

POULSBO CITY COUNCIL MEETING OF JANUARY 20, 2021

MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, Director of Engineering Lenius, Parks & Recreation Director McCluskey, Public Works Superintendent Lund, Civil Engineer Raney

MAJOR BUSINESS ITEMS

- * * * Minutes of January 6, 2021, Council Meeting
- * * * Payable Disbursements for November 2020
- * * * Fish Park Phase IV – Project Acceptance
- * * * Sewer On-Call Consultant Contract Selection
- * * * On-Call Consultant Contract Selection
- * * * Johnson Parkway Roundabout Centerpiece Art Update
- * * * Executive Session Regarding Real Estate Matters

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

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

2. AGENDA APPROVAL

Mayor Erickson said there will be an executive session regarding real estate matters at the end of the agenda. No action will be taken tonight.

Motion: Move to approve the agenda as presented.

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

Motion carried.

3. COMMENTS FROM CITIZENS

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

4. MAYOR'S REPORT AND COUNCIL COMMENTS

Councilmember Livdahl wished everyone Happy Inauguration Day. She said we have learned that peaceful transfer of power and the continuity of democracy is not something we should take for granted.

Councilmember Lord said we must move forward as a country and city. She looks forward to the positive things that they will work on this year, and despite all the restraints with the pandemic and budget, she is confident they will prevail and accomplish worthwhile things.

Councilmember McVey congratulated President Biden and Vice-President Harris. He found today's inaugural ceremonies very moving and impressive. He reflected on federal funds that the City received during the pandemic, and how the federal government affects our City. He was touched by the messages of unity and healing, and hopefully some bipartisan cooperation.

Councilmember Musgrove added we are over one hurdle and ready to jump the next one. He is optimistic for the coming year and everything that we can do. He is trying to keep positive and optimistic.

Councilmember Phillips said the Medical Reserve Corp is soliciting volunteers. They have 500 but will need more. Kim Hendrickson will be setting up a local chapter in Poulsbo.

Councilmember Stern said we are indivisible as they recited during the Pledge of Allegiance. We have a constitutional republic that is fragile and depends on the strengths of its citizens.

a. Department Head Reports

Public Works Superintendent Lund said there is snow in the forecast, and they are ready. If it is more than 1" they will pull up the speed bumps downtown.

Director of Engineering Lenius said Noll Road project is underway. Civil Engineer Raney gave an update on the work that has occurred at the site.

5. CONSENT AGENDA

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

The items listed are:

- a.** Approval of January 6, 2021, Council Meeting Minutes
- b.** Payable Disbursements for November 2020

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

6. BUSINESS AGENDA

a. Fish Park Phase IV Acceptance

Parks & Recreation Director McCluskey presented the agenda summary, noting staff will give an update on the completion of Poulsbo's Fish Park Phase IV, and is requesting the project be accepted as complete. The final contract amount with W.S. Contractors of Buckley was \$734,535.23. The final paid contract amount was \$743,869.10. One change order for product overrun for HMA (asphalt on Bond Road) totaled \$9,333.87. The retainage bond will be released after all paperwork has been accepted and released by all agencies. Public Works and Community Services Committees recommended approval at their January 13, 2021 meetings.

Councilmember Lord thanked Mary for her work and dedication to this project. It would not be what it is today without her efforts. She reported Public Works Committee reviewed this request and recommend to the Council to approve it.

Motion: Move to approve Poulsbo's Fish Park Phase IV in the amount of \$743,869.10 and authorize the Mayor to sign on behalf of the City.

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

Motion carried.

Parks & Recreation Director McCluskey said this is her last Council meeting and thanked the Mayor and Council for their on-going support throughout her last 26 years. She also thanked her fellow department heads and staff, and she said Dan will do a great job in his new role of Parks & Recreation Director. The Mayor and Council thanked Parks & Recreation Director McCluskey for her leadership and service to the City of Poulsbo's citizens.

b. Transportation Benefit District (TBD) Discussion

Finance Director Booher presented the agenda summary, noting the purpose of a Transportation Benefit District (TBD) is to provide funding for transportation improvements, including Neighborhood Streets, safety improvements, sidewalk improvements, and operation and maintenance. The funds are restricted and specific for transportation needs only. There are legal authorizations and restrictions that will apply. TBDs are quasi-municipal corporations and sometimes are independent taxing districts. They are typically funded by vehicle car tabs or sales tax. The most common approach is a council-matic license tab fee. The Council has the authority to approve a \$20 fee, which would generate \$90,000 annually. The legislative change in 2015 allows the fee to be increased to \$40, but that is only allowable after having the \$20 fee in effect for 24 months. If you have the \$40 in effect for two years, the Council

can then increase it to \$50. The maximum fee is \$100 but would require voter approval for anything over the council-matic level. Sales tax can be increased up to 0.2% with voter approval. Once approved, must be renewed every ten years. A few cities have done this with strong campaigns for the voter approval. Another type of funding is getting a property tax, good for one year only, unless you go out for voted debt, then it lasts for the life of the debt.

If we moved forward with a car tab tax, we would need to establish a transportation improvement plan, for example, neighborhood streets and pavement restoration program. If they set the district's boundary to be the city limits of Poulsbo, the governing body could be the City Council. If they move outside of city limits, it would need a separate board. They would also have to issue an annual report on what has been done to adhere to the plan.

If you were to implement, you would need one public hearing and council approval. Fees cannot be imposed until after 180 days of council adoption. The Finance-Admin Committee asked what happens if after the 180-day waiting period, we determine it is not a good time for the new fee and want to wait a few months. We could not delay the effective date, we would have to repeal the ordinance, and start over with the process and another 180-day waiting period.

Councilmember Lord asked if the \$90K is an estimate from the number of vehicles that are registered in Poulsbo. Finance Director Booher said it is an estimate that was given from the Department of Revenue a few years ago, the number is conservative.

Councilmember Lord said they are looking at the PERC project, which requires voter support. She wondered if the increase would impact voter support of the PERC project. She is concerned about the timing and making sure we think through all the other ramifications out there.

Finance Director Booher noted with many state transportation grants, before they will award funding, they are asking if we have taken advantage of this taxing authority. But she agreed, it is another tax to our citizens. We are the only city in this County that does not have this tax.

Councilmember Lord said if we were to do this prior to the ask for a metropolitan park district, will that dilute the favorable response to that. Would one negate the positive response to another.

Councilmember Musgrove appreciates Councilmember Lord's comments, and they need to consider if it is wise to move forward with it. He asked what the specific purpose or motivation was for doing this, besides increasing revenues, and asked if there was any chance in creating a reduction in funding that they currently set aside for Neighborhood Streets. He does not want that amount to be reduced.

Mayor Erickson said there is a litmus test when we compete for grants. They question why we are coming to the state for more money when we have not used that local resource available to us. It would augment our Neighborhood Streets and keep them secure. We have used money in various ways to get additional funding, effectively we have used money when we have an urgent need for something else. A TBD would be a forced savings account, it could only be used based on the structure of the plan.

Councilmember Musgrove asked what the risk of the current funding would be, would it be used for other purposes. Would it be retired for a different purpose and there is no gain, or do we hope this would be a gain and if it would be protected. Mayor Erickson said that is the Council's decision to make.

Councilmember McVey said they are looking at this to be in addition to the current funding. Most of us would agree the condition of our neighborhood streets are bad because we don't have a dedicated source of funds. He thinks this would be funds added. The funding of streets is different compared to a recreation center. Streets are necessary. He thinks there will be enough time in between, that it would not be a huge issue for the City. He is in favor of a \$20 car tab fee as a council-matic action.

Councilmember McGinty wondered if the timing is right when there are stimulus checks being sent out. He asked if there was an admin fee. Finance Director Booher said we would collect the full fee, and the admin fee is collected at the licensing office.

Councilmember McGinty asked what they would do with the money. Mayor Erickson said they would have to draw up a plan, which they have, in the form that would be acceptable for a policy document (Neighborhood Streets map).

Public Works Superintendent Lund said they are doing a big project for \$240,000 in 2021. Going into 2022, they would do chip seal projects, and would not have enough money to do it all with the current funding. The additional funding would allow the City to do proactive stuff instead of doing little projects all the time.

Councilmember Lord would want the existing budget source of Neighborhood Street money to remain and have the car tab tax funding be in addition to that \$150K a year. If the \$20 per license tax were imposed, she would like to be assured that it will not increase without some kind of public hearing or input. She does not want to incrementally increase it and lose their good will with their voters for the PERC. She thinks citizens would support a small, dedicated amount that would support their streets, but she wants it limited.

Councilmember Stern suggested they get word out to the public. We need Engineering & Public Works street condition map to be joined with a simple explanation that they need the car tab funding to maintain neighborhood streets. If

we don't fix them once they get past a certain point of deterioration it will cost ten times more to fix them. We need this on our website, and on our utility billing statements, and ask for people's feedback.

Mayor Erickson said they could a survey and press releases.

Councilmember Lord wants to make sure this will supplement what we are already committing to, and that the \$150K is not enough (she does not want it to disappear).

Councilmember McVey said the Council controls the funding through the budgeting process. His intention would be to sustain the current funding and use the TBD to supplement it.

Councilmember Livdahl said the number one concern she hears about is the condition of the streets.

Mayor Erickson said the next steps would be public outreach. The Council concurred with that next step.

c. Sewer On-Call Consultant Contract Selection

Director of Engineering Lenius gave a presentation on the Sewer On-Call Consultant Contract Selection. Presentation highlights included:

- Review of Requests for Qualifications (RFQ)
- Consultant selection process (panel members and service areas)
- Evaluation process and rating system
- Interview process
- Review of recommended selected consultants

Motion: Move to approve the selection of BHC Consultants, Murraysmith, Parametrix and RH2 Engineering for On-Call Sanitary Sewer Consultant Services.

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

Motion: Move to authorize the Director of Engineering to finalize the contracts.

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

Motion: Move to authorize the finalized contracts to be placed on the future

consent agenda for approval.

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

Motion carried.

d. On-Call Consultant Contract Selection

Director of Engineering Lenius gave a presentation on the On-Call Consultant Contract Selection. Presentation highlights included:

- Review of Requests for Qualifications (RFQ)
- Services requested and list of respondents
- Consultant selection process (panel members and scoring criteria)

Councilmember McVey asked why they only have one consultant for the water utility. Director of Engineering Lenius said they don't anticipate much work in water. But the selected consultant has our model for water, and they have been doing a very good job. If we had a large water project, they would select more than one firm.

Motion: Move to approve the selected consultant firms in Water Utility Engineering, Environmental Engineering and Planning, Stormwater Engineering, Land Surveying, Road Engineering, Architectural, Structural Engineering, Building Plan Review and Inspection Services, Geotechnical, Materials Testing and CADD and Graphic Support Services and move to authorize Director of Engineering to finalize the contracts and move to authorize putting the finalized contracts on the future consent agenda for approval.

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

Motion carried.

e. Johnson Parkway Roundabout Centerpiece Art Update

Director of Engineering Lenius presented an update on the status of the concept for the Johnson Parkway Roundabout Centerpiece Art. The Artwork Selection Committee has been working very hard in their collaboration efforts with the artists. Citizens are encouraged to give feedback to the City as this process evolves. The artwork was posted on Friday to the website. The Committee recommended the deletion of the Viking artwork on the retaining wall. What will remain are mountains and water, which needs Council's decision tonight. In February, they will bring forward to the Council to reconfirm the art concept after public input, approval of the artist, and approval of the native art recommendation for location and budget.

Councilmember Livdahl shared how moving the process has been with this committee and the artists. What we have asked of the artist is a lot to combine his piece with the recommendation of another artist. It says a lot about him that he has traveled that road with us and has been quite gracious.

Councilmember McVey thanked the committee for their diligent effort, the Suquamish Tribe for the recommendation on the consulting artist, and Elijah's flexibility in working through this process. In terms of the wall, he asked if they are also requesting to remove the shields. Director of Engineering Lenius confirmed the shields are also being recommended to be removed. He noted some of the input that has been received from citizens, and asked if there were Nordic influences in the artwork. Councilmember Livdahl said the rosemaling motif has been there from the original proposal, that has not changed.

Councilmember Lord highlighted with the wonderful reception by the Tribe to participate in this, this has been a behind the scenes attempt to incorporate tribal art with the original concept the artist came up with. And then the flexibility that Elijah has shown has been remarkable. She commended him for his open heart to work with Kate, the consulting artist, who has been an enlightenment to the City and its discussions. She also emphasized the concept of "native inspired versus inspired native." It is a subtle but very distinct approach to art. The native inspired portion is the port hole with the heron, canoe, and water. Inspired native art could be Suquamish artwork installed onto the retaining wall panels.

Mayor Erickson said the next committee meeting will discuss this artwork. There is a time crunch on the construction of the panels. She would like that conversation to be had in committee next week. Tonight, the Council needs to decide if they approve of removing the Vikings from the retaining wall.

Motion: Move to approve deletion of the three embossed Vikings on the SR-305 Johnson Parkway retaining wall.

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

Motion carried.

7. COUNCIL COMMITTEE REPORTS

Finance-Administration Committee: Councilmember McVey reported they discussed the city administrator position and what the appropriate salary would be for a part-time mayor. There will be a meeting with himself, Councilmember McGinty, Mayor Erickson, Finance Director Booher and Human Resources Manager Kingery will meet to see what kind of funding options are available for this position. The committee requests the Council hold the morning of February 6 for a possible workshop for continued discussion.

Public Safety/Legal Committee: Councilmember Stern reported Judge Robin Hunt attended as an official emissary of the Suquamish Tribal Council. She shared high remarks for our new Police Chief Ron Harding. His outreach to Suquamish groups is "above and beyond the call of duty." The follow up community workshop for diversity and inclusion will be February 24 and will focus on questions of law and justice. Chief Harding reported on the hiring of a lieutenant and sergeant process, and an administrative position will be hired soon, and a navigator position will be hired February 1. The Fire Department now has the case worker program. The City is receiving a 40% increase in jail day rates from Kitsap County (and Gig Harbor does not have the same tax burden).

Housing, Health, and Human Services Committee: Councilmember Livdahl reported they received COVID update numbers; City COVID testing site is averaging 120 per day; they put out a request for the Poulsbo chapter of the Medical Reserve Corp and received an overwhelming response; update from Fishline (showers, new cases, holiday bucks program); update on Coffee Oasis and Nelson House (they have expanded to Mason County and Tacoma); presentation from Community Support Specialist from Poulsbo Fire (new CARES Unit which provides mental health support to people who call 911); discussed Kitsap Homes of Compassion (asked to consider renewal of funding support with an additional funding request for a total of \$6,000); discussed the volunteer program during the pandemic (60 managed through Poulsbo and another 60 managed from Impact NW).

8. BOARD/COMMISSION REPORTS

Councilmember Livdahl reported at the Chamber of Commerce meeting yesterday they are preparing for their virtual gala. They will be moving out of their current office and will be without an office for now. They are deciding if and when a new office will be required. She reviewed the February lunch chat speaker schedule. They are considering doing a joint cornhole tournament to raise funds during the summer. Poulsbo Strong merchandise has slowed down, but it is still available.

Councilmember Lord reported the Historic Downtown Poulsbo Association's meeting was full of positive energy and planning. They have some ideas for early summer as a boating time, coordinating with the Sons of Norway and the Port of Poulsbo with alternate plans based on the where the County is with the lock down. She also noted updating the bylaws and dues is an ongoing process.

Councilmember Phillips said K-2nd grade are in school. They are on track for grades 3-5 to go next. Athletes have started to workout at the high school in a COVID safe environment. If we go to Phase 2 the fall sports will occur. Unfortunately, there will be no middle school sports.

Councilmember Stern said he received a phone call from the Historical Society to serve on an advisory board. He asked if there was an existing liaison. He is interested in participating to help their work in securing the properties downtown. Mayor Erickson said she has been unable to attend the meetings due to a schedule conflict. She would appreciate it if he could attend the meetings. She also said if anyone can attend the Fishline Board meeting, that would be helpful too.

9. CONTINUED COMMENTS FROM CITIZENS

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

10. MAYOR & COUNCILMEMBER COMMENTS

Councilmember Musgrove said everyone is excited about the kids going back to school. He suggested Public Works could add red flags and times on school speed zones, because they have not been in effect during the lengthy school closures. Councilmember Phillips encouraged everyone to eat and shop local. He thanked city staff and the fire department for all of they do.

11. EXECUTIVE SESSION

Motion: Move to adjourn into executive session, and then to adjourn Council.

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

Motion carried unanimously.

At 9:25 p.m., Mayor Erickson recessed the Council into at 15-minute executive session to discuss real estate matters per RCW 42.30.110 (1)(b).

No action was taken.

12. ADJOURNMENT

Mayor Erickson adjourned the meeting at 9:40 p.m.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk