

POULSBO CITY COUNCIL WORKSHOP SPECIAL MEETING OF SEPTEMBER 7, 2022

MINUTES

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

Staff: Administrative Services Manager/City Clerk Fernandez, Human Resources Manager Kingery, Judge Tolman, Assistant City Administrator Booher, IT Manager Williamson, Senior Accountant Lauren Ellington

MAJOR BUSINESS ITEMS

- * * * Administrative Services Budget Presentation
- * * * Municipal Court Budget Presentation
- * * * Information Technology Department Budget Presentation
- * * * Finance Department Budget Presentation
- * * * 2nd Quarter 2022 Financial Status Report
- * * * Monthly Sales Tax and Real Estate Excise Tax Report
- * * * Council Goals Discussion

1. **CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

Mayor Erickson called the meeting to order at 5:00 p.m. and led the Pledge of Allegiance.

2. **COMMENTS FROM CITIZENS**

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

3. **WORKSHOP AGENDA**

a. **Administrative Services Budget Presentation**

Administrative Services Manager/City Clerk Fernandez presented the 2023-2024 Administrative Services and Legislative budgets. Administrative Services is requesting baseline adjustment requests for travel, training, and dues due to inflation costs, and three new program requests: 1) agenda management software, 2) one FTE increase, and 3) funding to outsource scanning services. The Legislative budget included baseline adjustment requests to double both travel and training due to rising costs of conferences and travel.

Discussion was held on the need to perform retention on old emails and the challenges with doing so; what type of public records requests are generally received

by the City; the legal fund and the City Attorney increasing their rates (however there won't be an ask to increase the legal fund due to using WCIA for pre-defense services); the lack of dedicated support for the Council and how the Clerks Office supports them; the historical staffing levels of the Clerk's Office; the process/ability to use travel/training from other Councilmembers who don't use their allocated funding; the cost of BKAT and if \$30,000 should be saved and stream the meetings from the website (and would that create an accessibility issue).

Mayor Erickson presented the Executive budget, with one baseline request to increase her miscellaneous line item back to its pre-pandemic level.

b. Municipal Court Budget Presentation

Judge Tolman presented the 2023-2024 Municipal Court budget and requested no new programs or baseline adjustment requests. He reviewed the Court's schedules, accomplishments and goals. He noted the backlog of cases were resolved and have three in the trial queue for a date certain.

c. Information Technology Department Budget Presentation

IT Manager Williamson presented 2023-2024 Information Technology Department Budget. Presentation highlights included 2021-22 accomplishments; goals; and 2023-24 requests (upgrade back up servers, upgrade Microsoft Office 365 license to Premium P1; purchase DUO multifactor authentication; and new FTE "IT Desktop multifactor authentication)

d. Finance Department Budget Presentation

Assistant City Administrator Booher presented the 2023-2024 Finance Department and other various budgets. Presentation highlights included highlights of what the Finance Department does; staffing; 2021-22 accomplishments; 2023-24 goals; new program requests (software for debt/lease reporting and tracking, contracting for ability to email utility bills, new FTE – most likely needed in 2025 but may need to re-evaluate depending on growth); review of 2023 general fund, central services and non-departmental; review of special revenue funds – Capital Improvement Fund, Real Estate Excise Tax, Transportation Development Fund, Lodging Tax Fund, Debt Service Funds, non-voted general obligation debt; and Capital Project Funds.

Discussion was held on how often indirect allocations are reviewed (annually) and how they are adjusted; reviewing the built in inflators due to CPI being 10.1% this year; if there is a better system to use for utility billing and what is being done to allow email reminders for bills; and a timeline for review of development impact fees.

At 7:08 p.m., Mayor Erickson recessed the meeting for a 10-minute break.

At 7:20 p.m., Mayor Erickson called the meeting back to order.

e. 2nd Quarter 2022 Financial Status Report Presentation

Assistant City Administrator Booher led a review and discussion of the 2nd Quarter 2022 Financial Status Reports outlining revenues, expenditures, financial policy compliance, cash and investment balance, and capital project status.

Discussion was held regarding the roundabout and tunnel, and who will own it and maintain it; insurance premium is a 40% increase and equipment is a 12-15% increase (both large risk pools are looking at incredible increases in costs – they are having issues finding carriers and we have experience factors affecting our personal rates); timeline for Raab Park Play-for-All project (delayed by the State, it won't be until next year);

f. Monthly Sales Tax and Real Estate Excise Tax Report

Assistant City Administrator Booher presented Sales Tax and Real Estate Excise Tax (REET) reports. The City exceeded half-a-million dollars in sales tax in one month for the first time. Revenues are 12% over the same period from last year, and year-to-date we are 8-9% over last year. Projections are on target for meeting budget for revenue collections. Construction (one-time dollars) are driving the increase.

REET is at \$348K, and we are at 140% of the budget projections right now.

Discussion held regarding when to use reserves for staffing needs; how staffing levels are analyzed and handled during recession (in government 85% of expenses are staff) and positions are evaluated when they become vacant.

g. Council Goals Discussion

Mayor Erickson and Administrative Services Manager/City Clerk Fernandez led a discussion about Council Goals needing to be updated for inclusion in the 2023-2024 budget. They presented the 2021-22 Council goals for review to aid in creating the 2023-2024 Council goals.

1. Develop and Implement a "Neighborhood Streets Maintenance Program" – **Completed/Remove**

Discussion was held on annually reviewing the current roads that are being constrained from having overlays because of utility concerns.

2. Develop Long Term Economic Development Plan – **hold and review next week.**

Objective/Workplan

- i. Annually address the Comprehensive Plan Update as appropriate.
Responsibility – Planning/Economic Development Committee/City Council
- ii. Explore and support the College Town concept, Nightlife Economy and appropriate business locations.
Responsibility – Planning/Economic Development Committee/City Council
- iii. Explore alternative and affordable housing solutions.
Responsibility – Housing, Health & Humans Services Committee, Planning/Economic Development Committee, City Council

Discussion:

- Councilmember Stern felt this was being done through the comprehensive plan process. Councilmember McGinty added it was ongoing.
- Councilmember Musgrove said the comp plan is part of the long term economic development plan. The comp plan gives you general direction, whereas a economic development plan is proactive and specific in goals in order to raise the economy other than just the comp plan. We don't have a long-term economic development plan. He asked why they don't need one? What is Poulsbo doing that is so special that they don't need an economic development plan? This is our mechanism to improve the economy broadly across our city.
- Councilmember Phillips asked in the last year who has looked at the goals? Councilmember McVey said he has. Councilmember Phillips wanted to make sure we have a purpose behind these goals and that we aren't just saying things to say them.
- Councilmember Musgrove thinks it needs to be redeveloped and will submit language for review for next week to discuss.

3. Research Options for a New Public Works Facility – Completed/Remove

4. Implement Dog Fish Creek Study – **KEEP GOAL**

(Responds to Community Goal #3 – Natural Environment)

Objective/Workplan

- i. Review Dog Fish Creek Study, identify projects in study and set remaining priorities.
Responsibility – Engineering
- ii. Establish Funding for Implementation of Prioritized Projects
 - Investigate Hattaland ParkResponsibility – City Council

- iii. Complete 8th Ave. Culvert Replacement
Responsibility – Engineering
- ~~iv. Remove brush and willows along State Route 305~~

5. Develop New Approaches to Promote, Engage, and Communicate with our Youth
– **rework and bring back next week**

(Responds to Community Goal #2 – Community Character)

Responsibility – City Council

Discussion:

- Councilmember McVey asked if it should not be broadened out, for example, develop new approaches to promote, engage and communicate with **our citizens with a special emphasis on** our youth.

6. Transition Plan for Executive Branch of Government – **rework to reflect what was discussed at the retreat**

(Responds to Community Goals #9 – Revenues and Financial Stability and #10 – Customer Service)

- ~~i. Hold a Council workshop in January 2021 to determine if it is feasible to fund a city administrator.
Responsibility – City Council~~
- ii. Structure needs to be determined prior to the filing for the next Mayoral election (May 2021).
Responsibility – City Council

Discussion:

- Councilmember Musgrove said transition must be decided before the Kitsap Auditor info is released, which was mentioned in 6ii, but they need to confirm the deadline and indications for decisions, budgeting and/or hiring well before January 2024. Do we want to see how well it works before the deadline. This needs to be reworked based on what was discussed at the workshop.

7. Reinforce and Establish Our Relationships with the Community Related to Diversity and Inclusivity – **rework and bring back next week**

(Responds to Community Goal #2 – Community Character and Community Goal #12 – Enhanced Communication and Participation)

- i. Combat racism in the community.
Responsibility – City Council
- ii. Reinforcing the City's relationship with the Suquamish Tribe.
Responsibility – City Council
- iii. Exploring a historical and cultural monument for the Suquamish Tribe and Port Gamble S'Klallam Tribe in Muriel Iverson Waterfront Park.
Responsibility – City Council

Discussion:

- Councilmember Musgrove would like to see some rework of this one as well. For example, for 7i, "identify existing racism types, sources and victims, analyze appropriate and effective responses and solutions, both governmental and community." He would like to see something more specific in looking for more effectiveness than "combat racism in the community". What are we planning to do about it is what he is looking for. Likewise, 7ii, that has been a priority for the City for 20+ years, so he is not sure it needs its own. But he made a note to consult with the tribal representatives to compare relationship strengths and weaknesses, develop equitable learning and action plans with specific goals. For 7iii, it needs to be following item 2 for reference and knowledge. We need to learn from number 2 before we do number 3. He also noted the above does not address inclusivity of all of our diversity equitably. It is not limited to just race.
- Councilmember Stern said they have received direct testimony from a few saying there are other communities of color besides the Tribe, and they may feel overlooked. That is an area they can improve upon, but they need to understand what they are dealing with so they can address it in a meaningful way.

8. Support the Construction of the Poulsbo Event and Recreation Center
(Responds to Community Goal #4 – Capital Facilities) **rework and bring back next week**

Objective/Workplan

- i. Develop design/scope of work and proposed budget for construction.
Responsibility – Mayor/Engineering/Public Works/Community Services Committee
- ii. Review design/scope of work and proposed budget.
Responsibility – City Council

9. Support Community Recovery from the COVID-19 Pandemic - **Completed/Remove**

Mayor Erickson asked them to email the reworked drafts to the City Clerk to include in the next discussion.

Councilmember McVey encouraged them to review the goals once a quarter. Mayor Erickson said they could be brought back in January.

Councilmember Stern said they need to ask if there is anything this council wants to address that they are not hearing in the department presentations and the Mayor's

presentation. Is there something else they want to address, or do they feel they are on the right track.

Councilmember McVey said perhaps they could explore downtown parking, and it could be added to economic development.

Councilmember Stern questioned if they needed to add housing the list or is it being addressed by the Mayor and staff. Councilmember Musgrove thinks they should, but he doesn't understand how it is something that Council could solve on their own; it definitely needs to be a council priority. Mayor Erickson said affordable housing is part of 2iii.

Councilmember Musgrove said they should probably look at the retreat notes for additional topics they may want to turn into goals.

Councilmember Stern said one of their goals may be to re-review their zoning code, specific to housing need, demand, and opportunity. There is more than Nordic Cottages that they can do.

4. CONTINUED COMMENTS FROM CITIZENS

Dr. Carolynn Zimmers she said a goal the Council should consider is seeing what can be done about our current inadequate medical care resources. Long hospital wait times have negative health care impacts. Are there alternate health care options or could a hospital district be researched.

Pam Keeley said she was glad to hear the discussion of expanding what equity and inclusivity means and noted senior citizens rely on channel 12/BKAT because they are not tech savvy. One of the goals was emphasis on youth, but no focus on seniors. 40 percent of Pousbo's population will be over 60 in the next ten year. That seems like a missing goal. She shared some packets of information with three articles, and explained what each of the articles were about.

Lauren Lessor moved to Pousbo in 2019, but it seemed weird there was no tribal acknowledgement. She would like to see a healing monument at waterfront park. It would do so much for the community. It would be so beautiful, and she thinks other citizens agree. She also thanked everyone for the accessibility of these meetings with the AV and IT.

Rick Eckert said Homecoming is coming soon and it is the 100th anniversary. It is going to be a big deal. Please come out and support them. For their diversity goal, they could review the school connections presentations, each has demographic data from the schools (student data).

5. ADJOURNMENT

At 8:44 p.m., Mayor Erickson adjourned the meeting.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk