

## POULSBO CITY COUNCIL MEETING OF JANUARY 6, 2021

### MINUTES

**PRESENT:** Mayor Erickson; Councilmembers Lord, McVey, Musgrove, Stern

Staff: Finance Director Booher, City Clerk Fernandez, Director of Engineering Lenius, PW Superintendent Lund, Civil Engineer Raney

**ABSENT:** Councilmembers Livdahl, McGinty, Phillips

### MAJOR BUSINESS ITEMS

- \* \* \* Minutes of December 16, 2020, Council Meeting
- \* \* \* Resolution No. 2021-01, 2021 Legislative Agenda
- \* \* \* Ordinance No. 2021-01, General Obligation Debt Public Works Facility, Transportation Project and Refunding of 2012 Issue

#### 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 added the excusal of Councilmember Stern's absences from the December 9 and 16 Councilmember to the consent agenda.

**Motion:** Move to approve the agenda with the amendments to the consent agenda as detailed.

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

#### 3. COMMENTS FROM CITIZENS

City Clerk Fernandez read the following written comments:

- Rita Hagwell wrote regarding concerns with the ownership of Marelaine Lane.
- Alexandra Allan wrote regarding alternative themed artwork for the 305 roundabout such as indigenous art and lifeways.
- Jessica Demick wrote requesting Native design be added to the 305 roundabout art project.

- Dan Sluys wrote in support of extending the Summer Faire permits for three months instead of six months.
- Promise Partner wrote requesting an indigenous artist be used to represent Native culture for the 305 roundabout art project.
- Laura Ciulla wrote requesting the City seek guidance from both Suquamish tribal members and Poulsbo community members for the art project.
- Alice McCain wrote to urge the Public Art Committee to incorporate Pacific NW Indian art by local Native artist(s) for the roundabout.
- Donna Whitaker wrote requesting the City seek guidance from the Suquamish Tribe and local community members for collaboration on the art project.
- Airen Lydick wrote disagreeing with sticking with imagery of Nordic perspectives for the artwork and shared past calls to action from the community.

Sophie Morse spoke regarding her disappointment of the proposed art design. She asked that they increase the welcoming signage/art to Poulsbo and not Nordic inspired artwork.

Marsha Cutting spoke regarding the need to have the roundabout art reflect the history of at least the two main ethnic traditions in the Poulsbo area: Suquamish Tribe and Norwegians.

#### **4. MAYOR'S REPORT AND COUNCIL COMMENTS**

Councilmember Lord said she hopes 2021 will be a better year than 2020. She said the HDPA is seeking volunteers for taking down the Christmas decorations on Tuesday. She concurred with Dan Sluys' comments regarding the Summer Faire.

Councilmember Lord said the Art Sub-Committee has been very sensitive in taking a high view of the art installation and making sure it reflects the passion of everyone in our area. This installation has nothing to do with the wall that already exists along the corridor, this will be for the roundabout. They received many submissions, many of which were of a Viking ship. That idea was rejected because they want the art to reflect the whole community. The emphasis will be on why we love the area: the bay, the wildlife, the history of at least two cultures. They are determined to make sure this artwork is reflective of a very comprehensive and inclusive welcoming sculpture that is so broadly interpreted that many people can enjoy it. They have reached out to the Suquamish Tribe, who have responded. She apologized for the lack of current information that has been disseminated. The artwork is a work in progress, and it will be done in partnership with the Suquamish Tribe. She thinks it is going to be a project that everyone will be happy with once it is complete.

Councilmember McVey thanked Councilmember Lord for her introductory comments tonight regarding the artwork. He encouraged everyone to stick around for the presentation.

Councilmember Musgrove said he hopes spirits are much higher in 2021 going forward in the community. He looks forward to seeing volunteers on Tuesday to take down Christmas decorations. He is happy with the direction the Art Sub-Committee is moving in.

Councilmember Stern said there are two historical events that have happened during Poulsbo Council Meetings: 9/11 happened on the night of a council meeting, and today is also a day of infamy for the US for actions that have happened in Washington D.C. and other state capitals. He asked for 10 seconds to reflect on what it means to live in a constitutional republic.

Mayor Erickson reported 8<sup>th</sup> Avenue will be closed tomorrow to clean out the culvert that is by Coffee Oasis. She reported the Summer Faire permitting expired at the end of December. She asked to extend it for three months. No objections were given to the extension to March 31, 2021.

### **Johnson Parkway Roundabout Centerpiece Artwork**

Director of Engineering Lenius and Civil Engineer Raney presented the Johnson Parkway Roundabout Centerpiece Artwork Project. Presentation highlights included: the call for artists, advertisements and postings, approved capital budget for artwork, the artwork theme, scoring criteria, centerpiece artwork submittals, centerpiece selection process, review of the six original received proposals, feedback provided to artists, and the proposed sculpture and artwork details. Next steps include public outreach (website posting, press release, council discussions), input from the Suquamish Tribe (initiated), PWC discussion on 1/13/2021 and Council meeting 1/20/2021, seeking confirmation of art concept in late January.

Councilmember Lord emphasized that the art concept that they are trying to establish is the footprint of the art so they can move forward with the pad in the roundabout it will rest on. That is why there is a time crunch. The details and any modifications can be done later, because it won't be installed for months, but we need to know the configuration that is proposed is suitable so they can move forward with the engineering part of the pad it will sit on.

Mayor Erickson thanked City Engineer Lenius for the presentation. This whole concept has evolved. She thinks the thing that binds them together in the community is our love of the bay, the wildlife, trees – the natural environment. She feels everyone has that in common, no matter which culture someone comes from,

and that is what this reflects. The Suquamish Tribe will come in next week and provide input.

Councilmember McVey noted the funds for the artwork are federal funds, and we were required to do a request for proposal (RFP) process. We could not pick a Tribal artist and Nordic artist and ask them to partner on the project. He noted the port hole looking into the Land of Vine Maples, as the Mayor starts off every Council meeting this land is known as the Land of Vine Mapes by the Suquamish Tribe. He also likes the boat design being left up to interpretation, it could be a dugout canoe or a Poulsbo boat, sitting on top of water (Liberty Bay).

Mayor Erickson said anyone wishing to submit feedback can send it to her or the Clerks Office to be included in the record.

Councilmember Lord said this is not the final design, it is a concept that can be modified.

## 5. **CONSENT AGENDA**

**Motion:** Move to approve Consent Agenda items a and b.

The items listed are:

- a. Approval of December 16, 2020, Council Minutes
- b. Excuse Councilmember Stern's Absences December 9 and 16, 2020

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

## 6. **BUSINESS AGENDA**

### a. **Resolution No. 2021-01, 2021 Legislative Agenda**

City Lobbyist McConaughy presented the 2021 Legislative Agenda. The next legislative session is starting January 11, 2021. It is a long session, because it is a budget session (the budget outlook has improved from prior months). It will all be done virtually. They plan to have the AWC City Action Days on February 10, 2021. Along with COVID relief issues, the other state-wide legislative effort will be police & reforms. It is critical to be aware of the wide variety of proposals that will be introduced in the first couple weeks. The agenda includes the AWC City Legislative Agenda, along with the broadband infrastructure being done as requested by Councilmember Stern. He applauded the Public Works and Parks & Recreations

Departments for submitting grants. Due to the quality of the proposals, both projects are currently going to be funded. His role is to make sure that level of funding stays at that level, if not, increases a little more.

Councilmember McVey asked what aspects he thinks might be considered with law enforcement and what is the likelihood that additional dollars will be made available for affordable housing.

City Lobbyist McConaughy said legislators understand housing has become unaffordable and have done a good job of inserting money in the Department of Commerce programs. He sees that continuing to happen. Regarding codes, permitting, zoning -- the City wants to have the rules that allow us to increase or decrease density without the State telling us how to do it. Regarding policing, this is going to be a major focus of the legislature. He has already seen 15 bills that have been pre-filed.

Councilmember Musgrove said the list in general is a good. The effects of COVID on our residents are going to continue for years. He would like a general statement inserted that we want to support ongoing COVID-19 recovery for families, employers, mental health, and housing. He does not want support to stop once vaccines are administered. He would like continuing support for recovery of heavily affected individuals and business owners.

Councilmember Lord supported Councilmember Musgrove's request. She questioned the statement on military affairs and leadership roles. They are aware of their dependence on the Navy in Kitsap County as an employer. She questioned what the statement meant, it seemed very broad.

Mayor Erickson said right now we have an on-going conversation called the Gorst Coalition. The Navy has joined together with elected leaders about getting Gorst fixed. Without support of the Navy and understanding their needs, that never would have started. It is when we work to help the Navy function better, that is how she looks at that statement. This group is going to the State to ask for a lot of money.

City Lobbyist McConaughy agreed it is a vague statement, but growing up in Kitsap County, he knows the importance of the military in our day-to-day life, but a lot of people in state government don't understand the financial and community impact they have on our area.

Councilmember Lord requested to add "and partnership" to the statement.

The resolution will be modified to include the recommendations from Councilmember Musgrove and Lord.

**Motion:** Move to approve Resolution 2021-01, a resolution of the City Council of the City of Poulsbo, adopting the 2021 Legislative Agenda as modified.

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

Motion carried.

**b. Ordinance No. 2021-01, General Obligation Debt Public Works Facility, Transportation Project and Refunding of 2012 Issue**

Finance Director Booher presented the agenda summary, noting the City will move forward with securing debt for the purchase of land and building for a City Public Works Facility expansion, construction of Noll Road Improvements, and refunding of the 2012 debt issue.

The ordinance would delegate the Finance Director to pursue debt funds with not to exceed limits for the debt and interest. It allows flexibility if we must move to a long-term debt option if the banking option does not work.

The City has substantial capacity to issue debt (over \$25MM based on our assessed value in the County). Some of the debt will be funded by Public Works.

They intend to issue the request for proposals tomorrow.

Councilmember Lord said when you buy money long term, you must pay for interest. She asked what the interest rates are right now and if they are good for the times, or do what we have to do this based on the timing. Bond Counsel Nancy Neraas said rates are at historical lows, and it is a fixed interest rate for the life of the loan. Right now, banks are starting to lock in interest rates for longer periods than they have in the past. It makes it an easier, simpler process and they are competitive right now.

Councilmember McVey said the Finance-Administration Committee discussed this tonight and recommended it to the Council for approval. A primary reason they are attempting to go out for bank financing rather than longer term bond debt, is because of the flexibility it offers and the lower cost to the City.

Councilmember Musgrove noted the City has around \$20MM in cash investment accounts, which some have been allocated, but he asked, given we would have to

make payments and with interest, would it be better to use one of those funds, instead of entering into long term debt. Finance Director Booher said from a financial standpoint with record low interest rates it is a better use of money to go out for debt. If we take those funds in our investment pool, it lowers down our fund balances and challenge any of our capital improvement plans going forward (dollars have been sitting in proprietary funds and raised to do capital improvements in CIP and partnering with the County on the sewer plan).

**Motion:** Move to approve Ordinance No. 2021-01, An ordinance of the City of Poulsbo, WA, relating to contracting indebtedness; providing for the issuance, sale and delivery of not to exceed \$6,305,000 aggregate principal amount of limited tax general obligation and refunding bonds in one or more series to provide funds to purchase property for City purposes, finance transportation projects, refund certain outstanding limited tax general obligation bonds of the City, and to pay the cost of issuance of the bonds; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the City's designated representative to approve the final terms of the sale of the bonds; and providing for the other related matters.

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

Motion carried.

## 7. COUNCIL COMMITTEE REPORTS

Housing, Health, and Human Services Committee: Councilmember Lord reported COVID testing at City Hall is ongoing on Fridays (information on City website or call 360-517-5037); and they received an update on Fire Cares program and how it is operating; Gateway Church kitchen reopened on Saturdays at 11:30 a.m. for free meals; discussed the pilot program for affordable housing (Nordic Cottage); discussed the next phase of COVID vaccines (moving to phase B-1: 70 years or older, or 50 years or older living in multigenerational households), possible coordination with pharmacies on vaccinations, and creating a Poulsbo Medical Corp to administer vaccines.

Finance-Administration Committee: Councilmember McVey reported Holly Hill (WWU) attended to inquire on what possible uses they could lease office space out for at the SEA Discovery Center due to certain language in the conveyance agreement (Mayor Erickson will work with Planning Director Boughton on figuring out what can be done); they discussed the debt issuance; monthly sales tax up 12.5% in October; REET is at 138% of budget; discussed a Transportation Benefit District (TBD) for maintenance and upgrade of neighborhoods streets.

Councilmember Lord asked if they approved the TBD, how can they ensure the use of those funds are reserved in perpetuity. Councilmember McVey said the fee would continue until an ordinance would abolish it.

Councilmember Stern said they will review the City Administrator topic at the January 20, 2021, Finance-Administration Committee meeting.

Councilmember Musgrove clarified that does not have a funding source to maintain and improve its residential streets. That is what the TBD funding would be dedicated towards.

Councilmember Musgrove asked about tax revenues and increases for specific business and how a big business increase could hide the losses of a small business. Finance Director Booher said the revenues are proprietary information. He is welcome to come in and see the information in her office but would not be allowed to share the information with anyone. Councilmember Musgrove said he was trying to get an accurate idea of the health of small businesses in Poulsbo.

Mayor Erickson said it would be very helpful if the Department of Revenue would report to us the number of businesses quit filing taxes. That is an indicator the business is in trouble.

#### **8. BOARD/COMMISSION REPORTS**

Councilmember Musgrove said the Business Recovery Task Force meeting last Monday was an update from the Mayor on what is going on.

#### **9. CONTINUED COMMENTS FROM CITIZENS**

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

#### **10. MAYOR & COUNCILMEMBER COMMENTS**

Councilmember Lord wished everyone well.

Councilmember McVey reflected the City came through one of the most difficult years in its history with the pandemic. He acknowledged the excellent leadership and how fortunate we are to have a very experience Mayor and city staff at the helm during this time. He thanked the employees who are working out in the field at this time (police, public works crew, and field inspectors). He is looking forward to a better year ahead.

Councilmember Musgrove asked everyone to please be kind.

Councilmember Stern commended the US Congress. They are meeting until the early hours of the morning to finish confirming the electoral college. We owe them a debt of gratitude today for the terror, fear, and hard work they are going through.

**11. ADJOURNMENT**

**Motion:** Move to adjourn at 9:23 p.m.,

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

Motion carried unanimously.

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Rebecca Erickson, Mayor

ATTEST:

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Rhiannon Fernandez, CMC, City Clerk