

# POULSBO CITY COUNCIL WORKSHOP SPECIAL MEETING OF SEPTEMBER 21, 2022

## MINUTES

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

**Staff:** Administrative Services Manager/City Clerk Fernandez, Senior Budget Accountant Ellington, Public Works Director Lenius, City Engineer Ranes, Utilities Engineer Roberts, Engineering Technician Burgess, Recreation Programmers Goodfellow and Cornette, Special Events Coordinator Wilson

**ABSENT:** Councilmembers McVey and Stern

### WORKSHOP ITEMS

PSE Easement on Park Property Presentation  
Complete Streets Consultant Contract Presentation  
Sewer Update Presentation  
Casual Labor Request  
Parks and Recreation Department Budget Presentation  
Special Event Applications in October 2022  
Play for All Grants and Donations for Consideration

### MAJOR BUSINESS ITEMS

- \* \* \* Councilmember Absences June through September 14, 2022
- \* \* \* Approval of Council Meeting Minutes of May 4, July 13, July 20, August 6, and August 10, 2022
- \* \* \* Approval of Planning and Economic Development Committee Meeting Minutes of May 25 and July 27, 2022
- \* \* \* Approval of Public Works Committee Meeting Minutes of August 10, 2022
- \* \* \* Kitsap County WSSOG ILA
- \* \* \* Set Public Hearing for October 19 – Revenue Sources
- \* \* \* Set Public Hearing for November 9 and November 16 2023-24 Budget Ordinance 2022-11, Q2 Budget Ordinance

#### 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

Councilmember Musgrove asked for a 15-minute break between the workshop and Council Comments/Mayor's Report.

**Motion:** Move to approve the agenda as revised.

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

Motion carried unanimously.

### 3. COMMENTS FROM CITIZENS

None.

### 4. WORKSHOP AGENDA

#### a. PSE Easement on Park Property

Engineering Technician Burgess presented a PowerPoint and PSE easement document, explaining the City was approached by PSE regarding existing utility poles on City Property which need alteration/remediation. These poles were located on private property without easement prior to the parcel being conveyed to the City in 2011. In order to ensure that the City does not provide a gift of public funds, PSE is required to procure an easement for the continual use of the burdened area and pay fair market value for the easement area. The fair market value of the easement was determined using an existing 3rd party appraisal on file, used during the original property transfer. The appraisal is favorable to the City as current valuation per Kitsap County methods would yield a lower dollar per square foot value. The total fee for the easement area is \$5,023.31. Since the burdened property is part of Fish Park, these funds will be deposited into the Parks and Recreation Reserve funds. PSE will also be required to reimburse City legal costs for creation of the easement and recording fees. The presented easement (Exhibit A) has been prepared by the City Attorney's Office and provides real property and financial protections as required by WAC and RCW for municipal owned property.

The Council recommended bringing the Puget Sound Energy Perpetual Easement Agreement (Exhibit A) to City Council Consent Agenda for approval on October 5, 2022.

#### b. Complete Streets Consultant Contract

City Engineer Raney provided a PowerPoint presentation, scope of work and budget, stating that in June 2021, the City advertised for a consultant to complete the Poulsbo Complete Streets Plan. The selection panel reviewed proposals, consultants were interviewed and through this process, the most qualified consultant, Parametrix, was selected. Staff has been working with the consultant to refine the components of the

Complete Streets Plan. The project will develop a Complete Streets Plan that includes streetscape planning and preliminary design within the public right-of-way with a focus on potential redevelopment or new development of streets and sidewalks; evaluation of parking demand and available facilities; and conceptual design of pedestrian, parking, transit, and streetscape improvements. The project goal is a plan that provides safe, convenient travel and access for users of all ages and abilities, regardless of their mode of transportation. The final plan will include a report identifying specific projects, costs and prioritization for development and implementation.

Councilmember McGinty asked regarding the matching funds. City Engineer Raney said the grant process required a City match, and the remaining balance after the consultant contract was the \$20,000 to make up the difference.

Councilmember Musgrove asked if the approval is for the grant, as well as the additional \$55,000 cost. City Engineer Raney said they have already gone through the process to accept the grant. The City is only putting in \$33,750 as match, but their salaries are coming from the \$20,849. They are seeking approval for the \$229K tonight.

The Council recommend bringing the Parametrix contract for the Complete Streets Plan in the amount of \$229,150.67 to City Council Consent Agenda for approval.

**c. Sewer Update**

Public Works Director Lenius and Civil Engineer Roberts presented a PowerPoint detailing an update to the Sewer Plan. Presentation highlights included:

- General Sewer Plan (2022 GSP)
- Status of Kitsap County Sewer Agreement
  - Coordination with KC Staff to reviews sewer agreement
  - Increasing City of Poulsbo capacity at Central Kitsap Wastewater Treatment Plant
    - 0.25 MGD increase
    - 0.95 MGD to 1.20 MGD
    - Supports continued growth
  - Capacity purchase price based on asset value, bonds, interest, and % share
    - In the range of \$2.25 – \$2.95 mil
    - Included in financial model in GSP
  - City proportionate share of CKTP will increase from 15.83% to 20%
    - Impacts County CIP projects
  - Next steps – finalize revisions & attorney review
    - Agreement to KC Board and City Council
    - Anticipated to be adopted by 2023

- Lemolo Shore Drive Pipe Upgrade (Johnson to Norum) – consultant design
  - Lemolo Shore Drive pipe upgrade is critical upgrade for City sewer flows
    - From Johnson Road metering station to Norum at siphon ~4,100 linear feet
    - Increase existing pipe from 14" to 21" diameter
  - City share of flows – 100%
    - County owned infrastructure
  - City to initiate design with on-call consultant Murraysmith
    - Allows design to move forward with City schedule
    - County will be involved in design process
  - County will manage construction portion of project
  - Scope & Budget currently in review

Councilmember McGinty asked if the County would be funding the Lemolo Shore pipe upgrade. Public Works Director Lenius said the City would be funding it.

Councilmember Musgrove asked if everything out to Brownsville is all the City. Public Works Director Lenius said we are a 100% out to Keyport, and then a portion the rest of the way. Another thing that will change in the agreement is that we use to pay a year later, but projects that are 100% ours we will be paid quarterly, so we won't pay interest on the money that they used to fund the project.

Councilmember Musgrove asked if we have an idea of the ceiling to the CKPP capacity. In the future do we anticipate being able to buy more percentage, and if so, what is the limit to when we hit capacity. Public Works Director Lenius said they will have to buy additional capacity in the next 10-15 years. The agreement says the county will collaboratively work with us for the purchase of additional capacity in the future. It is based on the asset value.

Councilmember Phillips asked if we are going to dig the road up and if the road will be replaced at that time. Utilities Engineer Roberts said it is something they will coordinate with the County early on to determine where the pipe is located. The roads are 20' wide, and he doesn't believe that the pipe will be in the ditch in some areas, and in the middle of the road in other areas.

Councilmember Livdahl said if we have to dig up the road, we will have to pay to put it back, even if it is not in city limits.

Councilmember Lord asked if they anticipate having to purchase any right-of-way (ROW) and what the ball-park timeline would be for this project to begin. Utilities Engineer Roberts said they do not need to purchase any ROW and they hope to advertise at the end of 2023.

Councilmember Musgrove said this is being done due to new growth and said the new growth will pay the increased cost, and existing customers will not see an increase to their rates. Public Works Director Lenius said that was correct; the City collects connection fees to pay for the capital projects.

**d. Casual Labor Request**

Public Works Director Lenius expressed that Engineering would like to propose continuing their Casual Labor assistance through the end of this year. Casual Labor has been of great assistance to the Engineering and Building Departments, focusing on archiving/scanning/file cleanup, public record requests and backup for our front counter. Our Casual Labor is currently working part time – approximately 30 hours per week. Engineering is paying \$20 per hour. Engineering salaries are currently running under budget – as of the end of August they are at 52% of their budget. They estimate that the department will be approximately \$75K under budget for 2022. As of September 15, the Casual Labor budget for Engineering and Building will be exhausted. Engineering proposes to offset Casual Labor costs against the unused Engineering salary budget. They expect the cost to be approximately \$10K through the end of the year based on the current schedule. If Council concurs with this request, the Finance Dept. will include it in a budget amendment for the end of the year - if necessary.

Council concurred with the casual labor request and the Finance Department will include it in the end-of-the-year budget amendment.

**e. Parks and Recreation Department Budget Presentation**

Recreational Programmers Cornette and Goodfellow provided a Parks and Recreation Department presentation of the 2023-24 budget. Presentation highlights included department functions, accomplishments, goals, and funding requests (capital replacement and new program requests – 0.5FTE Admin Support Clerk, structural assessment for Oyster Plant Park pilings, Boardwalk repair, increase 0.5 FTE to 1.0FTE for Admin Support Clerk, and department vehicle).

Councilmember Livdahl wondered if there is going to be any conversation that is going to happen regarding the boardwalk. Mayor Erickson said there are several capital projects that need to happen with the parks. They may need to talk about a bond.

**f. Special Event Applications in October 2022**

Special Events Coordinator Wilson reviewed the following Special Event Applications submitted for September and October 2022:

1. Poulsbrew
2. Kitsap Color Classic
3. NKHS Homecoming Parade
4. Poulsbo Beer Run
5. Poulsbo Half & 10K
6. Viking Bonfire – Autumn Fest
7. Ghosts in the Graveyard
8. Downtown Poulsbo Trick or Treat

**g. Play for All Grants and Donations for Consideration**

Recreation Programmer Cornette informed that in support of the Raab Park PLAY for ALL Playground Project, two previously applied for grants from the federal Land and Water Conservation Fund (LWCF) administered by the National Park Service and the WWRP-Local Parks Fund administered by the Recreation and Conservation Office are nearing final agreement. The WWRP grant is contingent on the LWCF grant. These grant monies were expected a year ago, but there have been significant delays on the federal level. It was asked that Council consider accepting \$370,000 LWCF and \$379,824 WWRP-Local Parks. The grants match each other, with the federal money expended first and subsequent state money completing the additional funding totaling \$749,824. An additional request for consideration is to accept a \$30,000 donation from the Poulsbo Rotary Club for a We-Go-Round type merry-go-round for Play for All. In summary, it is requested that Council consider accepting: LWCF, \$370,000; WWRP-Local Parks, \$379,824; Rotary Club donation, \$30,000.

Councilmember Musgrove asked that they look for any unintended consequences or holes in the agreement before it is brought back for final approval.

Mayor Erickson would like this to be brought back to a future workshop with all the final documents for the Council to review.

Councilmember McGinty said there is usually an associated operations and maintenance cost that is easier to look at now when the projects come online.

Mayor Erickson said she thought there was a legislative appropriation for this project as well. Recreation Programmer Cornette said there is a \$130K for the Dan Thompson Grant, but they won't get an agreement until the project has started. There are a lot of different pieces of funding that they know will be there, but they are not there yet.

Councilmember Livdahl said as they are going through the budgeting or funding services, to see if there is any way in the budget to prepare for the future maintenance costs and allocate it up front.

At 6:22 p.m., Mayor Erickson recessed the meeting for a 15-minute break.

At 6:37 p.m., Mayor Erickson reconvened the meeting.

## 5. MAYOR'S REPORTS AND COUNCIL COMMENTS

Councilmember Livdahl said she feels the new council meeting format is working well for them so far.

Councilmember Lord said at 6:03 p.m. tonight was the autumn equinox.

### a. Department Head Reports

None.

## 6. CONSENT AGENDA

**Motion:** Move to approve Consent Agenda items a through h.

The items listed are:

- a. Councilmember Absences June through September 14, 2022
- b. Approval of Council Meeting Minutes of May 4, 2022
- c. Approval of Council Meeting Minutes of July 13, 2022
- d. Approval of Council Meeting Minutes of July 20, 2022
- e. Approval of Council Meeting Minutes of August 6, 2022
- f. Approval of Council Meeting Minutes of August 10, 2022
- g. Approval of Planning and Economic Development Committee Meeting Minutes of May 25 and July 27, 2022
- h. Approval of Public Works Committee Meeting Minutes of August 10, 2022

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

## 7. BUSINESS AGENDA

### a. Kitsap County WSSOG ILA

Engineering Technician Bowen presented the West Sound Stormwater Outreach Group (WSSOG) ILA, noting that Stormwater education and outreach is required by the City's National Pollutant Discharge Elimination System (NPDES) Permit. WSSOG is a collaborative effort between Poulsbo, Kitsap County, Bainbridge Island, Port

Orchard, Bremerton, Gig Harbor, and Port Angeles to meet education and outreach permit requirements. The current WSSOG ILA with Kitsap County will expire on December 31, 2022. The ILA proposed for renewal will aid the City in permit compliance and continue to provide the benefit from current and past ILAs. The ILA has been approved by the City Attorney.

Councilmember Lord asked if there are multiple webinar dates. Engineering Technician Bowen said they are looking to do hybrids this year and a class at local nursery. Councilmember Lord asked that next year's dates be added to the calendar.

Councilmember Musgrove said in the statistics Poulsbo is outspending all the other cities. He asked if they could look at alternative things in 2025 to get a better return on investment. For example, permanent placards adhered to storm drains, or do a bulk buy for organic fertilizer.

Councilmember Livdahl asked if there has ever been conversation to getting biodegradable mitts to get rid of single-use plastic. Engineering Technician Bowen said she will look into for the future.

**Motion:** Move to authorize the Mayor to sign the interlocal agreement between Kitsap County and the City of Poulsbo for the West Sound Stormwater Outreach Group to continue participation in the regional program that helps the City meet NPDES permit requirements.

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

**Motion carried unanimously.**

**b. Set Public Hearing for October 19 – Revenue Sources**

Senior Budget Accountant Ellington informed that according to RCW 84.55.120, the City of Poulsbo is required to hold a public hearing on revenue sources for the upcoming year's General Fund budget. The hearing must include consideration of possible increases in property tax revenues and must be held before the property tax levy request is submitted to the county. This public hearing will take place on October 19, 2022.

**Motion:** Move to set public hearing for October 19, 2022, at 7:15 p.m. to review revenue sources for 2023-2024.

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

**Motion carried unanimously.**

**c. Set Public Hearing for November 9 and November 16 for the 2023-24 Budget**

Senior Budget Accountant Ellington informed that per RCW 35.34.100, the City of Poulsbo is required to hold a public hearing on the 2023-2024 budget. These public hearings will take place on November 9, 2022, and November 16, 2022.

**Motion:** Move to set a public hearing for November 9, 2022, and November 16, 2022, at 7:15pm to allow the public time to address the Council regarding the 2023-2024 budget.

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

**Motion carried unanimously.**

**d. Ordinance 2022-11, Q2 Budget Ordinance**

Senior Budget Accountant Ellington reported that budget amendments for the 2nd Quarter 2022 were approved by Council during April, May, and June, and presented Exhibit A, including these amendments, and summarizing the revised budget by fund.

At 6:54 p.m., Mayor Erickson asked for any public comments, and received none.

**Motion:** Move to adopt Ordinance No. 2022-11, 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:** Approved. **Moved by** Lord, **Seconded by** McGinty.

**Motion carried unanimously.**

**8. BOARD & COMMISSION REPORTS**

Councilmember Livdahl reported on the Chamber of Commerce meeting and heard a report back on Poulsbrew that happened this past weekend. Based on how many glasses they sold, they were shy of 700 attendees. The location could be improved. She said the HDPA met and Detective Keller came and discussed safety for business owners and what they could do collectively (there has been an increase in crime and break-ins).

**9. CONTINUED COMMENTS FROM CITIZENS**

None.

**10. MAYOR & COUNCILMEMBER COMMENTS**

Councilmember Phillips said homecoming is next week.

Councilmember Musgrove said they've been having great weather. Enjoy your little town. Be kind, caring and considerate.

Councilmember Lord said, "Go Vikes!" and encouraged everyone to support the homecoming game.

## 11. ADJOURNMENT

**Motion:** Move to adjourn at 6:49 p.m.,

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

Motion carried unanimously.

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Rebecca Erickson, Mayor

ATTEST:

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Rhiannon Fernandez, CMC, City Clerk