

POULSBO CITY COUNCIL VIRTUAL MEETING OF OCTOBER 21, 2020

MINUTES

PRESENT: Mayor Erickson; Councilmembers Livdahl, Lord, McGinty, McVey, Musgrove, Phillips, Stern

Staff: Finance Director Booher, City Clerk Fernandez, Police Chief Harding

MAJOR BUSINESS ITEMS

- * * * Swearing in Ceremony for Chief of Police
- * * * Minutes of October 7, 2020, Council Meeting
- * * * Public Hearing for 2021-2022 Revenue Sources and Presentation

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Erickson called the virtual meeting to order 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** Stern, **Seconded by** Lord.
Motion carried.

3. COMMENTS FROM CITIZENS

Rebecca Petris thanked the Council for last night's panel discussion. She felt Kim Hendrickson did a brilliant job moderating, and she appreciated the transparency of the questions received and whether they would be able to answer them. She thought the selection of the panelists were great and appreciated their candid responses of their realities in Poulsbo. She is happy and looking forward to Poulsbo's next steps in fostering conversations that lead to the vital changes needed.

4. MAYOR'S REPORT AND COUNCIL COMMENTS

Councilmember Livdahl appreciated Rebecca's comments and expressed her gratitude to the panelists for attending the event last night. This will not be the last event, it is ongoing. They received a lot of valuable information.

Councilmember Lord thanked the panelists for expressing their hearts on the two very comprehensive questions posed to each of them. They need to have other panel

discussion soon. She reminded everyone to vote. She said the drive-thru flu clinic was successful last week with 200+ participants. She got to judge the Halloween window decorating contest downtown last weekend with 16 participating businesses. Imagine That won the Halloween theme prize and Crimson Cove won the Fall theme prize.

Councilmember McGinty said that the event last night was well organized and a great opportunity to just listen. He was impressed with the different issues and perspectives and is looking forward to next steps.

Councilmember McVey enjoyed hosting the event last night, thanked the panelists, and said he got a lot out of it. He thanked Councilmembers Livdahl and Stern for retaining the panelists, Councilmember Livdahl for helping with the questions, the Mayor for providing city staff and retaining the panelists, Kim Hendrickson for doing a great job moderating last night, and Rhiannon Fernandez for admin support. He was glad the two questions they developed were as good as they were, they brought out a lot. They did not get to all the questions submitted, but they will be addressing these later. There were some poignant things discussed by panelists about how they have felt in some of our businesses, parks, and gathering places in not feeling welcomed and being treated suspiciously. He said the things that they have experienced here are not right, they are wrong, and we can do better. He hopes as they continue to talk about these things, they will have a higher understanding and appreciation of diversity in Poulsbo.

Councilmember Musgrove thought that the panel discussion was excellent, it was a good start. It is a new approach for the Council and a good beginning point and he looks forward to doing it again. He congratulated the new Chief and congratulated the city residents for selection of their new chief. He said it was great to hear the drive-up flu shots were more successful than anticipated.

Councilmember Phillips thought last night's event went great and they got great insight. He mentioned a SB 5433 passed in 2015 and how they must teach about all tribes in elementary, middle and high school. In North Kitsap they emphasize the two local tribes. He recommended googling "Since time in memorial" for more info. He reminded everyone October is domestic violence month.

Councilmember Stern thought the remarks from the opening citizen comments were eloquent and emphasized what they heard last night. He thanked Councilmember McVey for organizing the workshop and was impressed with Kim Hendrickson's ability to moderate the event. He appreciated the panelists for attending, as well as Della Crowell. He said that questions from the community that related to policing and law & justice went to the Public Safety/Legal Committee. They questions were read into the record at tonight's committee meeting.

a. Swearing in Ceremony for Chief Harding

Mayor Erickson gave the oath of office for the City's new Chief of Police Ron Harding. The Mayor and Council congratulated him on his appointment and welcomed him to the City.

Police Chief Harding said in his week and three days working here, he has learned that this is a fantastic City. He thought he knew that, but he is beginning to experience it and he attributes it to the leadership to the Mayor, Council, and others who have gone ahead of him. He is overwhelmed with humility and gratitude to be given this chance to lead the police department and be part of this team. He is excited for the future.

b. Department Head Comments

Finance Director said she is going to have some department changes which will be reported out during Committee Reports.

c. CARES Funding Update

Mayor Erickson gave an update on the CARES Funding allocations as of October 21 with a balance of \$15,455.63. The City needs to get the contract written for the Martha & Mary request and the documentation of how it is spent in the appropriate time period. She has learned that HDPA has \$12,000 unspent for marketing from LTAC. Giving HDPA another \$15,000 for more marketing to be spent by the end of November may not be the best approach for these funds. The majority of HDPA's request for PPE. She recommends taking the \$15,000 and adding it to the remaining balance, to buy PPEs in bulk at discounted pricing, and store at City Hall for periodic distribution to all Pousbo businesses. She also recommended awarding the Chamber of Commerce with \$5,000 to offset some of their expenses of the Pousbo Safe campaign.

Finance Director Booher reviewed the process the committee took in allocating funds of the CARES Small Business grants and shared the recommended grant awards. Mayor Erickson said they will move forward with awarding the grants.

Mayor Erickson said she ordered another ten heaters for support of the businesses and will move forward with ordering \$25,000 in PPEs and working with Martha & Mary.

Councilmember Lord asked for the Mayor's spreadsheet and the grant allocation spreadsheet be emailed to her.

Councilmember Musgrove thanked the staff and committee members for the job well done. He shared that the HDPA might have around \$4,000 in LTAC funding due to categorization and the additional funds would be used for a new type of marketing approach during COVID (normal marketing is not sufficient). He suggested allowing either or both the COVID safety supplies and marketing as possible and best applied until November 30. He shared the prior suggestion of having businesses reimburse the City of PPE to create a revolving fund to pay for PPEs throughout the year at the discounted

pricing. It might be a way to extend it.

Mayor Erickson said the City's records show that HDPa has \$12,000 of LTAC funds available for reimbursement which is dedicated to marketing. She doesn't believe the Commerce funding would allow us to resell the PPE, but she will double check their guidance and let them know.

Councilmember McVey shared the Finance-Admin Committee strongly favored purchasing the PPE, because it was the largest requests from the HDPa, and it is easier to expend money and get reimbursement within the deadlines we are faced with.

Councilmember Musgrove shared they HDPa has a new way to prepay for marketing based on prepaid contracts due to the COVID situation; they have a mechanism. He was offering they could do either one or both.

Mayor Erickson said she has not heard anything about the extra funds that Kitsap County has. They received an update last week about being able to offset some payroll costs, and so the County may be moving in that direction.

Mayor Erickson has been having meetings about Christmas. Lights go up on November 15, and the City staff is going to help. She would like to get string lights along the railing on the waterfront. The Santa House is going to go up, but Santa is going to be COVID friendly. They are trying to figure out if they can bring back the carousel, but they would need a different location.

5. **CONSENT AGENDA**

Motion: Move to approve Consent Agenda item a.

The items listed are:

- a. Minutes of October 7, 2020, City Council Meeting

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

6. **BUSINESS AGENDA**

- a. **Public Hearing and Presentation of 2021-2022 Revenue Sources**

Finance Director Booher presented the 2021-2022 Revenue Sources. Presentation highlights included:

- Review of 2021-2022 projected revenue sources (2021, \$53,239,363; 2022, \$52,749,284)
- City's budgeted funds operating revenues (exclusive of beginning balances)
- General fund operating revenues: 2021, \$10,993,057; 2022, \$11,255,694
- General Fund by categories comparison, actuals 2019, budgets 2020, 2021 & 2022 (total general fund revenue for 2021-2022 budget \$28,638,886)
- Comparison of cities in Kitsap County – Population – 2021 estimates (4% of Kitsap County with the highest percentage of growth)
- Comparison of cities in Kitsap County – assess value comparison (lowest assessed)
- Comparison of cities in Kitsap County – Tax Comparison (Poulsbo is the lowest total of \$12,168,741)
- City's 2021 Property Tax Levy – preparing a substantial needs resolution. Maximum 1% increase is \$26,729 with new construction assessed value x last year's rate for \$30,948. For a home valued \$400,000, only \$502 comes to the City.
- City's 2021 Property Taxes – 2021 project is \$502 (on a \$400,000 home) which is \$28 less than last year.
- City's property tax rate: maximum 3.60 -.50 for library and -1.50 for the fire annexation = \$1.60
- Total levy 2021 \$2,743,093
- Comparison in Kitsap County Total Property Tax Rate
- How the City spends the \$1.38
- City's property taxes – County continues to update values, final rate will depend on dollars Council assesses and County updated values.
- Council decisions
 - Substantial Need Resolution
 - Levy Property Tax with increase of 1% increase over the highest allowable levy, plus new construction and refunds.
- Next steps for property tax revenue
 - Adopt the Property Tax Ordinance – 11/4/2020
 - Send Certification to County Assessor – must be submitted by November 30
 - Revenue Projections will be updated for the final budget

At 8:11 p.m., Mayor Erickson opened the public hearing, and hearing no comment, closed the public hearing at 8:12 p.m.

7. COUNCIL COMMITTEE REPORTS

Finance-Administration Committee: Councilmember McVey reported they received an update on the CARES funding as discussed earlier tonight; delinquent utility accounts will receive a letter letting them know of the CARES funding through Fishline to help pay off the outstanding balances; the committee asked for budget presentations to be made by LTAC, Planning & Economic Development Department, and Police Department; discussed instituting a car tab tax with I-967 being moved unconstitutional (only jurisdiction in County that does not have the tax of \$20 per vehicle); Finance Department is asking to return the 0.5 FTE to 1.0 FTE (accounts payable) and Accounting Manager Danielson is moving to Montana in the middle of November (the department is reorganizing); and they received the City Attorney's review of the Council Rules of Procedure and recommended minor changes.

Housing, Health, and Human Services Committee: Councilmember Musgrove reported they had a successful drive-up flu clinic last week; the Fishline mobile shower service started off their first week with 10 people serviced; received an update that Fire CARES program had requested a North and South Kitsap Unit, but only the North Kitsap unit was approved; 2021 Navigator program may change due to changes in funding; Planning Director Boughton said the PERC project research is on-going with the grant funding; funding of the HHH department will be established formally in the budget; and preliminarily reviewing the accessory dwelling units code.

Public Safety/Legal Committee: Councilmember Stern reported they had a follow up on the workshop. They reviewed the questions sent by the community that were along the lines of law and justice. Discussion of next steps centered around these questions. They are considering working with Bremerton's PAC (police and community) group, which helps to bring community and police together. It could become the core venue in Poulsbo for a follow up meeting to address these questions. They are targeting the middle of January. Councilmember McVey said this would be a good opportunity to introduce our police chief to the community. He is currently going through an assessment of the police policies and training, and then he would be in good position to participate in this conversation. Mayor Erickson said these questions are good and need to be answered. The Police Chief needs a couple of months to look at this department to give feedback. Councilmember Stern also shared the Municipal Court shared mental health issues/crisis have exploded (10-1 ratio). The new Police Chief is looking at a new organizational structure to transition the Deputy Chief into two Lieutenant positions.

8. BOARD/COMMISSION REPORTS

Mayor Erickson recapped the Business Recovery Task Force, which included a review of the CARES funding, request for more heaters, benches have been installed in parks, railings along Front Street, and businesses spilling out into the street has been going well.

Councilmember Phillips said the NKSD board meeting it tomorrow and they will talk about the kids coming back to school. They will be doing a virtual town hall on October 27.

Councilmember Stern said the Peninsula Regional Transportation Planning Organization met last Friday to create a legislative agenda for Jefferson, Clallam, Kitsap, and Mason Counties.

Mayor Erickson said KRCC is working on the county-wide planning policies and hiring a consultant to help them with this. It is the beginning of the Growth Management Act Comprehensive Plan Update. She will see if Planning Director Boughton can report out on this at the next Council meeting.

9. CONTINUED COMMENTS FROM CITIZENS

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

10. MAYOR & COUNCILMEMBER COMMENTS

Councilmember Livdahl encouraged everyone to vote.

Councilmember Lord said it was a good meeting, she enjoys the end of the year with the budget making process culmination. She said last night was a good meeting as well.

Councilmember McVey said the community panel discussion from last night is on the City's website.

Councilmember Musgrove reminded everyone it has been a weird year and it will continue to be so, including Halloween. He asked everyone to drive carefully and expect the unexpected. He inquired about having in-person council meetings on Zoom. Mayor Erickson said she has not received a response from the Governor, and our doors are still closed.

Councilmember Phillips encouraged everyone to vote, and if you are experiencing domestic violence and need help, to reach out.

11. ADJOURNMENT

Motion: Move to adjourn at 8:50 p.m.,

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

Motion carried unanimously.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk