POULSBO CITY COUNCIL MEETING
June, 03, 2015 ~ 7:00 PM

A G E N D A

1. CALL TO ORDER
   a. Pledge of Allegiance

2. AGENDA REVIEW

3. COMMENTS FROM CITIZENS*
   Please state your name and limit your comments to 3 minutes, unless additional time is granted by Council.

4. MAYOR’S REPORTS AND COUNCIL COMMENTS

5. CONSENT AGENDA (Next Ord. 2015-12, Res. 2015-08) All matters listed within the Consent Agenda have been distributed to each member of the City Council for reading and study, are considered to be routine and will be enacted by one motion of the Council with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the regular agenda by Councilmember or citizen request.
   a. Minutes of May 13, 2015 City Council Meeting (Stephens)
   b. Minutes of May 20, 2015 City Council Meeting (Stephens)

6. BUSINESS AGENDA Committee Reports given during associated agenda item.
   a. Presentation: New Suquamish Hotel/Conference Center Expansion - Irene Purser, Chief Operating Office - Port Madison Enterprises
   b. Presentation: Parks and Recreation Department (McCluskey)
   c. Disposition of Sailboats and Release of Liability (McCluskey)
   d. Interlocal Agreement – Port of Kingston for Transfer of Surplus Property (McCluskey)
   e. Project Close Out - Nelson Park Connector Trail (McCluskey)
   f. Supplemental Agreement to Developers Agreement – Olhava Associates L.P. (Booher)

7. COUNCIL COMMITTEE REPORTS

8. DEPARTMENT HEAD COMMENTS

9. CONTINUED COMMENTS FROM CITIZENS*

10. COUNCILMEMBER COMMENTS/BOARD/COMMISSION REPORTS
*Council may address questions/comments made during Citizen Comments during Councilmember Comments.

THE COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THE AGENDA. IN ACCORDANCE WITH COUNCIL'S RULES OF PROCEDURE, THIS MEETING IS TAPE RECORDED. IN ACCORDANCE WITH A CONTRACT WITH THE CITY OF BREMERTON, THIS MEETING IS BROADCAST LIVE, VIDEOTAPED AND RE-BROADCAST ON BREMERTON KITSAP ACCESS TELEVISION (BKAT).

The City of Poulsbo strives to provide accessible meetings for people with disabilities. Please contact the Poulsbo City Clerk's office at 360.394.9880 at least 48 hours prior to the meeting if accommodations are needed for this meeting.

To request an alternative format of the printed agenda, contact the City Clerk's office at 360.394.9880.

Para solicitar un formato alternativo de la agenda impresa, comuníquese con la oficina del City Clerk al 360.394.9880.

It is requested that attendees limit the use of scented products (perfume, cologne, hairspray, after shave, lotion, fabric softener, etc). Fragrances can be toxic substances to some people causing respiratory or neurological disabling reactions. This requirement is consistent with the Americans with Disabilities Act for a barrier-free environments.
POULSBO CITY COUNCIL AGENDA SUMMARY
MEETING DATE: 06/03/2015

<table>
<thead>
<tr>
<th>AGENDA ITEM:</th>
<th>Minutes of May 13, 2015 City Council Meeting</th>
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<td>Draft Minutes</td>
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<td>City Clerk Stephens</td>
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<td>CATEGORY:</td>
<td>Consent Agenda</td>
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**SUMMARY STATEMENT:**
Attached are the draft minutes of the May 13, 2015 City Council Meeting for your review and approval.

- Additional Staff Report Attached

**COMMITTEE RECOMMENDATION:**

<table>
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<tr>
<th>Committee</th>
<th>Not Applicable</th>
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</table>

**IMPACTS:**

- Expenditure Required?  
  - Yes  
  - No
- Included in Budget?  
  - Yes  
  - No
- Amount: $

**RECOMMENDED ACTION:**

- Approve/Approve with Modifications
SAMPLE MOTION:

Consent Motion.
POULSBO CITY COUNCIL MEETING OF MAY 13, 2015

MINUTES

PRESENT: Mayor Erickson, Henry, Lord, McGinty, Musgrove, Stern, Thomas.
Absent: Nystul.

Staff: Finance Director Booher, Office Clerk II Diehl, City Engineer Kasiniak, Senior IT Technician Williamson.

MAJOR BUSINESS ITEMS

*** State of Library – Sharon Lee, Kitsap Regional Library – Poulsbo
*** Minutes of April 8, 2015 City Council Meeting Minutes
*** Budget Amendment/BA#15-0207, Peterson St. Rock Wall Repair
*** Budget Amendment/BA#15-0208, Solid Waste Utility Evaluation
*** Ordinance No. 2015-08, 1st Quarter 2015 Budget Amendments
*** Ordinance No. 2015-09, 1-Inch Residential Meter
*** Transportation Plan Update
*** Street Maintenance
*** Set Public Hearing: 6-year Transportation Improvement Plan

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Erickson called the meeting to order in the Council Chambers at 7:00 PM and led the Pledge of Allegiance.

2. AGENDA APPROVAL

Motion: Move to approve the agenda.
Action: Approve, Moved by McGinty, Seconded by Lord.
Motion passed unanimously.

3. COMMENTS FROM CITIZENS

Mayor Erickson asked for comments from citizens; no comments were received.

4. MAYOR’S REPORT AND COUNCIL COMMENTS

Councilmember Musgrove reported on Viking Fest being held this upcoming weekend.
Mayor Erickson announced the Washington State Department of Transportation will not be closing the Agate Bridge for repairs, until May 30th and 31st.

Councilmember Stern commented on Viking Tour being held on Sunday, May 17, 2015.

State of the Library - Sharon Lee, Poulsbo Library, presented the different programs and classes offered at the library.

5. **CONSENT AGENDA**

Councilmember Stern requested removal of item c, for further clarification and questions.

**Motion:** Move to approve Consent Agenda items a and b.

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

Motion passed unanimously.

**Motion:** Move to approve item c, Budget Amendment/BA#15-0208, Solid Waste Utility Evaluation.

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

Motion passed unanimously.

The items listed are:

- Minutes of April 8, 2015 City Council Meeting Minutes
- Budget Amendment/BA#15-0207, Peterson St. Rock Wall Repair
- Budget Amendment/BA#15-0208, Solid Waste Utility Evaluation

6. **BUSINESS AGENDA**

a. **Ordinance No. 2015-08, 1st Quarter 2015 Budget Amendments**

**Motion:** Move to adopt Ordinance 2015-08, an ordinance for the City of Poulsbo, Washington, amending the 2015 budget adopted by Ordinance No 2014-17 to revise the revenues to and appropriations from certain funds and approving an ordinance summary for publication.

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

Motion passed unanimously.

b. **Ordinance No. 2015-09, 1-Inch Residential Meter**

Public Works Committee Recommends approval.

**Motion:** Move to approve Ordinance 2015-09, an ordinance of the city of Poulsbo, Washington relating to the municipal water, wastewater, and
stormwater utilities; amending chapters 3.12 entitled “utilities-schedule of assessments, rates, fees and charges for certain utilities”, and 13.70 entitled “assessments, rates, fees and charges”, providing for severability and establishing an effective date., **Action:** Approve, **Moved by** McGinty, **Seconded by** Henry.
Motion passed unanimously.

c. **Transportation Plan Update**

City Engineer Kasiniak provided a brief presentation on the Transportation Plan update, the elements and costs of the update project.

**Motion:** Move to approve the contract with Parametrix for the Transportation Plan Update and Concurrency Ordinance in the amount of $79,050 and authorize the Mayor to sign on behalf of the City; and Move to authorize the City Engineer to move forward with submitting the budget amendment to the Mayor and Finance Dept for the usual approval process., **Action:** Approve, **Moved by** Henry, **Seconded by** McGinty.
Motion passed unanimously.

d. **Street Maintenance**

City Engineer Kasiniak outlined the Street Maintenance project scope and costs.

**Motion:** Move to approve the contract with Parametrix for the Street Maintenance Plan in the amount of $11,550 and authorize the Mayor to sign on behalf of the City; and

Move to authorize the City Engineer to move forward with submitting the budget amendment to the Mayor and Finance Dept for the usual approval process.
**Action:** Approve, **Moved by** Lord, **Seconded by** McGinty.
Motion passed unanimously.
a. **Set Public Hearing: 6-year Transportation Improvement Plan**

**Motion:** Move to set the public hearing date for the Six Year Transportation Improvement Program for June 10, 2015

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

Motion passed unanimously.

7. **COUNCIL COMMITTEE REPORTS**

   **Community Services Committee** – Councilmember Lord reported on the Concert at Pavilion; Jewel Box Theatre – Taming of the Shrew being performed in the Waterfront Park, and Memorial Day Ceremony special events. The Sailing Program now is strictly in Poulsbo and Parks and Recreation Director McCluskey is continuing to work with the Port of Kingston to keep the floats there.

   Mayor Erickson reported the Farmer’s Market taking over the Public Works Site, and requested council concurrence to explore options.

   **Public Works Committee** – Councilmember McGinty reported on water meter discussion and the recommendation of replacement of the water meters; questions on enforcement authority on environmental clean-up; Inflow & Infiltration to sewer system; continued exploration of new Building Software system; and Kitsap Public Utility District (KPUD) using existing fibers.

8. **DEPARTMENT HEAD COMMENTS**

   None.

9. **CONTINUED COMMENTS FROM CITIZENS**

   Mayor Erickson asked for comments from citizens; no comments were received.

10. **COUNCILMEMBER COMMENTS/BOARD/COMMISSION REPORTS**

    **Community Services Committee:** Councilmember Lord reported on three new special events (Concert at the Pavilion in September, Shakespeare in the Park; and Annual Memorial Day Celebration) which will be coming forward and the committee’s recommendation of approval.
Mayor Erickson briefed the Council on the idea of housing the Farmer’s Market taking over the current Public Works facility, once the new Public Works facility is built. City staff has met to discuss the idea and what would need to occur for that to work.

Poulsbo Tree Board: Councilmember Henry reported on significant trees in Poulsbo, and the board is looking for people who might have trees on their property that are historical.

11. ADJOURNMENT

Motion: Move to adjourn at 8:20 PM.
Action: Adjourn, Moved by Henry, Seconded by McGinty.
Motion passed unanimously.

__________________________
Rebecca Erickson, Mayor

ATTEST:

__________________________
Nicole Stephens, City Clerk, CMC
POULSBO CITY COUNCIL AGENDA SUMMARY
MEETING DATE: 06/03/2015

AGENDA ITEM: Minutes of May 20, 2015 City Council Meeting
EXHIBITS: Draft Minutes
STAFFED BY: City Clerk Stephens
CATEGORY: Consent Agenda
MAYOR OK/Initial:

SUMMARY STATEMENT:
Attached are the draft minutes of the May 20, 2015 City Council Meeting for your review and approval.

☐ Additional Staff Report Attached

COMMITTEE RECOMMENDATION:
| Committee | Not Applicable |

IMPACTS:
Expenditure Required? ☐ Yes ☐ No
Included in Budget? ☐ Yes ☐ No
Amount: $

RECOMMENDED ACTION:
Approve/Approve with Modifications
SAMPLE MOTION:

Consent Motion.
POULSBRO CITY COUNCIL MEETING OF MAY 20, 2015

MINUTES

PRESENT: Mayor Erickson; Councilmembers Henry, Lord, McGinty, Nystul, Stern, Thomas.

Excused: Musgrove.

Staff: Finance Director Booher, City Engineer Kasiniak, Parks & Recreation Director McCluskey, Risk Manager Purves, Senior IT Technician Williamson, City Clerk Stephens

MAJOR BUSINESS ITEMS

* * * Minutes of April 15, 2015 City Council Meeting
* * * Minutes of May 6, 2015 City Council Meeting
* * * Interlocal Agreement – Kitsap County Public Works Reimbursable Work
* * * April 2015 Payable Disbursements
* * * Authorize Disposal of Surplus Goods
* * * 2015 Comprehensive Plan Amendments Adoption
  • Ordinance No. 2015-10, Adopting the 2015 Comprehensive Plan Amendments
  • Resolution No. 2015-07, Change in the Shoreline Designation at 20563 Bond Rd. (CPA 2015-02)
* * * Proposed Interlocal Agreement with Port of Poulsbo
* * * Special Events Approval - Jewel Box Theater- Taming of the Shrew, Memorial Day Ceremony and Step Up & Step Out
* * * Ordinance No. 2015-11, Poulsbo Municipal Code 15.04 Revisions
* * * Contract for Infiltration and Inflow Study - RH2 Engineering

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Erickson called the meeting to order in the Council Chambers at 7:00 PM and led the Pledge of Allegiance.

2. AGENDA APPROVAL

Motion: Move to approve the agenda.
Action: Approve, Moved by Stern, Seconded by Henry. Motion passed unanimously.
3. **COMMENTS FROM CITIZENS**

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

4. **MAYOR’S REPORT AND COUNCIL COMMENTS**

Councilmember Lord commented on the success of Viking Fest.

Mayor Erickson thanked Kathi Forsee and Tony Smallback for their hard work organizing Viking Fest.

Councilmember Stern commented on the success of Viking Fest and the inaugural Viking Tour bicycle event; and the new West Sound Coder Dojo being offered by West Sound Technologies.

*Kitsap Economic Development Alliance (KEDA) Quarterly Report* – Kathy Cocus, KEDA, provided an overview of the KEDA 2015 1st Quarter Report including business retention, expansion and attraction; social media marketing efforts; and joint efforts with Jan Harrison.

5. **CONSENT AGENDA**

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

The items listed are:

a. Minutes of April 15, 2015 City Council Meeting
b. Minutes of May 6, 2015 City Council Meeting
c. Interlocal Agreement – Kitsap County Public Works Reimbursable Work
d. April 2015 Payable Disbursements for the period of April 1 through April 30, 2015, in the amount of $2,708,942.17 to include Accounts Payable Check Numbers 10027432 through 10027691, Accounts Payable Voucher Numbers V9000095 through V9000119, Payroll Check Numbers 30025624 through 30025853 and Electronic Disbursement Numbers 25-0018 through 25-0026.

**Action:** Approve, Moved by Stern, Seconded by McGinty.
Motion passed unanimously.

6. **BUSINESS AGENDA**

a. **Authorize Disposal of Surplus Goods**

Finance Director Booher explained the Finance Department has compiled a list of items deemed as surplus by City Departments. These items will be surplused via PublicSurplus.com, with the exception of the sailboats which will be transferred to the Port of Kingston under an agreement that will be brought forward.
**Motion:** Move to approve the disposal of the attached surplus listing in accordance with the City of Poulsbo Ordinance No. 94-08.

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

Motion passed unanimously.

b. **2015 Comprehensive Plan Amendments Adoption**

Associate Planner Boughton reported the City Council held a public hearing on April 8, 2015 on the proposed comprehensive plan amendments, and after considering the information received, voted to accept the Planning Commission recommendation and approve the proposed amendments.

Boughton further explained, application CPA 2015-02 involves the changing a shoreline designation for property located at 20563 Bond Road from Shoreline Residential-1 and -2 to Natural, and must therefore be approved by the Department of Ecology (DOE) prior to final adoption by the City Council. The proper procedure for this is for the City Council to adopt a resolution announcing its intent to adopt the amendment to the shoreline master program map, and forward the resolution and approved amendment to DOE for its final approval. Once the City receives approval from DOE, an adopting ordinance will be brought back before the City Council for final action and adoption.

**Motion:** Move to approve Ordinance, No 2015-10, an ordinance of the City of Poulsbo, Washington, adopting the 2015 comprehensive plan amendments: redesignating and rezoning certain land located at 20783 Bond Road from Residential Medium to Park (CPA 2015-01); amending Table CFP-4 (the six year capital improvement projects) to reflect projects listed in the City Budget 2015-2020 Capital Improvement Plan (CPA 2015-03); amending Table CFP-3 and Section 12.10 Parks by adding new park projects to the twenty-year project list (CPA 2015-04); amending section 12.6 Water System in order to replace the 2007 water system plan in Appendix B-1 in its entirety with the 2014 water system plan (CPA 2015-05); providing for severability and establishing an effective date.

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

Motion passed unanimously.

**Motion:** Move to approve Resolution No. 2015-07, a resolution of the City of Poulsbo, Washington, providing for the initial approval of a change in the shoreline designation of 2.69 acres of land located at 20653 Bond Road from Shoreline Residential -1 and -2 to Natural and providing for the amendment of Figure NE-6 in the Poulsbo Comprehensive Plan and the City’s Shoreline Master Program maps to reflect the change (CPA 2015-02).

**Action:** Approve, **Moved by** Thomas, **Seconded by** Stern.

Motion passed unanimously.
c. **Proposed Interlocal Agreement with Port of Poulsbo**

Mayor Erickson/Association Planner Boughton explained The Port of Poulsbo is proposing to increase the approved number of liveaboard tenants at the marina from 12 to 25. The City Council discussed this proposal at a workshop on September 10, 2014. It was agreed that the Port would enter into an agreement with the City regarding parking for liveaboards and how it would be enforced, as an initial step toward a shoreline conditional use permit approval (SCUP) for the liveaboard increase. The Port has prepared an Interlocal Agreement (ILA) to address this requirement, which has been reviewed by Planning Department staff and the City Attorney. After approval of the ILA, the next step for the Port will be to apply for the SCUP.

**Motion:** Move to approve the Interlocal Agreement with the Port of Poulsbo regarding parking enforcement for Port liveaboards.

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

Motion passed unanimously.

d. **Special Events Approval: Jewel Box Theater- Taming of the Shrew, Memorial Day Ceremony and Step Up & Step Out**

**Motion:** Move to approve the Jewel Box Theater's - Taming of the Shrew, Special Event Permit as presented.

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

Motion passed unanimously.

**Motion:** Move to approve the NK Post #2463 Veterans of Foreign War Special Event Permit as presented.

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

Motion passed unanimously.

**Motion:** Move to approve the Step Up & Step Out Special Event Permit as presented.

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

Motion passed unanimously.

e. **Ordinance No. 2015-11, Poulsbo Municipal Code 15.04 Revisions**

Assistant City Engineer Lenius presented updated language to the PMC regarding the Registered Plan Program. The intent of the Registered Plan Program is to allow
Council Minutes of May 20, 2015

collectors to obtain a "registered plan approval" and resubmit the same plan for multiple houses. The current fee structure does not fully support the effort expended on the program therefore staff recommends an adjustment to the fee structure to adequately cover cost and effort.

Lenius further explained the modifications were presented to the Public Works Committee and they requested eligibility requirements to limit the use of the program to public agencies or nonprofit organizations that are developing low income housing. This coincides with the City's comprehensive plans goals that support and encourage affordable housing within the City.

**Motion:** Move to approve Ordinance 2015-11, an ordinance of the city of Poulsbo, Washington relating to permit fees, plan review fees, and inspection fees; amending section 15.04.035 entitled “fee schedule – building code” in order to provide eligibility requirements for the registered plan program and in order to amend the plan review fee structure for the registered plan program; providing for severability and establishing an effective date.

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

Motion passed unanimously.

f. **Contract for Infiltration and Inflow Study - RH2 Engineering**

City Engineer Kasiniak reported a competitive solicitation and selection process was completed in April to select a consultant for infiltration and inflow study and support work. RH2 Engineering was selected for the project and the selection was approved by Council on April 15, 2015. The Engineering Department has negotiated an agreement with RH2 for an Infiltration and Inflow Study, as the initial phase of the project.

**Motion:** Move to approve the contract with RH2 Engineering for infiltration and inflow study services as presented for $21,685 and authorize the Mayor to sign on behalf of the City.

**Action:** Approve, **Moved by** Henry, **Seconded by** Nystul.

Motion passed unanimously.

7. **COUNCIL COMMITTEE REPORTS**

Finance/Administration Committee: Councilmember Stern reported the city staff meet with the State Auditors for the entrance conference; review of the monthly sales tax and 4th quarter variance report; bond underwriter agreement update; upcoming official
newspaper bid; and monthly building permit revenue, presented by Councilmember Nystul.

8. **DEPARTMENT HEAD COMMENTS**

Finance Director Booher reported the Finance Dept will be going live next week with online utility account viewing and payments.

City Engineer Kasiniak reported the 6th and 9th Avenue pump station project began this week.

9. **CONTINUED COMMENTS FROM CITIZENS**

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

10. **COUNCILMEMBER COMMENTS/BOARD/COMMISSION REPORTS**

Mayor Erickson and Councilmember Stern spoke to the City of Bremerton withdrawing from the Kitsap Regional Coordinating.

11. **ADJOURNMENT**

**Motion:** Move to adjourn at 8:40 PM.
**Action:** Adjourn, Moved by Henry, Seconded by Thomas.
Motion passed unanimously.

______________________________
Rebecca Erickson, Mayor

**ATTEST:**

______________________________
Nicole Stephens, City Clerk, CMC
POULSBO CITY COUNCIL AGENDA SUMMARY
MEETING DATE: 06/03/2015

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<th>AGENDA ITEM:</th>
<th>Disposition of Sailboats and Release of Liability</th>
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<td>EXHIBITS:</td>
<td>Agreement</td>
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<td>STAFFED BY:</td>
<td>Mary McCluskey, Parks and Recreation Director</td>
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**SUMMARY STATEMENT:**

Sail Kingston Cove is a new non profit organization in Kingston, dedicated to providing educational sailing opportunities to the community at the Port of Kingston. There are 11 boats currently in Kingston that Poulsbo Parks and Recreation will not need because there are plenty of boats at the Port of Poulsbo. These 11 boats have been well used over the years, and have depreciated to a limited value. They were surplussed at the May 20, 2015 City Council meeting.

This agreement authorizes the disposition of these 11 sailboats "as-is and without any warranties" directly to Sail Kingston Cove for use in their community sailing programs for youth. There is tremendous public benefit by keeping the boats in Kingston for these community programs.

- ☐ Additional Staff Report Attached

**COMMITTEE RECOMMENDATION: 05/13/2015**

| Community Services | Recommended |

**IMPACTS:**

- Expenditure Required? ☑ No
- Included in Budget? ☑ No
- Amount: $

**RECOMMENDED ACTION:**

Approval
SAMPLE MOTION:

Move to approve the Disposition of Sailboats and Release of Liability to Sail Kingston Cove as presented.
DISPOSITION OF SAILBOATS AND
RELEASE OF LIABILITY

Effective as of the date both parties have executed this Disposition of Sailboats and Release of Liability, the City of Poulsbo, a Washington municipal corporation (“City”), in exchange for the release and indemnification set forth below, hereby releases, assigns and transfers to Sail Kingston Cove, a Washington non-profit corporation, the sailboats which are described on Exhibit A, attached hereto and incorporated herein by this reference (the “Property”).

City hereby warrants to Purchaser only that: (a) Seller is the true and lawful owner of the Property; (b) Seller has good and marketable title to the Property; (c) the Property is free and clear of all title defects and objections, claims, liens, security interests or other encumbrances; and (d) Seller has the right and all necessary power and authority to dispose of the Property.

With the sole exception of the title warranty contained in the preceding paragraph herein, CITY IS DISPOSING OF THE PROPERTY TO SAIL KINGSTON COVE AS-IS AND WITHOUT ANY WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. By signing below, Sail Kingston Cove assumes all responsibility and risk for any injury to or death of any person or damage to any property, and releases, indemnifies and holds harmless the City of Poulsbo, its officials, officers and employees from any claims, demands, liability or causes of action including but not limited to those made by third parties, in any way relating to the Property.

IN WITNESS WHEREOF, the parties have signed this Disposition of Sailboats and Release of Liability on the date indicated below.

CITY OF POULSBO     SAIL KINGSTON COVE

By: ___________________________     By: ___________________________
Its: ___________________________     Its: ___________________________
Date: ___________________________     Date: ___________________________
## DISPOSITION OF SAILBOATS AND RELEASE OF LIABILITY

### EXHIBIT A

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**POULSBO CITY COUNCIL AGENDA SUMMARY**  
**MEETING DATE: 06/03/2015**

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<tr>
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<tr>
<td>STAFFED BY:</td>
<td>Mary McCluskey, Parks and Recreation Director</td>
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<td>Business Agenda</td>
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**SUMMARY STATEMENT:**

The City of Poulsbo is consolidating and moving its Youth & Adult Community Sailing Program to the Port of Poulsbo, to join equipment and resources already located in Poulsbo. This ILA transfers ownership of the two floating docks that the City has owned and maintained in Kingston to the Port of Kingston, "as is", without records or any form of warranty. These docks were originally towed to Kingston to use in the mid-1990s, and have been maintained and upgraded by program volunteers over the years.

☐ Additional Staff Report Attached

**COMMITTEE RECOMMENDATION:**

| 05/13/2015 | Community Services | Recommended |

**IMPACTS:**

| Expenditure Required? | Yes | No | Included in Budget? | Yes | No | Amount: $ |

**RECOMMENDED ACTION:**

Approval
SAMPLE MOTION:

Move to approve the Interlocal Agreement between the City of Poulsbo and the Port of Kingston for Transfer of Surplus Property as presented (or as modified).
INTERLOCAL AGREEMENT BETWEEN
THE CITY OF POULSBO AND PORT OF KINGSTON
FOR TRANSFER OF SURPLUS PROPERTY

THIS AGREEMENT is made and entered into by and between the CITY OF POULSBO (the “City”) and the PORT OF KINGSTON (“Port”), both municipal corporations organized under the laws of the State of Washington (collectively, the “Parties”).

RECITALS

WHEREAS, Chapter 39.33 RCW permits a municipality to transfer ownership of property to another political subdivision on such terms and conditions as may be mutually agreed upon; and

WHEREAS, the City owns certain floats that the City no longer needs or uses; and

WHEREAS, the City has declared said floats to be surplus property; and

WHEREAS, the Port wishes to obtain the floats from the City for its use; and

WHEREAS, the City wishes to transfer ownership of the floats to the Port under the conditions set forth herein;

NOW, THEREFORE, the Parties agree as follows:

TERMS

Section 1. Purpose. The purpose of this Agreement is to establish a contractual arrangement under which the City will transfer to the Port ownership of property, “as is” without any form of warranty, listed in Exhibit A, attached hereto and incorporated by this reference. This agreement shall be interpreted in furtherance of this purpose, except that nothing in this Agreement shall be interpreted as the City creating, transferring, assuring and or bestowing any warranty to the Port.

Section 2. Responsibilities of the Parties. Responsibilities of the Parties shall also include reasonable cooperation to accomplish the above mentioned objective of this agreement.

Section 3. Consideration/Indemnification. The Port shall receive from the City ownership of property listed in Exhibit A, “as is”, without records or any form of warranty. In exchange, the Port agrees to indemnify and to hold the City, its officials, officers, employees and agents harmless from any and all damages, losses, and costs, including but not limited to litigation expense and reasonable attorney’s fees, related to claims arising from, or related to, property listed in Exhibit A after the consummation of the transfer of ownership between the City and the Port as provided in this Agreement.
Section 4. No Warranty. The Port agrees that the City will provide no warranty as part of this Agreement. The Port further agrees to accept from the City transfer of ownership of property listed in Exhibit A without any warranty or record.

Section 5. Effective Date. This Agreement shall become effective immediately upon execution by both parties and either filing with the Kitsap County Auditor or listing it by subject on a public agency’s web site or other electronically retrievable public source.

Section 6. Termination. Neither party may terminate this Agreement after the effective date above.

Section 7. Integration. This document, together with the attached Exhibit A, constitutes the entire embodiment of the agreement between the Parties, and, unless modified in writing by an amendment executed by the Parties hereto, shall be implemented only as described herein.

Section 8. Non-waiver. Waiver by either party of any provision of this Agreement shall not be deemed to constitute a waiver of any other provision.

Section 9. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Washington. Any action arising out of this agreement shall be brought in Kitsap County Superior Court.

Section 10. No Entity Created. The Parties agree that nothing in this Agreement shall be construed to create a joint entity between Poulsbo and Port.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of this ____ day of ________________, 2015.

CITY OF POULSBO               PORT OF KINGSTON

By: ___________________________   By: ___________________________
Mayor Rebecca Erickson               David Malone, Executive Director

ATTEST:

Nicole Stephens, City Clerk

APPROVED AS TO FORM:
Office of the City Attorney

________________________________________
James E. Haney
EXHIBIT A

PROPERTY SUBJECT TO TRANSFER OF OWNERSHIP
BETWEEN THE CITY OF POULSBO
AND PORT OF KINGSTON

1640 sf float only (A)  106 lf float only (B)

Overall View (A and B)
AGENDA ITEM: Project Close Out - Nelson Park Connector Trail

EXHIBITS: None.

STAFFED BY: Mary McCluskey, Parks and Recreation Director

CATEGORY: Business Agenda

MEETING DATE: 06/03/2015

SUMMARY STATEMENT:
The Parks and Recreation Director will present the Nelson Park Connector Trail project for Council Acceptance and contract closure.

Contractor: Sealevel Bulkhead Builders
Original Contract Price: $43,696.36

Two minor change orders were processed during the project:

#1 - Decking Support and Supplies $3,438.18
#2 - D Box $271.75

Final Contract Amount: $47,406.29

Experts for content-related questions: Additional Staff Report Attached

COMMITTEE RECOMMENDATION:

IMPACTS:
Expenditure Required? Yes No Included in Budget? Yes No Amount: $ 47,406.29

RECOMMENDED ACTION:
Approval
SAMPLE MOTION:

Move to approve the Nelson Park Connector Trail project as completed, and authorize the release of retainage in accordance with state law and contract requirements.
POULSBO CITY COUNCIL AGENDA SUMMARY
MEETING DATE: 06/03/2015

<table>
<thead>
<tr>
<th>AGENDA ITEM:</th>
<th>Supplemental Agreement to Development Agreements - Olhava Associated L.P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXHIBITS:</td>
<td>Supplemental Agreement to Development Agreements</td>
</tr>
<tr>
<td>STAFFED BY:</td>
<td>Finance Director Booher/Mayor Erickson</td>
</tr>
<tr>
<td>CATEGORY:</td>
<td>Business Agenda</td>
</tr>
<tr>
<td>MAYOR OK/Initial:</td>
<td></td>
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</tbody>
</table>

**SUMMARY STATEMENT:**

Attached is a Supplemental Agreement to Development Agreements with Olhava Associates L.P. for Council review and to allow Mayor Erickson to sign the agreement upon approval.

This agreement allows the City to offset funds owed by Olhava Associates for Traffic Mitigation Fees due from the development of the Olhava Property with funds owed by the City to Olhava Associates for it's portion of the sewer infrastructure improvements and sewer connection fees related to the Bond Road Pump Station and Force Main.

The agreement will allow the City to retain funds currently being held by the City for sewer reimbursement to Olhava Associates and to use the funds solely for the purpose of paying the Olhava Traffic Mitigation obligation, thereby reducing Olhava's repayment obligation to the City. The City will also be entitled to retain all future payments into the City’s Sewer Reimbursement Payment Obligation and will be entitled to use those funds solely for the purpose of payment the Olhava Traffic Mitigation Obligation until the balance owed by Olhava Associates to the City has been fully satisfied.

- Additional Staff Report Attached

**COMMITTEE RECOMMENDATION:**

<table>
<thead>
<tr>
<th>Date</th>
<th>Committee</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>05/14/2014</td>
<td>Finance/Administration</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

**IMPACTS:**

- Expenditure Required? ☑ No
- Included in Budget? ☑ Yes ☐ No
- Amount: $

**RECOMMENDED ACTION:**

Approval of the Supplemental Agreement to Development Agreements with Olhava Associates L.P.
SAMPLE MOTION:

Move to approve Supplemental Agreement to Development Agreements with Olhava Associates L.P. and allow Mayor Erickson to sign the agreement.
SUPPLEMENTAL AGREEMENT TO
DEVELOPMENT AGREEMENTS

THIS SUPPLEMENTAL AGREEMENT TO DEVELOPMENT AGREEMENTS ("Supplemental Agreement") is entered into between the City of Poulsbo, a Washington municipal corporation (the “City”) and Olhava Associates, L.P., a Washington partnership ("Olhava"), to those certain development agreements identified below as the City Development Agreement and the County Development Agreement.

RECITALS

WHEREAS, the City, Olhava and Community College District #3 (also commonly referred to as Olympic College) entered into that certain development agreement effective April 7, 2004 (the “City Development Agreement”) wherein, among other things, the parties made provisions for the orderly administration of permits and approvals for certain property owned by Olhava (the “Olhava Property”) in a manner that contemplated a phased development that would be consistent with the City’s approved Master Plan for the Olhava Property;

WHEREAS, Kitsap County (“County”) and Olhava entered into that certain development agreement identified as KC 289-04 effective July 26, 2004 (the “County Development Agreement”) wherein, among other things, Olhava agreed to pay the County certain traffic SEPA mitigation fees in the amount of $799,969.00, with interest accruing on the unpaid balance at 3% APR until the balance was paid (the “Traffic Mitigation Fees”);

WHEREAS, the City and County entered into an Interlocal Agreement on or about April 14, 2008 wherein, among other things, the County agreed that due to annexation of certain territory into the City, that the City will be entitled to receive $449,969.00 of the Traffic Mitigation Fees when such fees were paid by Olhava;

WHEREAS, the City Development Agreement also allowed Olhava to build certain sewage infrastructure improvements (commonly referred to as the Bond Road Pump Station and Force Main) to serve the Olhava Property, as well as other properties if and when those other properties were being developed and improved; for the City to collect certain sewer system connection fees from the subsequent developments occurring on other properties that were benefitted by those sewage infrastructure improvements; and for the City, from the collected sewer system connection fees, to reimburse Olhava for certain costs related to constructing the sewage infrastructure improvements (the “City’s Sewer Reimbursement Payment Obligation”);
WHEREAS, although the City and Olhava have a minor difference of opinion as to the precise balance of the Traffic Mitigation Fees still owed, the parties agree that the balance owing as of the date of this Supplemental Agreement is $531,941.89, and said amount includes principal and all interest accrued to date (“Olhava’s Traffic Fee Mitigation Obligation”);

WHEREAS, the parties have further agreed that repayment of the remaining balance of Olhava’s Traffic Mitigation Fees may be accomplished by Olhava in the manner set forth in this Supplemental Agreement; and

WHEREAS, the City is currently holding $267,091.08 in City’s Sewer Reimbursement Payment Obligation and payment of said amount is owing to Olhava.

AGREEMENT

NOW, THEREFORE, THE City and Olhava agree as follows:

1. Upon the Effective Date of this Supplemental Agreement, the City will be entitled to retain the current $267,091.08 in City’s Sewer Reimbursement Payment Obligation it is holding and may use it solely for the purpose of paying the Olhava’s Traffic Fee Mitigation Obligation. The City agrees to credit Olhava’s Traffic Fee Mitigation Obligation in said amount, and thereby reduce Olhava’s repayment obligation to the City for said fees.

2. The City will be entitled to retain all future payments into the City’s Sewer Reimbursement Payment Obligation and will be entitled to use those funds solely for the purpose of payment (or crediting) the Olhava’s Traffic Fee Mitigation Obligation; and the City will be entitled to continue to retain and use such funds in the City’s Sewer Reimbursement Payment Obligation until the balance of $531,941.89 owing by Olhava has been fully satisfied. No future interest shall accrue on Olhava’s Traffic Fee Mitigation Obligation. Upon receipt by the City of any future sewer system connection fees that would generate funds in the City’s Sewer Reimbursement Payment Obligation in excess of Olhava’s Traffic Fee Mitigation Obligation, said excess amounts shall be automatically paid to Olhava.

3. The City from time to time and in any event not less than annually, shall send Olhava a written report of the balance owing in regards to Olhava’s Traffic Fee Mitigation Obligation and the dates and amounts of the funds in the City’s Sewer Reimbursement Payment Obligation applied to the Olhava Traffic Fee Mitigation Obligation.

4. The City shall retain the right at any time, to pre-pay an amount equal to the difference between the $267,091.08 in the City’s Sewer Reimbursement Payment Obligation retained by
the City pursuant to Section 2, and the then remaining balance of Olhava’s Traffic Fee Mitigation Obligation, by making such payment into the City’s Traffic Mitigation Fee Account. If the City elects to pre-pay then: (1) the City shall receive credit for such pre-payment against the total amount owed and to be owed by the City to Olhava under the City’s Sewer Reimbursement Payment Obligation provided in the Development Agreement; and (2) Olhava shall receive credit for such amount against Olhava’s Traffic Fee Mitigation Obligation. If the City elects to fully pre-pay the City’s Sewer Reimbursement Payment Obligation as provided in this Section, then the City shall thereafter be entitled to retain all further sewer connection fees received for the Bond Road Pump Station and Force Main improvements until the same equal the amount pre-paid by the City; provided that, any amounts received by the City in excess of the aforementioned pre-payment shall automatically be paid to Olhava until such time as the City’s Sewer Reimbursement Payment Obligation owed or to be owed to Olhava is satisfied in full.

5. Olhava shall retain the right at any time, and in any amount, to directly pay to the City Olhava’s Traffic Mitigation Obligation, to the extent such obligation has not been previously satisfied by the City under Section 5 above. If Olhava pays its Olhava’s Traffic Mitigation Obligation in full prior to the City making any pre-payment of the City’s Sewer Reimbursement Payment Obligation as provided in Section 5, then the City shall thereafter send any funds received regarding the City’s Sewer Reimbursement Payment Obligation to Olhava pursuant to its obligations set forth in the City Development Agreement, until such time as the City’s Sewer Reimbursement Obligation is paid in full.

6. Miscellaneous.

6.1 Amendments. No change or modification of this Supplemental Agreement shall be valid unless the same is in writing and is signed by the City and Olhava. No purported or alleged waiver of any of the provisions of this Supplemental Agreement shall be binding or effective unless in writing and signed by the party against whom it is sought to be enforced.

6.2 Applicable Law and Venue. This Supplemental Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Any action with respect to this Supplemental Agreement shall be brought in Kitsap County Superior Court, Port Orchard, Washington.

6.3 Attorney’s Fees. In the event that any party to this Supplemental Agreement brings a lawsuit against any other party in order to enforce any provision of this Supplemental Agreement or to redress any breach thereof, the prevailing party in any such lawsuit shall be entitled to recover its costs and reasonable attorney’s fees in addition to any other available remedy.
6.4 **Conflicts.** Except to the extent modified in this Supplemental Agreement, the terms of the City Development Agreement and the County Development Agreement shall continue to apply. In the event of any irreconcilable conflicts between these documents, the terms of this Supplemental Agreement shall control.

6.5 **Representation and Warranty.** Each party hereby warrants and represent to the other that it has the legal right, power and authority to enter into this Supplemental Agreement and to perform in accordance with its terms and provisions.

6.6 **Mutual Negotiation.** The parties agree that this Supplemental Agreement is the product of negotiation and preparation by and among each party and their attorneys. Therefore, the parties acknowledge and agree that this Supplemental Agreement shall not be deemed to have been prepared or drafted by any one party or another, and that it shall therefore be construed accordingly.

6.7 **Waiver.** Failure of any party at any time to require performance of any provision of this Agreement shall not limit the party’s right to enforce the provision. Waiver of any breach of any provision shall not be a waiver of any succeeding breach of the provisions or a waiver of the provision itself.

6.8 **Effective Date.** The “Effective Date” shall be the date in which the last party has executed and delivered its signature page to the other party.

6.9 **Recitals.** The Recitals set forth on pages 1 and 2 of this Supplemental Agreement are hereby incorporated as part of this Supplemental Agreement.

IN WITNESS WHEREOF, the parties execute this Supplemental Agreement as of the Effective Date.

CITY OF POULSBO

Mayor ______________________________
Date: ______________________________

ATTEST/AUTHENTICATED:
City Clerk __________________________
Date: __________________________

APPROVED AS TO FORM:

________________________________________
City Attorney James E. Haney
Date: __________________________

OLHAVA ASSOCIATES L.P.

________________________________________
By: __________________________
Title: __________________________
Date: __________________________
STATE OF WASHINGTON  )
COUNTY OF KITSAP     ) ss.

I certify that I know of have satisfactory evidence that __________________ and __________________ are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the Mayor and City Clerk of the City of Poulsbo to be the free and voluntary act of such party for the purposes mentioned in the instrument.

Dated: __________________________

Notary Public
Print Name ______________________
Residing at ______________________
My Commission Expires ____________

STATE OF WASHINGTON  )
COUNTY OF __________  ) ss.

I certify that I know of have satisfactory evidence that __________________ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the ___________________________ of Olhava Associates, L.P., to be the free and voluntary act of such party for the purposes mentioned in the instrument.

Dated: __________________________

Notary Public
Print Name ______________________
Residing at ______________________
My Commission Expires ____________