

POULSBO MAYOR/CITY COUNCIL RETREAT OF MAY 4, 2009

M I N U T E S

PRESENT: Mayor Quade; Councilmembers: Berry-Maraist, Crowder, Erickson, Lord, Rudolph, Stern.
Staff: Baker, Boltz, Booher, Kasiniak, Loveless, McCluskey, Treacher, Stephens, Swiney.
Present via web-conference: Berezowsky.
Facilitator: Stan Finkelstein

ABSENT: Councilmember McGinty.

Introduction

Stan Finkelstein, facilitator, called the meeting to order at 1:08 PM in the City Council Chambers. Finkelstein outlined the objectives of the retreat; and provided an overview of the findings from the February 6, 2009 retreat. The four major findings identified included:

- Members of the council desire a better understanding in the cyclical nature of individual revenues and their significance.
- Recurring capital expenditures should be treated differently than capital enhancements.
- Finance/Administration Committee should propose fiscal oversight policies to the council.
- Lack of a defined policy regarding the extent that growth should pay for new capital requirements, for the General Fund or Enterprise Fund activities.

Review of August 2008 Adopted Goals

Finkelstein reviewed the 2008 adopted goals and identified the ministerial and visionary goals. The council advised of the progress and 2010 budget impacts of each goal:

Ministerial Goals:

Goal #1- Complete City Hall; Move in by January 2010

Progress: Move in by September 2010

Budget Impact: Increased utilities and moving costs

Goal #2- Complete Comprehensive Plan and develop zoning codes and policies.

Progress: In process, public hearings planned for June-July, 2009.

Budget Impacts: Costs for professional services

Goal #3- Implement Capital Improvement Plan (CIP) functional plans and establish a maintenance program for utilities and city facilities.

Progress: Completion in 2010

Goal #4- Review and develop zoning and building code policies to ensure the city is developed according to the adopted vision.

Progress: Public Works Committee to discuss and recommend revisions

Goal #5- Pursue a site and build a Public Works building, including a solid waste transfer station.

Progress: Property has been purchased. Project is included in the CIP, to be completed in 2011-2012; Solid Waste transfer station to be completed in 2010-2011.

Councilmember Lord suggested the development of zoning codes and policies portion of goal #2, be removed and included with goal #4; stating the Comprehensive Plan needs to be a goal of its own. Councilmember Rudolph commented the goals should stay as is; the zoning and codes stated in goal #4 are the same as those stated in goal #2. Finkelstein stated there will be ample time to discuss the issue as the Comprehensive Plan is reviewed and make a determination if changes need to made, at that time.

Finkelstein recommended the Public Works Committee discuss the zoning and code goals in greater detail, and report back to the council in a workshop.

Visionary Goals:

Goal #1- Vacate old City Hall and enhance economic development/parking through its reuse.

Progress: Site appraisal complete, the Economic Development Committee will discuss the vision.

Finance Director Booher expressed concern with getting too specific on how the city wants the current city hall site developed, because of the potential impact to the sale price, which is a funding source for the new city hall.

Goal #2- Establish a community "vision" for historic downtown that embraces a walk-able town center, better transportation, and increased parking to enhance economic development opportunities.

Progress: Economic Development Committee to discuss; to be completed in 2010-0211.

Goal #3- Add to facilities for recreation that includes a city/regional trail plan and other opportunities for partnerships and incentives for active parks, open space, and associated facilities.

Progress: Currently at the individual committees; North Kitsap Trails Committee and Community Services Committee.

Goal #4- Create a teen program for involvement in government that would include Junior Council and Junior Mayor programs.

Progress: Community Services Committee to discuss prior to the end of the school year.

Budget impacts: Minimal

Goal #5- Create an electric trolley transit program that loops around the city to create improved downtown parking and other transportation enhancements.

Progress: Elements included in the Noll Road corridor project, Councilmember Crowder will discuss with Kitsap Transit; and to be discussed by Community Services.

Councilmember Erickson expressed concern regarding funding for a trolley system. Councilmember Berry-Maraist commented the implementation of a trolley system is important, however funding from Kitsap Transit would be difficult, and there needs to be realistic expectations.

The retreat reconvened at 3:15 PM, after a 15 minute break.

Implementation of "Next Steps"

Finkelstein provided the next steps identified from the February 6th retreat:

- Clarify the fiscal oversight role of the Finance/Administration Committee versus entire council

Finkelstein questioned what role the council would like the Finance/Administration committee to have.

Councilmember Rudolph stated the Finance/Administration committee's primary emphasis is the current year and the next year's budget. Whereas the Capital Improvement Plan (CIP) committee's main responsibility is reviewing the last 5 years of the 6 year CIP. Stating the functional committees should identify the program requirements, and then items should go to CIP to integrate and recommend the priorities, then to Finance/Administration Committee to determine the funding source; finally to the full council.

Finkelstein suggested the council look at who establishes the reserve policy, how much should the budget be allowed to increase during economic peaks, and what the long term budgetary goals are. Those

questions should be defined for the committee by the entire council in a workshop setting.

Councilmember Berry-Maraist requested the committee focus at financial trends over time, specifically the disparity between increasing staff and medical benefit costs versus property tax revenues.

Finance Director Booher recommended the first council workshop focus on revisiting and prioritizing the council goals; and review recommendations and transfers from reserve funds and revenue trends.

Council concurred to defining the responsibilities of the Finance/Administration committee, prior to the end of the third quarter.

- Should quarterly fiscal review workshops of the council be established? Finkelstein recommended the council discuss the need for workshops focusing on the budget, the responsibilities of the Finance/Administration Committee, and trends and changes in revenue flow.

Councilmember Lord suggested rather than reporting from Finance/Adiminstration committee during a regular council meeting, to regularly meet in a workshop setting to have a thorough analysis of budget issues.

Finkelstein suggested holding a minimum of three workshops per year for the following:

- First workshop- Fiscal overview, including sales tax allocation and impacts that may change those allocations, and revenues.
- Second workshop- Planning for next year's budget and what factors will impact the budget.
- Third workshop- Midyear review of the existing year's budget.
- Possible additional workshop- Capital Improvement needs.

Councilmember Stern recommended codifying a policy on workshops, committee responsibilities and review of the budget. Booher stated the Finance/Committee is currently reviewing the quarterly variance report regularly, recommending the full council review the report midyear.

The council concurred the Finance/Administration committee will be the lead in defining the council workshops, by June.

- Should criteria be establishing that provides for the integration of recurring capital expenditures into operating budget?

Finance Director Booher and Public Works Director Loveless advised this is already being done.

- Should the City develop a formalized process for both development of its capital improvement plan and determining capital financing strategies?

Councilmember Rudolph advised the Capital Improvement Committee discussed this issue at last week's meeting and has agreed on a process. The information from that meeting will be reported to the council. Rudolph advised the committee will begin meeting monthly to begin discussing the process of establishing capital improvement needs.

- Should the City develop a more comprehensive approach to identifying and funding essential technology improvements?

Finkelstein questioned if there is a process in place to identify the necessary technologies improvements. Information Technology (IT) Manager Treacher stated there is not currently a process in place to identify the city's needs. Treacher further stated there should be a strategic plan set by each department for IT and what does the city wishes to achieve.

Councilmember Erickson stated a level of service analysis needs to be done to determine what services IT is expected to provide. Finkelstein suggested Treacher, Councilmember Erickson, and Chief Swiney lead a needs analysis and establish an interactive process with the council, city departments and the IT department. Treacher will be responsible for initiating the meetings.

Non-fiscal issues identified:

- Concerns regarding council operations-

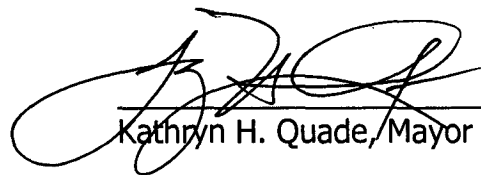
Councilmember Crowder stated the 3 minute time limit for citizen comments need to be enforced consistently. Councilmember Stern reported the Finance/Administration Committee has discussed the issue and is addressed in the council rules of procedure and recommended the Mayor enforce the rule. Mayor Quade stated the council needs to refrain from asking citizen's questions and having dialog with citizens. Councilmember Rudolph commented the 3 minute rule should be constantly remembered, however the Mayor should have the discretion to stop citizen comments, dependent on the topic.

Councilmember Erickson suggested citizens state their street residence when identifying themselves during citizen comments, to clarify if they are citizens within city limits.

Councilmember Erickson also questioned whether the staff felt respected by the council. Booher commented some questions are staged for a public forum and would like the opportunity to be asked prior to the council meeting to be prepared for a response. City Clerk Boltz commented any questions that may need to be asked publicly, can be asked prior to the meeting and the explanation reported at the meeting.

- City Communication
Finkelstein addressed the council's concern with communication with the business community and citizens. Mayor Quade commented the city has requested citizen participation in a number of areas, and questioned if the council felt the process is too casual. Mayor Quade also advised her office is working on a quarterly e-newsletter, beginning in July. Councilmember Berry-Maraist commented a newsletter would be a good way to get information out to the public about various issues, they may not otherwise be aware of. Finkelstein also recommended town hall meetings should focus on specific topic and should be held in the area that is affected by the issue.

The retreat adjourned at 4:56 PM.



Kathryn H. Quade, Mayor

ATTEST:



Jill A. Boltz, City Clerk