

POULSBO CITY COUNCIL WORKSHOP SPECIAL MEETING OF OCTOBER 5, 2022

MINUTES

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

Staff: Deputy City Clerk Diehl, Assistant City Administrator Booher, Senior Budget Accountant Ellington, Civil Engineer Roberts, Senior Engineering Technician Bateman, Police Chief Harding, Building Maintenance Mechanic Cienega, Contract Administrator Zieman, Housing, Health, & Human Services Director Hendrickson, Senior Systems Administrator Riendl.

ABSENT: Councilmembers McGinty and Stern

WORKSHOP ITEMS

Fishline 2020-Current Recap and Strategic Plan to 2025
Parks and Rec Building Re-Roof Project Contract Award
Johnson to Norum - Murray Smith Sewer Design Consultant Contract
AWC Grant Opportunity for Fire CARES Program
Budget Amendment No. 22-0402 Granicus Software
Police Department Presentation
Budget Amendment 22-0401 Downtown Clock Refurbishment
Mayor's Proposed Preliminary Budget Presentation

MAJOR BUSINESS ITEMS

- * * * Approval of Council Workshop Minutes of September 7, 2022
- * * * Approval of Council Committee Meeting Minutes: FAC of August 3, 2022
- * * * Councilmember Absences September 21, 2022
- * * * Payable Disbursements for August 2022
- * * * Budget Amendment 22-0307 Transfer Funds to Correctly Record Purchase of New Server
- * * * Public Hearing: 2022 FEMA Floodplain Management Code Revisions to PMC 15.24 and respective Ordinance No. 2022-12
- * * * Pacific NW Troll Project Discussion
- * * * 15-minute executive session to discuss personnel matters per RCW 42.30.110 (1)(G)

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

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

2. AGENDA APPROVAL

Motion: Move to approve the agenda as stands.

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

Motion carried unanimously.

3. COMMENTS FROM CITIZENS

Bittina and Kevin Sheen spoke in regard to the Poulsbo Film Festival, noting it would take place on October 14-16 at many of different venues in the Poulsbo area.

Tom Nordlie commented on the Dambo Troll noting fund raising could take place to cover the expenses of the troll and Fish Park is capable of accommodating many visitors.

4. WORKSHOP AGENDA

a. Fishline 2020-Current Recap and Strategic Plan to 2025

Lori Maxim, Fishline Executive Director presented the 2020 recap and Strategic Plan to 2025 noting, Fishline is the 2nd oldest foodbank in the State. Maxim outlined the hardships & highlights of the last three years:

In 2020: Financial donations increased by 382%; Second Seasons thrift store closed; shower program was created.

In 2021: Hybrid Market opened; financial donations dropped by 29%; Second Seasons Thrift Store re-opened and increased hours; consulting firm was contracted to ensure staff was being paid fairly; dental, vision, and Telehealth programs were added; two ADA compliant shower stalls were purchased; paid off mortgage.

In 2022: added a mental health provider; added additional staff.

Maxim highlighted a few of the programs they are offering at fishline which included: Free mental health services; Student Opportunities and Advancement Resources (Soar); Christmas Child program. Plans for the future included: Solar Panels, Door Repairs, Health benefits for staff; Annex roof replacement; Expanding Second Seasons; County wide disaster services.

Their Strategic Plan 2022-25 included the following seven goals:

- Evaluate the needs of the community and address conditions as they arise.
- Provide emergency services or case management to the unhoused population

- Improve the overall mental health of the clients
- Increase revenues with fundraising and new opportunities
- Improve operational efficiencies and service quality
- Develop Risk Assessment and disaster management plans
- Ensure availability of fresh foods

b. Parks and Rec Building Re-Roof Project Construction Contract

Contract Administrator Zieman presented the history of the roof, noting: the roof is over 30 years old; in 2016 sections A & B were replaced and this contract is to replace sections C, D, & E; it does not include the roof of the existing basketball court; the HVAC Unit on section E was replaced in separate contract prior to the roof installation; small works roster was used; four proposals were received on 9/21/2022; proposals ranged from \$107,365 to \$159,718; low bidder was Signature Roof Service LLC at \$107,365; the low bid is within the existing budget.

Councilmember McVey remembered a few years ago they were discussed the deferred maintenance. The Council asked the Parks & Rec commission to do an analysis of the building to help the Council to determine if they wanted to hold onto the building, sell the building, or make changes. He asked if the analysis was done, and if not, should it. The roof needs to happen regardless, but he would like a future workshop agenda to talk about doing the analysis. Mayor Erickson said she talked to some prominent builders and asked if we should sell the building. They recommended not selling the building, because we would never get property back at this location. Councilmember Livdahl said this discussion happened with Community Services Committee. Mayor Erickson said there was no formal report. Councilmember Musgrove agreed with Councilmember McVey, and he believed they were going to do an overview of assets.

Recommendation was made to move the contract with Signature Roof Service LLC in the amount of \$107,562 to the City Council consent agenda on October 12, 2022, for approval.

c. Johnson to Norum - Murray Smith Sewer Design Consultant Contract

Civil Engineer Roberts noted: this is one of the most important sewer projects the city has; the scope of work and budget were provided in the packet; this project is to upsize 4,100 liner feet of pipe running from the Johnson Metering Site to the Lemolo

Siphon going from a 14 inch pipe to a 21 inch pipe; the \$528,000 cost of the project is within the budget; Task #9 is for grinder pumps owned by the county in which we will be reimbursed; Task #5 was for optional environmental work that will take place in-house.

Councilmember Musgrove questioned the status of the remainder of the project, in regard to what we should be expecting next and what the costs would be. Roberts noted the construction portion of the project is in the CIP and in the \$5 million range and should be straightforward due to the lack of development in that area. The Siphon project would take place in approximately 10 to 12 years.

Recommendation was made to be placed on the City Council Business Agenda for the October 12, 2022, meeting.

d. AWC Grant Opportunity for Fire CARES Program

Housing, Health, & Human Services Director Hendrickson noted: they have an opportunity to create a Fire Cares program in Central Kitsap; the funding is only available for new programs; the program will benefit Poulsbo residents as it creates a cooperation agreement with the Poulsbo Fire CARES team for mutual aid and expands to seven day a week coverage; there will be a minimal cost to the city; she is adding language to the grant for reimbursement of fiscal and project management services. Recommendation was made for this to be moved to the October 12, 2022, consent agenda for approval.

e. BA #22-0402 Granicus Software

Deputy City Clerk Diehl noted: with the new meeting format for the council meetings the clerks department has absorbed all the committees agenda processes which is now creating a three day processing time for the council agenda; the software can be used for any meeting an agenda needs to be created for; the software creates a repository for all meeting agendas, minutes, and videos in one place on your website; it is a 3-year contract starting at \$6,000 a year with a five percent increase for the remaining two years; there is a video portion to the software for an additional fee that might be requested at a later date. Recommendation was made for this to be moved to the October 12, 2022, business agenda.

f. Police Department Presentation

Police Chief Harding presented the council with an Analysis of Statistics for police services handout, noting there were five factors that contributed to a decline in case reporting:

- 1) Drug arrests – In the State of Washington there has been a 60.9% drop in drug offenses and 73.6% drop in drug arrests due to the Blake decision in 2021. This has led to increase in property crimes. This has also created an increase in opioid deaths.
- 2) Change of use of force laws – the loss of being able to conduct Terry stops and transitioned to a probable cause standard when initiating contact.
- 3) Inability to initiate pursuits – which led to not being able to pursue someone involved in criminal activity.
- 4) Providing council to Juveniles – it is required anyone under the age of eighteen must be provided council for before any questioning in a criminal investigation. Two exemptions to this requirement are school shootings or if there is an imminent threat of harm to a person.
- 5) Adding a Social Worker – cases then did not result in an arrest being made.

Harding showed a video from Snohomish County regarding these factors affecting Law Enforcement in 2021 and 2022.

Harding noted: with their change in approach in regards to hiring a full-time social worker, she has had 85 contacts that did not result in an arrest being made; there has been an increase in calls for service; they are writing more case reports; 17% of reports have been referred for charges; juvenile case are down due to legislation that has made it very difficult to question juveniles; they have seen an increase in child protective cases & adult protective cases; drug cases are down not because a decrease in drug use but due to the Blake decision and the loss of drug dogs.

g. Budget Amendment 22-0401 Downtown Clock Refurbishment

Mayor Erickson updated the council, noting the clock refurbishment cost Bill Austin a total of \$15,000. Erickson noted the Poulsbo Rotary donated \$4,000 and the Historic Downtown Poulsbo Association (HDPa) donated \$2,000, leaving a balance of \$9,000 which she has agreed to pay. This will be coming back to the October 12, 2022 council meeting under the consent agenda for approval of the budget amendment from the capital equipment fund.

At 6:34 p.m., Mayor Erickson recessed the meeting for a 10-minute break.

At 6:44 p.m., Mayor Erickson called the meeting back to order.

h. Mayor's Proposed Preliminary Budget Presentation

Assistant City Administrator Booher introduced Senior Budget Accountant Ellington. Booher presented the 2023-2024 Mayor's Proposed Preliminary Budget noting: this is the base budget and does not include Baseline Adjustment Requests or New Program Requests; the combined budgeted funds expenditures total \$97,878,380 with \$42,526,145 in 2023 and \$55,352,235 in 2024; large fluctuations are due to the capital projects taking place, such as Noll Road, Public Work Facility, Park Projects, and Utility Projects.

Differences to the prior base budget include: Estimated beginning balance for 2023 based on revenues higher than projected in 2022; Revenues projected with anticipated decreases; Sales tax projected at same level of collection in 2021 and 2022; Reduced utility taxes from 12% to 10%; Receiving Federal Grant ARPA Funds for both years; Grant Revenue decrease for the Fire Cares and Planning Department; Investment earnings based on changing interest rates.

Items included in the 2023-2024 Proposed Preliminary Budget include:

- Most recent property tax figures from the county.
- Wages and Benefits that include contractual increases and estimated benefit increases.
- Contractual Increases such as: software subscriptions, agency agreements, and Liability Insurance Premiums increase which is up approximately 40%.
- Transfer Adjustments such as: \$175,000 to the Street Operation Fund to support street maintenance and increasing costs; \$10,000 to the Lodging Tax Fund for the city's match of the Event's Coordinator position; \$150,000 to the Neighborhood Streets; \$150,000 from Real Estate Excise Tax for city hall debt; \$50,000 reduction in transfer to Capital Equipment funds.
- Capital items requested for replacement included: new engineering SUV; public works boom truck, gator, pick-up truck and dump truck; IT back-up server.

Capital Projects are in the proposed budget and consistent with proposed CIP. They will be continuing to review and update them and will present them at a future council workshop.

Projected General Fund Revenue is consistent with prior years for operating revenues. Eighty percent of the general fund revenue is supported by taxes. Increase in the projected expenditures were in salaries and wages due to employees being brought back in 2022 with the ARPA funds and the one-time money grants for the Noll Road project and Behavioral Health. Projected Revenues vs. Expenditures show an increase of \$981,159 in 2023 and \$1,393,037 in 2024. The projected fund balance for 2022 is \$4,646,933, 2023 is \$4,265,774, and 2024 is \$2,872,738. Booher noted that even though in 2024 it seems to be a substantial hit, we are still in compliance with the Financial Management Policy.

Upcoming budget events will include: Public Hearing for 2023-2024 Revenue Sources on 10/19; Preliminary Budget to be released on 10/31; Set 2023 Property Tax Levy on 11/9; Public Hearing for the Budget on 11/9 & 11/16; CIP Presentation on 11/9; Review of Baseline Adjustment and New Program Requests on 11/16; Final Budget Review on 12/7; Budget Approval and Adoption on 12/21.

5. MAYOR'S REPORTS AND COUNCIL COMMENTS

a. Council Comments

Councilmember McVey thanked the Poulsbo Film Festival organizers for coming to the meeting.

Councilmember Lord noted the Poulsbo Historical Society will be putting on the Ghost in the Graveyard event and are looking for volunteers.

Councilmember Musgrove thanked the Poulsbo Film Festival organizers for their efforts with this new event and Lori Maxim for her enlightening presentation on the Poulsbo Fishline. Musgrove stated he looks forward to the Troll conversation.

6. CONSENT AGENDA

Motion: Move to approve Consent Agenda as presented.

The items listed are:

- a.** Approval of Council Workshop Minutes of September 7, 2022
- b.** Approval of FAC Committee Meeting Minutes of August 3, 2022

- c. Councilmember Absences June through September 21, 2022
- d. Payable Disbursements for August 2022
- e. Budget Amendment 22-0307 Transfer Funds to Correctly Record Purchase of New Server

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

7. BUSINESSES AGENDA

a. **City Council Public Hearing - 2022 Floodplain Management PMC 15.24 Revisions**

Senior Engineering Technician Bateman gave a short presentation, noting: PMC Chapter 15.24 adopts flood insurance study and maps, regulates and manages development in areas of special flood hazard; compliance allows property owners to purchase flood insurance through the National Flood Insurance Program; Poulso has been in the program since 1979; there are 47 flood insurance policies with an average annual premium of \$514; there has only been two paid claims since we joined the program; FEMA periodically revises and updates the insurance study, maps, and code requirements; the most recent official study and map was adopted in 2017; Ecology staff did a Community Assistance Contact and evaluated the city's flood management program in 2021.

To stay compliant with FEMA requirements they requested changes to the definitions and language in the following chapters:

- **15.24.020 Definitions** – Several new definitions were added or revised for consistency with FEMA regulations.
- **15.24.085 through 15.24.130** – Revised code to clarify flood plain permit application requirements and City Engineer duties in reviewing applications, maintaining records and notifying FEMA of annexations
- **15.24.170 Anchoring** – Added clarifying language regarding anchoring against buoyancy.
- **15.24.230 Elevation – Residential Construction** – Added item 4 regarding garage design requirements for automatic entry and exit of floodwaters if garage is below BFE.

- **15.24.240 Elevation – Nonresidential Construction** – Added clarifying language regarding elevation above BFE and waterproofing requirements for mechanical equipment.
- **15.24.255 through 15.24.270** – Renumbering of sections to accommodate addition of section 15.24.270 and removal of section 15.24.310.
- **15.24.270 Enclosed area below the lowest floor** – Added section to clarify allowable uses for enclosed area below the lowest floor.
- **15.24.310** – Historic structure variance moved from individual section to be included in general variances section. Note: no structures in Poulsbo would be affected by this change as where none are listed on the National Register for Historical Places or the State Inventory of Historical Places.

At 7:31 p.m. Mayor Erickson opened the public hearing, and after receiving no comments, closed the public hearing at 7:32 p.m.

Councilmember McVey noted in the Planning Commission review, the City Attorney suggested adding the definition of “reasonably safe from flooding”. Bateman stated as where it was not a FEMA requirement, they did agree it should be added to cover the city’s liability.

Councilmember Musgrove questioned how much of this update was compliance housekeeping or optional for the city’s benefit. Bateman stated it was 100% compliance housekeeping.

Motion: Move to approve the 2022 Floodplain Management Code revisions to PMC 15.24 as identified as Exhibit A and presented by Staff, thereby amending sections of the Poulsbo Municipal Code, and adopt Ordinance No. 2022-12 amending the section of the Code and providing for severability and establishing an effective date.

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

Motion carried unanimously.

b. Pacific NW Trolls Project

Mayor Erickson presented the contract from Mr. Dambo and the Scan Design Foundation, noting it had not been reviewed by the city attorney. Erickson stated she feels the troll should be in Fish Park, but the city’s budget does not have an extra \$80,000 in it for this project.

Councilmember McVey stated he still has several concerns about this project, that include: the private fundraising of \$75,000 has yet to be seen; if \$75,000 was going to be raised he would like to see it put towards a project the community wants; even if the funds were to be raised privately, there are several in kind city costs within the contract; the statue only built to last 3 to 5 years; the amount of money required to pay the maintenance and travel costs of the artist as stated in the contract; this project taking away from city services that are needed; opposed to Fish Park being the chosen site due to the inadequate parking and the destruction of the natural state in the park.

Councilmember Musgrove noted he was hoping to see more fundraising done prior to this contract being signed. Return on investment was not measuring up to City's needs.

Councilmember Lord noted as an artist she liked the idea and what it stood for but was concern about the built-in expiration date of the troll, for the amount of money being put into it.

Councilmember Phillips noted after looking at the contract he also saw several costs that make this project very expensive. He believes the City does needs more public art and maybe we could find something more feasible.

Councilmember Livdahl stated also sees the need for public art but feels at this time we need to spend fund on maintaining what we already have like the boardwalk.

Motion: Move to end the pursuit of the Pacific Northwest Trolls Project at this time.

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

Motion carried unanimously.

8. BOARD & COMMISSION REPORTS

Mayor Erickson reported the Health District Board has agreed to a comprehensive study on the availability of health care in Kitsap County. Recent concerns with St Michael's Hospital including lack of hospital beds, workers, and accreditations have prompted this study to find out why and where we are short with health care in Kitsap County. This study will be independent study done by an outside consultant, funded by the health district. Erickson noted there has been talk of creating a Health Benefit District, by the vote of the people, which would receive money from property taxes to fund medical care.

9. CONTINUED COMMENTS FROM CITIZENS

Tom Nordlie commented on the Pacific NW Troll Project stating he spoke with the Scan Design Foundation, and they stated they would be willing to put forward money while fundraising was happening to get this project off the ground. He noted Scan Design partners with the State of WA Commerce and Tourism, Visit Seattle, and would also work with our Chamber of Commerce to get this project moving forward.

10. MAYOR & COUNCILMEMBER COMMENTS

Councilmember Phillips commented on the need for the city’s Art Board to take a look into where public art could be placed and the fundraising possibilities for it.

Councilmember Livdahl noted Halloween is coming up and the Historic Downtown Poulsbo Association will be having their annual event this year.

11. EXECUTIVE SESSION

- a. 15-minute executive session to discuss personnel matters per RCW 42.30.110 (1)(G).

At 8:04 p.m., Mayor Erickson adjourned the meeting into a 15-minute executive session to discuss personnel matters per RCW 42.30.110 (1)(G). No action was taken.

12. ADJOURNMENT

At 8:19 p.m., Mayor Erickson adjourned the meeting.

Rebecca Erickson, Mayor

ATTEST:

Rhiannon Fernandez, CMC, City Clerk

Respectfully prepared and submitted by Kati Diehl