probable project cost.

Councilmember Thomas asked if the existing siphon sits on the bottom of the bay. Director of Engineering Kasiniak said it does sit on the bottom and is anchored with concrete. They are proposing to go 30-40 feet below the bottom of the Liberty Bay with the new siphon or force main.

Motion: Move to approve the contract with BHC Consultants to conduct the Feasibility Review for the Lemolo Siphon project in the amount of \$28,120.00 and authorize the Mayor to sign the contract on behalf of the City.

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

Motion carried.

7. COUNCIL COMMITTEE REPORTS

Finance-Administration Committee: Councilmember Thomas reported the committee reviewed the Baseline Adjustment Requests and New Program Requests for the 2019-2020 budget, received reports on sales tax and REET, and discussed looking into alternatives to the city administrator, for example, an executive assistant to the mayor.

Public Works Committee: Councilmember Musgrove reminded everyone that the meetings this month are on December 12 and 19 due to the holidays.

Economic Development/Tourism Committee: Councilmember Stern reported Planning Technician Wytko created an app to locate art in the City (GIS). They had a brief discussion on affordable housing and protecting what we have (KRCC has started an ad-hoc committee on this topic). Mayor Erickson has turned her attention to the College Market Place Development. A hotel is expected to start next spring, with approximately 100 rooms. There is an effort to look at landscaping and small lot parks. Banners are to be placed along SR-305 that have Olympic College, Western Washington University, and City of Poulsbo logos on them.

8. DEPARTMENT HEAD COMMENTS

Director of Engineering Kasiniak stated that the Forest Rock Lane rehabilitation project is being advertised for bids. Bids will be opened December 19.

9. BOARD/COMMISSION REPORTS

Councilmember Stern reported Kitsap Regional Coordinating Council (KRCC) met on Tuesday morning; the City of Bremerton is re-joining in January 2019. They are also working on a vision statement for the Kitsap County County-wide Planning Policies (CPPs). He read the vision and asked for feedback from the Council.

Councilmember Stern had his final Kitsap Transit meeting in the at-large position. The position will be filled by one councilmember alternating between Port Orchard, Bainbridge Island, and Poulsbo (in that order) for a term of two calendar years.

Mayor Erickson was supposed to be chair for Transit next year, but she is needed to chair Housing Kitsap due to her financial background. She will also chair KRCC.

10. CONTINUED COMMENTS FROM CITIZENS

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

11. MAYOR & COUNCILMEMBER COMMENTS

Councilmember Thomas said next Thursday he is attending the Kitsap County EOC, where there will be an Aviation Outreach.

Councilmember Musgrove said he is attending the EOC morning session. He said Father Christmas is downtown on the weekends, horse-drawn carriage rides on Saturdays, and a lighted boat parade December 15.

Councilmember Stern has a copy of the letter from KRCC to the City of Bremerton for rejoining the organization. Mayor Erickson said Mayor Putaansuu was instrumental in getting Bremerton to rejoin.

Councilmember Stern moved for the Council to go into Executive Session and adjourn from there.

12. EXECUTIVE SESSION

At 8:52 p.m., the Council recessed into a 10-minute executive session regarding real estate matters pursuant to RCW 42.30.110.1(b). No action was taken.

13. ADJOURNMENT

At 9:02 p.m., Mayor Erickson adjourned the meeting.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk