

POULSBO CITY COUNCIL MEETING OF DECEMBER 16, 2020

MINUTES

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

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

ABSENT: Councilmember Stern

MAJOR BUSINESS ITEMS

- * * * Minutes of December 2, 2020, Council Meeting
- * * * Payable Disbursements for September 2020
- * * * Payable Disbursements for October 2020
- * * * Kitsap County Sewer CIP Update
- * * * Final Review and Approval of 2021-2022 Biennial Budget

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

Motion: Move to approve the agenda as presented.

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

Motion carried.

3. COMMENTS FROM CITIZENS

Rita Hagwell spoke regarding concerns of her address and wanting it to be fixed.

4. MAYOR'S REPORT AND COUNCIL COMMENTS

Councilmember Livdahl asked everyone to support and shop local to help our struggling businesses. She shared a Christmas ornament she purchased downtown that says, "Poulsbo Strong."

Councilmember Lord said the Poulsbo Lighted Ship Parade is Saturday night, starting at 5:00 p.m., and Santa is coming through the neighborhoods on the fire trucks. She wished everyone the opportunity to find joy during these tough times wherever they can.

Councilmember McGinty welcomed Commissioner Gelder to the meeting tonight.

Councilmember McVey asked everyone to shop locally this holiday season. He announced the Jewel Box Theatre is having a virtual holiday show on Friday, December 18 at 7:00 p.m. Tickets are \$10.00 a household and are available at jewelboxpoulsbo.org.

Councilmember Musgrove asked everyone to shop local to help businesses survive, which will save jobs. He shared the COVID testing drive-thru at Poulsbo City Hall last Friday was successful, and testing will be available this Friday as well. To get a free test, sign up for an appointment at testdirectly.com. He also shared the Sons of Norway were selling ethnic treats last weekend, and he shared pictures of the volunteers.

Councilmember Phillips thanked Commissioner Gelder and his staff for joining the meeting tonight. He asked everyone to shop and eat local. The Community Services committee had their first team leader join them tonight.

Mayor Erickson also asked everyone to please go downtown and look around and shop local. Check out all the stores and walk through the park, it is all lit up.

5. **CONSENT AGENDA**

Motion: Move to approve Consent Agenda items a, b, c.

The items listed are:

- a. Approval of December 2, 2020, Council Minutes
- b. Payable Disbursements for September 2020
- c. Payable Disbursements for October 2020

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

6. **BUSINESS AGENDA**

a. **Kitsap County Sewer CIP Update**

Director of Engineering Lenius presented the agenda summary, noting Stella Vakarcs, Kitsap County Public Works Sewer Utility Division Manager, would present the 2021-2026 Kitsap County Sewer Capital Facility Plan – Poulsbo Projects.

Presentation highlights included:

- 2021-2026 list of Capital Facility Plan Poulsbo projects, including the project scope, project cost, and expected timeline for completion:
 - CKTP Structural Coatings (New)
 - CKTP Nutrient Process Upgrades
 - CKTP Diffuser Replacement (New)
 - CKTP Replacement Staff Trailers
 - Sewer Utility Facility Plans (New)
 - Lemolo Shores Pipeline Upgrade
 - Third Lemolo Siphon
 - Bangor/Keyport Forcemain H2S Evaluation

Councilmember Lord said she understands the side stream process will filter out the phosphorous and nitrogen and asked if there are any other elements that need to be removed. Vakarcs said they are focused on removing nitrogen (so it is not discharged to the Puget Sound to satisfy Department of Ecology regulations) and they hope phosphorous will be later.

Councilmember McVey asked her to give estimates on life spans of equipment. Vakarcs said equipment is generally a 10- to 15-year lifespan, but they usually get more life out of it than what is recommended by the manufacturer. Councilmember Musgrove added they are always looking for lifespan versus cost, but keeping in mind what we are looking at here is regulations as they change could affect the useful lifespan.

Councilmember Lord asked what the penalty would be if a deadline is not met. Vakarcs said if we violate our permit, they could be fined by the Department of Ecology.

Councilmember Musgrove appreciated the County's professionalism in working with the City to make it work well for everyone.

Councilmember Lord said the Public Works Committee had a preview of this presentation and recognized the professionalism of Stella and her team. It is so key when there are so many millions of dollars involved with all of this.

Commissioner Gelder said they plan on a 20-year horizon. They do the best they can to dial it in, but on top of that is the constantly changing regulatory environment. It is a fluid plan, and they appreciate the partnership with Poulsbo.

Mayor Erickson thanked all of them for attending the meeting tonight and for their partnership on these projects.

b. Final Review and Approval of 2021-2022 Biennial Budget

Finance Director Booher gave a final review of the 2021-2022 Biennial Budget. Presentation highlights included:

- 2021-2022 Budget Changes
 - Updated Expenditure Projections
 - Updated WAGE and benefit rates for wages
 - Adjusted any contractual updates
 - Baseline adjustment and new program requests
 - Partial funding for programs reduced in preliminary budget
 - SBDC
 - KEDA
 - Lobbyist
 - BARs/NPRs included
 - Part- time police clerk
 - Police lieutenant
 - Casual labor – building department
 - Comp Plan update partial funding
 - HHH department 2021 only
 - Multicultural event
- Adjustments Requesting Additional Consideration
 - SBDC fully funding \$3,000
 - Fully funding request for professional services planning department for comprehensive plan (currently funded \$10,000 2021 & 2022) – 2021 \$5,000; 2022 \$15,000
 - Park and recreation programmer
 - Request to make the position full time (\$63,628)
 - Mayors recommendation to add another part time programmer allowing flexibility for funding and specialized focus (\$42,590)
 - Ongoing additional HDPA watering contribution (current budget; \$4,500) \$1,500
- Notations – Future Adjustments
 - The CIP was prepared with \$1.2 million in 2021 and 2022 for the Pousbo Events Recreation Center. This funding is dependent on grant funding which is not assured. It is not included in the budget but will be amended if the grant proceeds are secured
 - HHH and behavioral health program funded by grants in 2021 – 2022 will be part of 2022 mid-biennium process
 - Updating indirect allocation based on auditors change

- General Fund Final Budget: 2021, (\$271,772); 2022, (\$237,491)
- General Fund balance compared to fund balance policy
- 2021-22 Budget Changes – Other Funds
 - Baseline adjustment and new program requests
 - Capital project updates from CIP
 - Perc included on CIP but budget will be amended when grant is secured
 - Various wages and benefit changes
- 2021-2022 Final Budget Revenues - Total Funds - \$59.7 million
- 2021-2022 Final Budget Expenditure – Total funds - \$63 million
- Tonight – include expenditures that was asked for extra time consideration?
 - SBDC funding (\$3,000)
 - Planning professional services (2021-\$5,000;2022-\$15,000)
 - Park & recreation programmer: increase existing 0.5 FTE to 1.0 FTE or hire an additional 0.5 FTE – recommend hiring additional 0.5 FTE for cross training opportunities and savings in benefits.
 - HDPAs – watering increase (\$1,500)

Councilmember Lord said she supports the extra items for consideration, but she wanted to hear others' opinions with moving forward with 2 part-time recreation planners (instead of increasing the current part-time position to full-time).

Mayor Erickson said two part-time positions would provide more flexibility, redundancy, cross-training, and cost savings. The revenues from the programming must pay for these positions, otherwise we cannot afford it.

Councilmember Livdahl said she would like to hear from Mary and Dan, but this compromise would help with having more brains for creativity and solutions to challenges.

Councilmember McVey supports all the additions and supports the two part-time recreation programmers because of the added flexibility. After having had to lay off so much staff due to COVID, we must be careful about what we are committing to, so this gives us flexibility. He supports the additional funds for HDPAs watering contract, with the caveat that HDPAs look at their dues structure and updates it. It is only to their advantage to look at that, particularly with the new apartments coming to Poulsbo.

Councilmember Lord said as liaison to the HDPAs, she has been concerned about the dues structure as well. She has made an appointment for tomorrow morning to meet

with the president of the HDPa and one board member. They are on board with this, but they don't know how to proceed. It is getting started.

Finance Director Booher added that they City is supposed to charge HDPa for the actual work we do for them. We charge them \$3,000 in indirect allocation for our services. The true cost has been reviewed and it is around \$15,000-\$20,000. This needs to be part of the conversation regarding their dues structure.

Finance Director Booher said she will include the additional expenditures and add the additional 0.5 FTE recreation programmer.

Motion: Approve the City of Poulsbo's 2021-2022 Biennial Budget with the adjustments they have agreed to verbally this evening.

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

Motion carried.

7. COUNCIL COMMITTEE REPORTS

Public Works Committee: Councilmember Lord reported they had a preview to the presentation given tonight by Kitsap County and had a healthy discussion. Discussion was held on the speed limits on Fjord and Lemolo (Commissioner Gelder was present during discussion). They reviewed a budget amendment for Poulsbo Cemetery Arch damage repair. An email will go out on the art selection progress for the roundabout. The construction of the boardwalk on Finn Hill is complete. Councilmember Musgrove shared that Christmas lights cannot be placed in recycling bins.

Community Services Committee: Councilmember Phillips reported they had their first student leader Katie attend. The Parks & Recreation department continue to do zoom programs, including some virtual fitness programs. Fish Park is 95% complete, and there is a potential for a virtual ribbon cutting. They discussed creating walking route maps. Mayor Erickson said she would like to create walking loops (drive to a start point, walk the loop and return to your car). She would like to have some maps created in the next couple of months. Councilmember Phillips also noted that AWC has a scholarship program, and each City could nominate a student (due in March).

8. Department Head Reports

Finance Director Booher said there will be a large budget amendment next week to take care of CARES/FEMA dollars received. If you have questions, please contact her.

9. BOARD/COMMISSION REPORTS

Councilmember Lord met with the HDPAs last night, and she looks forward to working with them on their bylaws and dues structure.

Councilmember Musgrove said the Business Recovery Task Force is slowly getting better each week, they are touching base each week. Councilmember Livdahl added that Fishline has holiday funds that Walmart could not help with. They asked if businesses in Poulsbo would be interested in signing up for participating in the holiday bucks that they give to families during Christmas (\$40K available).

Mayor Erickson said the Business Recovery Task Force is a way for people to talk out their concerns and fears and try to work out solutions. She thanked Councilmember Livdahl and Musgrove who have been there the entire time. She will keep doing the meetings.

10. CONTINUED COMMENTS FROM CITIZENS

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

11. MAYOR & COUNCILMEMBER COMMENTS

Councilmember Lord recommended everyone check out the Planning & Economic Development Department December 2020 monthly update on the City's website.

Councilmember Musgrove thanked Finance Director Booher, her team, and the Mayor for how budgets are running now; it is such a huge improvement. He encouraged everyone to shop local and to have great holidays.

Councilmember Phillips thanked all staff for all their hard work and asked everyone to shop local.

12. ADJOURNMENT

Motion: Move to adjourn at 8:37 p.m.,

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

Motion carried unanimously.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk