

POULSBO CITY COUNCIL MEETING OF OCTOBER 13, 2021

MINUTES

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

Staff: Finance Director Booher, City Clerk Fernandez, Human Resources Manager Kingery, Engineer I Roberts, Police Chief Harding

ABSENT: Councilmember McVey

MAJOR BUSINESS ITEMS

- * * * Closed Session for Union Negotiations
- * * * Confirmation of Planning & Economic Development Director
- * * * Council Salary Increase
- * * * SR305 Wet Weather Storage Project Phase 2 Consultant Contract
- * * * Draft ADA Transition Plan
- * * * Set Public Hearing on Mid-Biennial Budget Amendment
- * * * Quarter Financial Status Update
- * * * Ordinance No. 2021-10, 3rd Quarter 2021 Budget Amendment
- * * * Use of City 1406 Funds for Emergency Rental Assistance

1. CLOSED SESSION

A 30-minute closed session was held for union negotiations per RCW 42.30.140(4)(A)

2. 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.

3. AGENDA APPROVAL

Motion: Move to approve the agenda as presented.

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

4. COMMENTS FROM CITIZENS

City Clerk Fernandez read the following written comments into the record:

- Mr. Lydick asked the Council to consider establishing a Race Equity Advisory Committee and join the Government Alliance on Race and Equity organization.
- Wendy Hampton expressed her disappointment with Mayor Erickson's vote at the Kitsap Health District to not impose a vaccine mandate.

5. MAYOR'S REPORT AND COUNCIL COMMENTS

Councilmember Livdahl thanked Airen Lydick for his comments and encouraged anyone in the community who is interested in participating in a potential Race Equity Advisory Committee to start talking to the Council now, there is no reason to wait.

Councilmember Musgrove asked everyone to take care and caution when driving, as the weather is changing, roads are wet, and kids are still outside. He also encouraged everyone to visit the Parks & Recreation website to see all of the activities they have planned through the holiday seasons both indoors and outdoors.

Councilmember Phillips said NKHS plays at home this week against Bremerton. It will be a good game.

Councilmember Stern said regarding the Summer Fair program, he feels they tackle problems that happen downtown as they arise, and he is concerned about the strategic view of the downtown, the long-term sustainability of the downtown (parking, height/zoning restrictions, pedestrian amenities). Ten years ago, in the comp plan they had identified a night life economy, which has to do with furthering the hours of the downtown businesses. For that to occur, we need a residing population of users (residents and visitors). The more population we can put in the downtown, the more viability we will have in the downtown. He asked how to look at the downtown strategically and not tactically. He would like a more thoughtful conversation around these elements when we have the time and bandwidth to do so.

Mayor Erickson said she was supportive of that idea when we have the bandwidth. She would like to discuss this in the coming spring. Councilmember Livdahl would like to add open container zones to the list to be discussed. It is extremely popular in the few places it is allowed.

Mayor Erickson noted she attended a meeting with the HDP Board which was also attended by Finance Director Booher, Councilmember Lord and Councilmember Musgrove. The thing that stood out to her was she saw a lot of tired faces. Our downtown merchants have been working very hard. It has been a rough 18 months. Change is hard and we have had to do it so quickly and often. The merchants are trying to recover from that. Their businesses are doing well, but they are tired and are having trouble hiring people. She is proud of all of them but would like to have these conversations this spring.

At 7:14 p.m., Councilmember Lord joined the meeting.

Mayor Erickson said the AV project in the Council Chambers is nearing completion. The Council needs to start thinking how and when they want to go back in person and when to be virtual. They need to think about how to come back to a level of normalcy.

Mayor Erickson said she was registering for the Government Alliance for Racial Equity (GARE), but she needs a point person for the program. She has no problem being involved and using her budget to pay for the membership, but she needs to figure out who will be the point person.

a. Employees of the Quarter

Mayor Erickson recognized Jamie Young and Katlin Hartley as the Employees of the Quarter.

b. Department Head Reports – None.

6. CONSENT AGENDA

None.

7. BUSINESS AGENDA

a. Confirmation of Planning & Economic Development Director

Human Resources Manager Kingery presented the agenda summary, noting per PMC 2.08.120(a), the office of planning director shall be filled by written appointment of the mayor, subject to confirmation by the City Council. Mayor Erickson respectfully requests Council confirmation of Heather Wright as Poulsbo's Planning and Economic Director.

Councilmember McGinty said the City is excited to have her here in Poulsbo.

Councilmember Stern said he had worked with her briefly at Leadership Kitsap. Ms. Wright said that was correct. They did work together at Leadership Kitsap in 2016.

Councilmember Lord said she is glad to see Ms. Wright again from the interview process. She was happy to promote her forward as their recommendation. She welcomed her aboard and looks forward to working with her.

Motion: Move to confirm Mayor Erickson's appointment of Heather Wright as Poulsbo's Planning and Economic Director.

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

Motion carried unanimously.

b. Council Salary Increase

Human Resources Manager presented the agenda summary, noting the monthly stipend paid to councilmembers is currently \$750.00 per month. In order to maintain parity with like jurisdictions, such as with the City of Port Orchard, and to be fairly compensated for the significant amount of time necessary to properly fulfill the duties of the position, an increase of \$250.00 per month is warranted. The Finance Committee's recommendation is to increase the stipend to \$1,000.00 per month. The increase would be effective on January 1, 2022 for Positions 5-7 and on January 1, 2024 for Positions 1-4.

Councilmember McGinty said no one can vote themselves a raise while they are in office, this only affects people who are elected to the term next year, and then the other Councilmembers will get the raise in two years after their election. This prevents the Council from giving themselves raises.

Councilmember Phillips said for as much time they put into this, they don't get compensated very highly. He feels this raise is minimal.

Councilmember Livdahl agreed paying more for this work will hopefully allow others to consider running for office so we can have a more diverse Council. That is why Bainbridge Island raised their compensation, because they wanted to attract a broader range of folks besides just retired citizens to run for office. She thinks this is fair.

Motion: Move to increase the Council salary to \$1,000.00 per month effective January 1, 2022, for positions 5-7 and January 1, 2024, for positions 1-4.

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

Motion carried unanimously.

c. SR305 Wet Weather Storage Project Phase 2 Consultant Contract

Engineer I Roberts presented the scope and budget amendment #1 for Phase 2 design work of the SR305 Sewer Storage tank project. The purpose of the tank is to temporarily store overflow sewer caused by high intensity storm events. Phase 1 work was previously approved and included bringing the project to a 30% design level as well as coordination with WSDOT and permitting, and alternatives analysis.

Phase 2 includes completion of the 100% PS&E package, survey, geotechnical work, bid and construction services and support. Parametrix is the on-call consultant working on this project. Public Works Committee has reviewed and recommended approval at the meeting of September 22, 2021.

Councilmember McGinty noted in the past they had problems with that interceptor and corrosion in the pipes, so they sleeved it and upgraded the manhole covers, and they got a lot of increased flow capacity. It was thought we may not need this overflow, are they now seeing it is required? His second question was how far in the future will this support us? We have a lot of new development coming online.

Engineer I Roberts said the results of the model and the increased growth does show the need for the tank. They are proposing 100,000 gallons of storage and based on the model that is in the ballpark of what they need to get over the hump to implement a couple of projects like the Lemolo Shoreline pipe, which will be the next project. It has been part of the prioritization with the Sewer Advisory Committee.

Councilmember McGinty asked if the model shows this will support the new development online up on Noll Road. Engineer 1 Roberts said yes, one of the big pushes is a lot of developing is looking like it is going to happen in the Finn Hill basin (the farthest point in our sewer system), and there are a few projects that have to be upgraded in series to make this comfortable to work out. This will support the development.

Councilmember Musgrove reported PWC reviewed this. They had some input, for example, for helping it to blend in. One of the goals of the planning and economic development committee was to not allow plain concrete, but to provide a more blended and environmentally nice appearance. This was one of the first big projects from 10 years ago, and the committee and department were willing to look into creative solutions, they came up with the slip lining which improved flow and gave us more time. Now they are storing the excess for a short period of time. He loves the creative solutions and willingness to go there.

Engineer 1 Roberts said they met with some of the property owners who will be impacted, and they appreciated the outreach to prep them for the project.

Motion: Move to approve the Amendment #1 with Parametrix in the amount of \$174,620.23 to complete phase 2 work of the SR305 Sewer Storage facility project and authorize the Mayor to sign on behalf of the City.

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

Motion carried unanimously.

d. Draft ADA Transition Plan

Engineer I Roberts presented the draft ADA Transition Plan. This is a required plan that includes a self-assessment of ADA facilities within the public right of way as well as implementation and funding schedule and strategy. Per WSDOT the City must adopt the transition plan to remain eligible for federal grants. He provided background information as well as reviewed the draft plan. Public Works Committee has reviewed and provided comments which have been incorporated into this document. The ADA plan was reviewed by PWC on 9/8/2021 and recommended to Council on 9/22/2021.

Councilmember Stern said on the Front Street restoration, it is still his hope that when we get that work done, we are able to increase pedestrian amenities, including tabletop crosswalks. He understands stormwater is an issue. He wants to make downtown a pedestrian mall while allowing traffic.

Councilmember Musgrove said Public Works Committee reviewed this, and clarified the priorities are loose moving forward to allow flexibility and being able to absorb any new changes that come along.

Mayor Erickson questioned a statement on page 15, it read if any feature was not compliant, the entire facility is marked non-compliant. She asked if you have an intersection and if you have one curb that is messed up, would the entire intersection be non-compliant. Engineer 1 Roberts said no, it would just be the curb that would be marked as non-compliant.

Engineer 1 Roberts said this will come back to the Council on November 3 for approval. If there are any questions or changes that need to be made, please let him know before then.

e. Set Public Hearing on Mid-Biennial Budget Amendment

Finance Director Booher presented the agenda summary, noting the City Council, per RCW 35A.34.130, is required to hold a Public Hearing on the 2021-2022 Mid-Biennial Budget Amendment Ordinance. November 17, 2021.

Motion: Move to set a Public Hearing for November 17, 2021 at 7:15pm to allow the public time to address the Council regarding the 2021-2022 Mid-Biennial Budget Amendment Ordinance.

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

Motion carried unanimously.

f. Quarterly Financial Status Update

Finance Director Booher reviewed the 3rd Quarter 2021 Financial Status Report outlining revenues, expenditures, financial policy compliance, cash & investment balance and capital project status year-to-date through September 30, 2021.

Councilmember Lord asked if there was any impact from the new state law that demands we collect a payroll tax for long-term care insurance. Finance Director Booher said it does not go into effect until January. There will be no impact to City's funds, it is 100% employee deduction. She said Larissa and Deanna have been very proactive regarding this new plan, and some employees did opt out once they joined a different plan. Mayor Erickson said the legislature plans on modifying this new law.

Councilmember Musgrove said he understands ARPA allocations are shifting, and asked when that will come forward to Council. Finance Director Booher said she has sent out a portion of the grant contracts for the paperwork she has received. She received some utility grants as well. She hasn't heard any different allocation, but that will be visited in the future. When we get to the mid-year modification requests, the Mayor has asked if any of those requests can be tied to the treasury funds, instead of using general fund reserves. Councilmember Musgrove said at the HPDA meeting, there was talk about the grant recipients not being able to use the full amounts of the grants. That was what he was referring to in a shift in the numbers. Finance Director Booher said the Council set aside \$500K in allocations. If the recipients cannot meet the requirements of showing a loss of revenues. Once we get the applications back they will brief the Council on what was received.

g. Ordinance No. 2021-10, 3rd Quarter 2021 Budget Amendment

Finance Director Booher presented the agenda summary, noting budget amendments for the 3rd Quarter of 2021 were approved by Council during July, August, and September. Exhibit A includes these amendments and summarizes the revised budget by fund.

At 8:37 p.m., Mayor Erickson asked for public comment. No comments were received.

Motion: Move to adopt Ordinance 2021-10, an ordinance for the City of Poulsbo, Washington, amending the 2021-2022 Biennial Budget adopted by Ordinance No 2020-15 to revise the revenues and appropriations from certain funds and approving an ordinance summary for publication.

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

h. Use of City 1406 Funds for Emergency Rental Assistance

Mayor Erickson presented the agenda summary, noting housing affordability and housing displacement are growing problems in the City of Poulsbo which require prompt attention. The City of Poulsbo participates in a sales tax revenue sharing program with the State (SHB 1406) that creates a revenue stream of approximately \$30,000, each year, for affordable housing purposes. "1406" funds may be used for expenses relating to the construction and operation of affordable housing units. In Cities with populations of 100,000 or less, like Poulsbo, funds may also be used for rental assistance. Funds from "1406" are restricted to individuals whose income is at or below 60% of the area median income. The Housing Health and Human Services Committee recommends that \$7,000 in the City's 2021 "1406" funds be used for emergency rental assistance targeted at tenants of Winton Woods who have been substantially impacted by a recent rent increase. They were given vouchers to fill the gap, but it is a fixed amount and does not increase with the cost of living/housing. Fishline Comprehensive Services will accept applications for this funding, assess eligibility, and distribute funds. Funds will not be available to individuals who qualify for COVID rental assistance.

Councilmember Lord said they discussed this at Housing, Health, and Human Services committee. These folks do not have any kind of adjustment made to their vouchers, and there are several rental units that have been impacted by this. These people had their rent increased last month, becoming effective November 1 and they have no additional funds to pay for the increase. This is not meant to be an on-going subsidy; it is for an emergency basis to allow these people to find another place to live. It will not cure their problem where they live right now. It is unfortunate and they are glad they have access to these funds.

Councilmember McGinty asked how they arrived at the \$7,000 number. Councilmember Livdahl said it was specific to the number of people in need in this specific situation and the differential in their fixed income and the increase. Nine individuals met the qualifications.

Councilmember Musgrove said this is only a portion of the difference of that which is impending homelessness for specific people in fixed income situations, and it will be administered by a third party. It is an emergency response using appropriate emergency funding.

Motion: Move to authorize the City use up to \$7,000 in 2021 "1406" affordable housing tax funds for emergency rental assistance as stated.

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

Motion carried unanimously.

8. COUNCIL COMMITTEE REPORTS

Community Services Committee: Councilmember Lord reported they reviewed special events (a new event called Ghosts in the Graveyard by the Poulsbo Historical Society on October 30 and Yulefest on December 4). P&R got positive feedback from the NKSD to possibly restart basketball and volleyball. The Chamber of Commerce reported on the Halloween Hunt (drive-by trick-or-treating with 27 stops city-wide including downtown). The lighting of the Viking Statue is planned the day after Thanksgiving. And the Chamber has a new office starting November 1, which is located at Jensen & Iverson (Happy Salon).

9. BOARD/COMMISSION REPORTS

Councilmember Musgrove reported the Business Recovery Task Forces meets the fourth Monday at 4:00 p.m.

Councilmember Stern reported he will be attending the Peninsula Regional Transportation Planning Organization on Friday morning, and tomorrow he and the Mayor will be doing the Project Selection Task Force tomorrow with PSRC (Kitsap set-aside has been secured).

Mayor Erickson also noted the PSRC Transportation Policy Board and Transit Caucus meet tomorrow as well.

10. CONTINUED COMMENTS FROM CITIZENS

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

11. MAYOR & COUNCILMEMBER COMMENTS

Councilmember Livdahl said she would be willing to be the point of contact for GARE. She also said the Washington State Ferries are going down to one-boat routes for the Edmonds-Kingston and Seattle-Bainbridge Island with no end point until they can get staffing levels back to normal.

Councilmember Lord thanked their incredible staff for all they are required to do and the extra things that come along, such as the interview processes for the Complete Streets Consultant project and the Planning & Economic Development Director position. Both processes were extensive and brilliantly done by Zoom. She thanked the departments for organizing brilliant processes.

Councilmember Musgrove said he is looking forward to having in-person meetings again. He also reminded everyone to be kind, caring, and considerate.

Councilmember Phillips wished the NK Vikings luck in their upcoming football game.

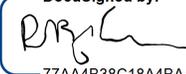
Councilmember Stern said next week Public Safety/Legal committee meets next Wednesday at 3:30 p.m. and will continue discussion on creating a Race Equity Advisory Committee.

12. ADJOURNMENT

Motion: Move to adjourn at 9:08 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