

POULSBO CITY COUNCIL MEETING OF FEBRUARY 2, 2022

MINUTES

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

Staff: City Clerk Fernandez, Finance Director Booher, Public Works Superintendent Lund

ABSENT: McGinty, McVey

MAJOR BUSINESS ITEMS

- * * * Day of the Sámi People Proclamation
- * * * Public Hearing on Intent of Absorbing the TBD
- * * * Bainbridge Disposal Rate Increase and Contract Renewal
- * * * Kitsap County Solid Waste Rate Increase Discussion
- * * * Council Rules of Procedure Review

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** Livdahl, **Seconded by** Stern.

Discussion: Councilmember Musgrove thought item 6D was remanded to the Finance-Admin Committee meeting for their review and recommendations. Mayor Erickson said this needs to be a full Council review and discussion, not just the committee. Councilmember Musgrove said he will discuss this further during 6D.

Motion carried unanimously.

3. COMMENTS FROM CITIZENS

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

4. MAYOR'S REPORT AND COUNCIL COMMENTS

- a. Day of the Sámi People Proclamation – Mayor Erickson proclaimed February 6 as Day of the Sámi People and the Sámi flag will be raised at City Hall on that day.

Councilmember Livdahl announced on January 27 she attended a joint meeting between the Bremerton and Bainbridge Island Race Equity Committees. She will be giving more updates on GARE now that she is receiving their emails and wants to work with the Council on how to move forward.

Councilmember Lord said on January 19, 2022, the Council passed Resolution 2022-05, which agreed to an ILA with Housing Kitsap for the Nordic Cottage project. She fully supports that project, but said it is the Council's duty to understand financial implications of all of their actions. The ILA obligates the City's budget and department operations for three or more years, until the project is completed. Because the January 19 discussion did not include an in-depth financial analysis, nor was there prior council committee discussion to vet it through, she thinks the Council would benefit from an additional review of the ILA for a thorough understanding of the financial impacts to the City. Based on this need and per the Council's Rules of Procedure Section 5.5, she asked for a motion to reconsider the January 19 Council action on Resolution 2022-05, which agreed to an ILA with the KCCHA and specifically limited to consider and understand financial impacts and obligations of the ILA, and that the Council reconsideration happen at a near future Council meeting.

Councilmember Musgrove asked if reconsideration is not an intent to repeal, but only to re-examine for understanding. Councilmember Lord wants a reconsideration on some of the salient facts that they were not able to uncover during their discussion on January 19.

Motion: Move to reconsider Resolution No. 2022-05 passed at the January 19, 2022, Council meeting to review the financial nature of the contract drafted by Jim Haney's office.

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

Motion failed. Councilmembers Lord and Musgrove votes yes and Councilmembers Livdahl, Phillips, and Stern voted no.

Councilmember Lord thanked the Council for considering her request. She is trying to do her due diligence as a Councilmember. She feels like there is more information that would help them work through the process to help them administer their support.

Councilmember Musgrove said Happy 2/2/22. He said the Poulsbo Library has had changes and improvements and circulation is improving between branches as well. They are also offering AARP tax aid and have a one-on-one career counseling and mock interview job labs. He said the new newsletters from the City are out and can be found on the City's website.

Councilmember Phillips said the virtual PACT meeting is at 5:30pm on February 15.

Councilmember Stern encouraged Councilmember Livdahl to attend the GARE meeting in person with the proper precautions. There is great value for networking at these

events. He reported he has been busy with the State Public Works Board, AWC, and KRCC.

b. Department Head Reports

Public Works Superintendent Lund said crews are out working tonight on SR-305 clearing storm drains with lane closures.

Mayor Erickson shared the number of stolen vehicles in the City of Poulsbo from 2010 to January 2022. In one month (January 2022) they have done 50% of 2021's numbers. Chief Harding said the unintended consequences of new laws is a blatant disregard for law. They have been able to arrest a few car thieves and they have told them the word is out in the street that police cannot chase them. It is a contributing factor in the mind of folks who will commit these crimes. In many cases, law enforcement cannot do anything. They can investigate after the fact, but the ability to do that is challenging when they cannot apprehend the suspects at the time they are committing the crime. Some bills are being discussed this week for changes. Everyone needs to contact our legislators and speak in support of law enforcement.

Councilmember Stern shared the Association of WA Cities stand with reforming the reform to bring the pendulum back to the middle where it belongs.

Councilmember Musgrove said the police often are tasked with whether crime is high or low, but it is all related to the entire criminal justice system. This one piece is a critical part and also belongs to prosecutors and the courts. The police are more than happy to do what we ask of them, but we need to support them and give them the proper tools to do what we ask.

5. CONSENT AGENDA

Motion: Move to approve the meeting minutes as presented.

The item listed is:

a. Approval of December 8, 2021 Council Meeting Minutes

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

Discussion: Councilmember Musgrove asked for a way to reduce the lag time between the meeting and the approval of the minutes, because it takes him longer to review and look at videos.

Motion carried unanimously.

6. BUSINESS AGENDA

a. Public Hearing on Intent of Absorbing the TBD

Finance Director Booher presented the agenda summary, noting under RCW 36.74, it allows the City of Poulsbo to assume the rights, powers, functions, and obligations of the Poulsbo Transportation Benefit District. The public hearing is being held to hear citizens comments to address the assumption of the TBD to be assumed by the City of Poulsbo.

Mayor Erickson opened the public hearing at 7:25 p.m. and receiving no comments, closed the public hearing at 7:26 p.m.

b. Bainbridge Disposal Rate Increase and Contract Renewal

Public Works Superintendent Lund and Heather Church from Bainbridge Disposal presented recycling rate increases and a contract renewal. Presentation highlights included:

- Bainbridge Disposal Contract Renewal
 - The current contract expired in April of 2021
 - Bainbridge Disposal and the city have been in contract discussion since October of 2021
 - Due to the current market and the expanding growth of the City, Bainbridge Disposal has asked to increase their rates for the next contract cycle
 - The proposed new rates are in line with the rates charged to residential customers on Bainbridge Island and set by the Utilities & Transportation Commission (UTC)
 - The new proposed rates are \$12.00 per unit for single family residential and \$5.30 per unit for multi-family residential
- Market rate adjustments
- City of Poulsbo flat rate
 - The city uses a flat rate with the recycle contract as this is only a portion of the city solid waste rate.
 - The City adjusts the entire solid waste rate by CPI-U every January.
 - Over the same time period shown in the previous slide with the fluctuating rates, the city experienced a low flat base rate of \$7.65 per single family residential unit.
 - The contract allowed for an annual cpi-u adjustment from Bainbridge Disposal as well as a once-a-year rate adjustment request.
- Rate increase justification
 - Volatility of the recycle market and the flat rate required by the City of Poulsbo
 - The very low flat rate is not sustainable to meet current demands with labor, fuel, equipment, so on.

- Rapid increased growth of the city
 - Requires more labor and equipment to complete the route
- The new rates are in line with the recycle rates set forth by the UTC

The contract language was not changed from the previous contract other than dates and attachment page. The City Attorney has reviewed and approved the new contract.

Councilmember Phillips asked how much everyone's bill is going to increase. Public Works Superintendent Lund said that will be discussed more during the next agenda item, because that will play more into how much the increase will be.

Councilmember Stern asked if this includes yard waste. Heather Church said this just recycling services. She reviewed that recycling costs were double the amount of garbage costs. The market is very volatile.

Councilmember Stern said it is strictly the blue recycling bin. He is surprised prices have not gone up sooner for recycling. He asked if there was any way to stage the prices increases so the shock isn't so great.

Councilmember Musgrove is a firm believer of regular small updates, so you don't create extreme burdens on a family budget. He asked if they are being asked to approve the contract tonight, when they are not discussing the rate increase tonight.

Public Works Superintendent Lund said that is correct. They need to do a rate study to find out what they will be paying for Bainbridge Recycle and the Kitsap County proposed rate increases (tipping fees are going up dramatically). A proper rate study is needed to figure out costs for the combined recycle and solid waste services in the City. They were planning to do the study in 2023, but it needs to be done sooner. He would like to roll the recycling into the rate study with solid waste. They have been raising rates with CPI-U for solid waste rates, recycling might be larger. Bainbridge Recycle's contract is due, and no one realized Kitsap County was going to do a massive rate increase soon. The recycling contract costs of this will be dovetailed into the rate study of the whole.

Councilmember Lord asked if they approve this, they are approving the contract with the understanding that the rate they are approving will be subject to how it folds into Kitsap County's rates and our own rate study. Public Works Superintendent Lund said they are proposing new rates from Bainbridge Disposal for the flat fee, those rates will fold into the County's tipping fees, and they will combine it all together and adjust our rates accordingly with the citizen.

Motion: Move to the 2022 to 2025 contract renewal for recycle services with Bainbridge Disposal.

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

c. Kitsap County Solid Waste Rate Increase Discussion

Public Works Superintendent Lund presented the agenda summary, noting Kitsap County recently did a solid waste cost of service and rate study. As part of this study Kitsap County is proposing a series substantial rate increases. Currently the tipping fee at the Olympic View Transfer Station is \$90 per ton. Proposed increases:

- June 2022 = \$104 per Ton
- January 2023 = \$118 per Ton
- January 2024 = \$121 per Ton

A city rate study will need to be completed to review and adjust solid waste rates as needed.

Kitsap County will be hosting a virtual open house on 2/3/2022 at 5:00 p.m. to discuss the proposed rate increase. Next steps include the City performing a Solid Waste Rate Study as soon as possible, instead of the January 2023 date outlined in the October 2017 Solid Waste Utility Plan.

Councilmember Stern said if they look at the cumulative effect across the utilities, we need to prepare our rate payers if they are looking at enormous increases. He asked what they could do to build in escalations that people can factor into their budgets and prepare for. This may be an unavoidable shock. Public Works Superintendent Lund said their rates have gone up based on CPI-U, but no one knew how recycling would factor in, and with Kitsap County, they did \$1.00 a year, and then it went to \$5.00 a year, and now Kitsap County is proposing \$15-\$20 and we didn't see it coming.

Councilmember Musgrove said they realize departments work to keep things close to the bone and not drift too far away from that. Step methods seem to make sense. Everything is increasing and it is tough when we are handcuffed. Growth increases population and the increased population's revenue should pay for that growth. If it is not that way, he will need to understand how it is different.

Councilmember Lord agrees with a stepped increase if possible, even if it is more frequent steps (every six months?) and getting the word out is crucial. We have expenses we have to pass onto our citizens that we cannot control.

Councilmember Phillips asked if the County didn't see this coming? He asked if the County Commissioners could spread it out. Public Works Superintendent Lund said

he will be logging into the meeting tomorrow, but based on conversations with County staff, it sounds like everyone is on board with it. There is no alternative.

Councilmember Musgrove assumed this is a flat rate for all areas in the County. Public Works Superintendent Lund said that is what he understands.

d. Council Rules of Procedure

Councilmember Stern said regarding the question of the committee of the whole versus a subcommittee of the Council, he said it was over ten years ago the FAC committed a policy that every two years the rules and procedures should be presented to the Council. The intent of that was to correspond with an election cycle and anticipate there could be a change in the Council make-up and they would all share a baseline of parliamentary procedure and its rules and procedures. The idea wasn't to review or amend the content for change, but every two years have a workshop and everybody would be on the same page to understand our operating procedures.

Mayor Erickson said the code is very clear they are to do this every two years. It is important all of them see it and work on it. She has drafted some changes, and she will send the draft changes to the Council for their review and feedback. They can then continue discussion at the next meeting.

Mayor Erickson reviewed her suggested changes.

Councilmember Lord emphasized the rules of procedure stated they review these at the first week of the new year, but it doesn't have to be completed at that same meeting. It may take more than one meeting to get a point to vote on a new set of rules.

Mayor Erickson said these are the Council's rules, and she feels the full council should be participatory in reviewing them.

Councilmember Musgrove liked a lot of the proposed changes. This is all mostly housekeeping, that was his intent. He also agrees this could take time, which is okay. He assumed this would be an ongoing process, it isn't a rush. That was the whole intent of this thing to start looking at it. He has a whole long list. Others might have changes too. But they need a place to work on this document. He hopes most of the changes are minor, but there are a few of them they have to spend time and thought on. He would like to see a section on the roles, requirements and functions of the City Council. They have various statements that are policy for the Council (back of business card, welcoming and diversity statements) that could be thrown in as a Section 1. He likes most of the changes he saw on the fly right now. He presumed based upon Council's directive to send it to FA Committee, so he has been waiting

for the FA Committee to give him a slot to come and participate. He felt the committee would be a filter to bring the more important topics to the full Council. That is why he didn't submit his stuff. He asked how to integrate all the suggested changes into a presentation for them all to review.

Mayor Erickson asked everyone to send her their changes, and she will compile them in the document. She thinks the full council needs to participate and it is important to have all seven of them on the same page. She didn't want to leave anyone out of the discussion.

Councilmember Lord said they are all on the same page, she thinks when the Council split this off to the committee, they as the Council said to send it to FAC to get the ball rolling. It was noted in the Council Follow Up, and that might be part of the confusion is because they split the two tasks they do every biennial. Part of the misunderstanding in the emails going back and forth and some councilmembers thinking it is going to FAC, is that they need a vehicle to consolidate all of their ideas and put them together to discuss as a committee of the whole. Having the Council send the changes to the Mayor for her to compile was her understanding of what the FAC would have done. Everyone has the same goal.

Mayor Erickson asked everyone to send her their changes. She said she has really busy staff, and she was trying to help control workflow. There was a concern expressed tonight about getting minutes from December; she has really busy people. This was her way of freeing up staff. She wants to get this done.

Councilmember Musgrove appreciated that, and that was the intent that staff didn't have to do it, the Council could have processed it through initially to get all ideas onto one document. He felt it was a straightforward process and didn't understand why it went sideways and the confusion.

Mayor Erickson will send the draft document to the Council and asked for them to email her their input.

7. COUNCIL COMMITTEE REPORTS

Housing, Health, and Human Services Committee: Councilmember Livdahl reported they received a COVID update (numbers are going a little bit downward but still very high); Kathy Forsee will be taking on the roll as the clearing house to disperse COVID tests; Poulsbo will be gaining two residential treatment homes in Poulsbo (no timeline); Rep. Simmons is sponsoring a bill asking for \$200K for operating budget funding to help fund Fire CARES program; SB-5644 is intended to analyze the co-response throughout the entire state (this would help provide a framework for co-responding); there was a local/regional meeting between responders and providers (over 40 attendees) to create charts and lists for resources; reviewed meeting procedures (elected new chair); they

noted they wanted regular check-ins of things that are affecting the community (ex. Gateway having problems getting volunteers for cold weather shelters); they want to continue to work on the Nordic Cottage concept and there will be a full council workshop in the future.

Councilmember Lord said having a Nordic Cottage workshop was exactly her point in bringing back that ILA.

Sewer Advisory Committee: Councilmember Musgrove reported the committee is comprised of Councilmembers (3), residents, Planning Commission members, developers, City directors and engineers, consultants, and KCPW representatives. This is an important conversation coming forward and will have huge financial impacts. There will be a workshop in the new future on this topic.

8. BOARD/COMMISSION REPORTS

Councilmember Musgrove said the Mayor gave the State of the City report at the Business Recovery Task Force.

Councilmember Stern said KRCC met yesterday. It was an organizational meeting to kick off the new year and lay out a work plan for the coming year. Mayor Erickson said they are in the call for projects for \$10.8mm. They are going to put a cap on the number of projects that are going to be submitted (4 projects each). It is a 30 project cap for the entire county to go after this funding. She presented a statement to the entire board on two pieces of legislation and wanted their concurrence about local zoning.

Councilmember Lord asked if our lobbyist is working on this issue. Mayor Erickson said he is working on it.

Councilmember Musgrove asked if they could have the City Lobbyist report to them when he has time. It would great to get a report from him. Mayor Erickson will ask if he can join the next meeting. Councilmember Stern asked for a cheat sheet if he doesn't have time join us at a meeting.

Mayor Erickson said PSRC Executive Board passed the project selection task force recommendations for federal funding, and it has new components that speaks to equity and safety. We retained the Kitsap set-aside. They created an equity task force and they run all their work through it. It was a huge lift that is finally completed.

9. CONTINUED COMMENTS FROM CITIZENS

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

10. MAYOR & COUNCILMEMBER COMMENTS

Councilmember Livdahl asked everyone to vote for the school district levy.

Councilmember Lord thanked the Council and Mayor for a good meeting. They can agree to disagree and keep moving forward with cordiality. She appreciates staff and the efforts they make to keep them educated. We have a lot of heavy lifting to do in the near future to solve how we present information to the public. She thanked Councilmember Livdahl for informing them there will be a workshop on the Nordic Cottages project.

Councilmember Musgrove said Happy Groundhog Day.

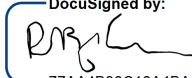
Councilmember Stern asked if they could give some thought to have that message bar at the bottom of the utility bill to state rate increases coming and direct them to the website.

11. ADJOURNMENT

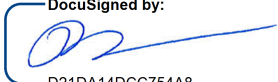
Motion: Move to adjourn at 8:46 p.m.,

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