

## 2021 – 2022 PROPOSED BUDGET QUERY SET 3 COVER LIST

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# 2021-2022 PROPOSED BUDGET

## Budget Query

Date: October 13, 2020  
 Budget Query: 8  
 From: Councilmember Christy Carr  
 Date Rec'd: October 6, 2020  
 Re: REET tax and policy questions

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### Question/Topic:

Is there an existing City financial policy related to how REET revenue is allocated/spent? In other words, how is it decided which capital projects are funded with REET revenue?

Has the City considered an additional REET tax per RCW 82.46.035?

### Response:

Resolution 2020-08 and the accompanying Exhibit A details the City financial policies including those related to the Real Estate Excise Tax (REET). Under Section 3 of Exhibit A the policy states,

*“Real Estate Excise Tax revenue shall be first applied to current capital debt service and then, to the extent available, to other eligible expenses.”*

In addition, under Section 4 of Exhibit A the policies state,

*“As a general rule, when an expenditure is incurred for which both restricted and unrestricted fund balance is available, the City will consider the more restricted amounts to have been spent first.”*

The REET fund is a legally restricted fund that can only be used for eligible expenses. The City utilizes the funds first for debt service, followed by “REET 2” expenses and then “REET 1” eligible expenses. Please see further explanation and discussion below.

The City currently imposes the maximum tax allowed by State law for what is known as “REET 1” at 0.25% under [RCW 82.46.010](#) and an additional 0.25% for what is known as “REET 2” under [RCW 82.46.035](#).

### Summary of Budget Dollar and FTE change:

	2021	2022	One-time or ongoing	Comment
Estimated \$ Change				
FTE Change				

### **Additional Detail:**

The REET fund is a legally restricted fund that can only be used for eligible expenses. The State of Washington levies a real estate excise tax (REET) upon most sales of real property. The tax is calculated based on the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase. The tax is due at the time of sale and is collected by the county when the documents of sale are presented for recording.

In addition to the state REET, cities and counties may impose local REET. The two main REET options for cities and counties are:

- **REET 1, or the “first quarter percent”** – a 0.25% REET which may be imposed by any city, town, or county primarily for certain capital projects and limited maintenance;
- **REET 2, or the “second quarter percent”** – an additional 0.25% REET which may be imposed by any city, town, or county fully planning under the Growth Management Act, to be used primarily for certain capital projects and limited maintenance;

In practice, the application of REET funds for eligible capital projects involves technical review and cooperation between Executive Staff, Finance and Public Works Departments. The eligibility of REET 1 and REET 2 projects are similar but with some differences in eligible use, with REET 2 funds generally more restrictive in nature. This means REET must be carefully tracked, accounted for and analyzed before use. REET may be used for debt service if eligible projects were funded using the debt.

The City has a policy and practice of first using the funds for certain eligible debt projects and then applying the funds using REET 2 funds followed by REET 1. The planned use for REET for 2021 and 2022 is \$3.0 million for debt service, \$3.1 million for eligible Streets projects and maintenance and \$500,000 for capital projects.



# 2021-2022 PROPOSED BUDGET

## Budget Query

Date: October 13, 2020

Budget Query: 11

From: Councilmember Christy Carr

Date Rec'd October 6, 2020

Re: Hearing Examiner Fees

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### Question/Topic:

On Page 70, is the HEX amount a set fee or does it vary depending on how many hearings are held?

### Response:

The expenses for the Hearing Examiner are not a set fee. The amount varies with the number and length of hearings held each year.

### Additional Detail:

### Summary of Budget Dollar and FTE change:

	2021	2022	One-time or ongoing	Comment
Estimated \$ Change				
FTE Change				



# 2021-2022 PROPOSED BUDGET

## Budget Query

Date: October 13, 2020  
 Budget Query: 13  
 From: Councilmember Christy Carr  
 Date Rec'd: October 6, 2020  
 Re: Complete Streets Ordinance

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### Question/Topic:

On Page 71, did staff consider doing the complete streets ordinance in-house? The City of Poulsbo has one – it doesn't seem that complex, and staff should have a head start on it with the STP effort?

### Response:

As discussed at the 10/6 Council Meeting, the purpose behind the development and adoption of a Complete Streets Ordinance is to facilitate applying for a state grant in 2021 for which the ordinance is a pre-requisite.

If the Council prefers to adopt a model ordinance, with minimal project-specific community engagement, then the work can likely be performed in-house. Staff included funding for a consultant to assist with the work if a more community-specific approach was desired. The model ordinance, which is not likely to conflict with or result in significant changes in city practice, could be modified at any time in the future to reflect desired shifts in policy.

### Summary of Budget Dollar and FTE change:

	2021	2022	One-time or ongoing	Comment
Estimated \$ Change	\$25,000		One-time	
FTE Change				



# 2021-2022 PROPOSED BUDGET

## Budget Query

Date: October 7, 2020  
 Budget Query: 14  
 From: Councilmember Carr  
 Date Rec'd: October 6, 2020  
 Re: Hotel/Motel Expenditures

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### Question/Topic:

On page 72, what are the hotel/motel expenditures?

### Response:

Page 72 is part of the 2021-2022 Proposed Budget professional services schedule. This schedule lists out by department all professional services budgeted for the biennium. The Hotel/Motel expenditures are the professional services the City awards to applicants for Lodging Tax funds.

For 2021, there are approximately \$225,000 in Civic Improvement funds (also known as Lodging Tax Funds) available for distribution to support selected projects. Proposals must be for tourism marketing projects, marketing and operations of special events or festivals, the operation of eligible tourism-related facilities, or capital expenses for an eligible tourism-related facility. The City Council has approved funding within a wide range, to encourage innovative projects of all sizes that recognize and promote the exciting – and expanding – tourism trends and opportunities happening on Bainbridge Island.

### Additional Detail:

### Summary of Budget Dollar and FTE change:

	2021	2022	One-time or ongoing	Comment
Estimated \$ Change				
FTE Change				



# 2021-2022 PROPOSED BUDGET

## Budget Query

Date: October 13, 2020  
Budget Query: 16  
From: Councilmember Christy Carr  
Date Rec'd: October 6, 2020  
Re: Human Resources Assistant

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### Question/Topic:

Is the Human Resources assistant still needed with an overall reduction in FTEs?

### Response:

The half-time Human Resources Analyst position will continue to be a key part of the City's organizational support backbone in coming years. While the Proposed Budget includes an overall reduction of 3.00 FTE, or 2%, this reduction will not create a significant reduction in overall work for the human resources (HR) unit.

The half-time HR Analyst provides services and support to every department. The primary areas of focus assigned to this position include:

- Civil service secretary/chief examiner duties
- Recruitment advertising
- Process/screen applications
- Interview logistics
- New hire setup
- FMLA and other protected leave tracking

The HR function includes a large amount of required administrative tasks, some of which must be completed within mandated timelines (for example, FMLA, workers' compensation). As a result, it is difficult to give adequate time to management initiative and process improvement projects (safety program, training and development, benefits, technological upgrades). The HR workload has increased this year with the addition of new COVID-related policies and procedures.

### Summary of Budget Dollar and FTE change:

	2021	2022	One-time or ongoing	Comment
Estimated \$ Change				
FTE Change				

A survey conducted in 2018 of our comparable cities indicated that the median ratio of total employees to human resources staff is 71:1. With 1.5 FTE in human resources staffing, the City is still below that median when taking into account the proposed staffing changes. At the budget is currently proposed, the City will have 130 employees, resulting in a ratio of 87:1.



# 2021-2022 PROPOSED BUDGET

## Budget Query

Date: October 7, 2020

Budget Query: 17

From: Councilmember Christy Carr

Date Rec'd: October 6, 2020

Re: Police Motorcycle

### Question/Topic:

Is there an existing police motorcycle? Is there a reason the police department needs a motorcycle?

### Response:

The department currently has two 2009 BMW motorcycles in the fleet. The motorcycles were acquired, used, from another agency in 2015. Maintenance costs have increased with the vehicles as they are serviced by an outside vendor. Both were scheduled for replacement in 2021 as noted in the Fleet and Equipment CIP plan published in the 2019-2020 Adopted Budget.

Motorcycles are primarily used in traffic enforcement and have utility in areas where the use of a standard patrol vehicle may be limited due to its size. Motorcycles are also useful in responding to accidents on congested roadways so officers can begin clearing traffic more quickly. This is particularly important along Highway 305. Motorcycles also have utility in community events where mobility is limited (parades) or as part of community outreach efforts (National Night Out displays).

Traffic patterns and events this summer have been reduced from typical years and have not provided an opportunity to fully assess the value of motorcycle patrol on Bainbridge Island. In coordination with Public Works, it was determined that additional review of the motorcycle replacements was appropriate. The original planned replacement of two motorcycles in 2021 was reduced to one motorcycle in 2022 to allow time to adequately assess the need and utility of the equipment prior to purchase.

### Additional Detail:

### Summary of Budget Dollar and FTE change:

	2021	2022	One-time or ongoing	Comment
Estimated \$ Change		41,000	One-time	
FTE Change				



# 2021-2022 PROPOSED BUDGET

## Budget Query

Date: October 13, 2020

Budget Query: 18

From: Councilmember Christy Carr

Date Rec'd: October 6, 2020

Re: CIP Questions (1-3)

### Question/Topic:

1. *The Finch Road/Sportsman Club Road intersection improvements don't make sense to me – they don't solve the problem.*

The project queried above is intended to slow traffic and improve sight distance and pedestrian safety at the Finch/Wyatt and Finch/Sportsman intersection. The exact layout and project elements included in the scope are still flexible and would be informed by further input from the Council and community prior to moving forward. The project is the subject of a federal grant application focused on safe routes to school, with notification about the grant status expected in December 2020. If the grant is not received, in compliance with the City's financial policies, staff will work with the Council to consider if this project remains in the CIP, or if city-funds should be directed at a different project.

2. *Can the Country Club Road bulkhead repair be deferred? Or not done? What are the consequences of keeping the road one way? Can the utilities be relocated without having to repair the bulkhead? Is there a more "climate savvy" approach to this project? Is this level of investment warranted to serve 40 houses?*

The Country Club Road bulkhead repair work could be deferred, however, the City is close to obtaining a Corps of Engineers emergency permit for the bulkhead repair work, which are very difficult and time-consuming to receive, and which will only be active for a year or two upon receipt. If that emergency permit is received and not acted upon, it is unlikely that the work will be permitted again in the future. The road could likely remain in a one-lane configuration for up to 5 years – or perhaps longer depending on weather conditions – without requiring further closure.

### Summary of Budget Dollar and FTE change:

	2021	2022	One-time or ongoing	Comment
Estimated \$ Change				
FTE Change				

With regards to climate impacts, in addition to Country Club Road there are several shoreline roadways in need of repair that would benefit from a more global strategy. This is a topic that the staff expects to discuss with the Council over the next two years as part of the work related to the Climate Action Plan.

3. *Are we committing to the design shown for the High School Road bicycle crossing? It doesn't make sense to me.*

Protected bike/pedestrian intersections improve safety by extending the physical barrier of separated bicycle lanes and pedestrian crossings into intersections and reduce the speed of turning vehicles and improve sightlines, resulting in improved safety for all road users. The design for High School Road/SR305 intersection is still very preliminary and would be informed by further input from the Council and community prior to moving forward. The project is the subject of a federal grant application focused on bicycle and pedestrian safety, with notification about the grant status expected in December 2020. If the grant is not received, in compliance with the City's financial policies, staff will work with the Council to consider if this project remains in the CIP, or if city-funds should be directed at a different project. Here is a link that provides some more information on these types of facilities and their value: <https://bikeeastbay.org/protectedintersection>



# 2021-2022 PROPOSED BUDGET

## Budget Query

Date: October 13, 2020

Budget Query: 26

From: Councilmember Christy Carr

Date Rec'd October 6, 2020

Re: PCD training budget

### Question/Topic:

The \$46k training budget for PCD seems high. If new planners are hired, can't the recruitment process focus on the skill set(s) that are needed and that don't exist with current staff? What is "shoreline stewardship" training? If certifications/licenses are not required per job description, why is training funded?

### Response:

The training dollars are allocated across all 21 employees, including planners, permit specialists, administrative staff, building inspectors, arborist and code enforcement officer. Ongoing education and training ensure that staff are equipped with the most relevant information to perform daily duties.

Examples of training planned in the coming biennium include:

- Shoreline certification/licenses: With 52 miles of shoreline and an increasing number of shoreline permits, it is necessary for planners to continue their education and training by participating in conferences and programs specifically geared towards shoreline issues.
- Conference attendance:
  - *The Salish Sea Ecosystem and the WA Salmon Recovery Conferences.* Additionally, Coastal Training program courses are proposed. There is also a shoreline planner trainer program under development.
  - *The Local and National planning conferences* are opportunities for our staff to stay informed of recent planning issues; these events are more relevant than ever as communities navigate the impacts of the COVID-19 pandemic and the

### Summary of Budget Dollar and FTE change:

	2021	2022	One-time or ongoing	Comment
Estimated \$ Change				
FTE Change				

changes it poses for community engagement, navigating the economics of equitable recovery, the challenges of climate crisis policy and more.

- Recertification, certification, and licenses are required for the building inspectors and Building Official. Specific examples include mechanical, plumbing, plans examiner, emergency operations post evaluation, master code official and fire inspector.
- Continuing education credits are required for AICP-certified planners through training.
- Continuing education for the arborist ensures that they meet industry standards.
- Ongoing training with SmartGov and BlueBeam, the Department's permit tracking and review databases. The Department has used SmartGov for the last 6 years with minimal training. Training will ensure consistency in reviews and improved communications to the public about the status of a permit.
- Ongoing management training, supporting the overall City emphasis on supervision and employee development.

**Additional Detail:**



# 2021-2022 PROPOSED BUDGET

## Budget Query

Date: October 13, 2020  
 Budget Query: 29  
 From: Councilmember Christy Carr  
 Date Rec'd: October 6, 2020  
 Re: Affordable housing initiatives

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### Question/Topic:

It looks like no specific staff or professional services dollars are allocated to affordable housing initiatives. Is this correct? Is the EcoNW contract work complete?

### Response:

It is correct that there are no staff positions solely dedicated to affordable housing. The term-limited position intended to provide capacity for a Senior Planner to be entirely dedicated to affordable housing was never filled and has been eliminated in the budget to reduce spending.

The budget includes \$100,000 in each year (a total of \$200,000) as a transfer to the Housing Trust Fund. This money can be used to support eligible affordable housing initiatives.

The EcoNorthwest contract is not complete. The work has been put on hold as the joint planning and council subcommittee determine which affordable housing initiatives to be worked on next.

### Additional Detail:

The Department's budget proposal included a request for \$25,000 towards ADU design and \$5,000 towards affordable housing outreach and education that were not approved.

### Summary of Budget Dollar and FTE change:

	2021	2022	One-time or ongoing	Comment
Estimated \$ Change				
FTE Change				



# 2021-2022 PROPOSED BUDGET

## Budget Query

Date: October 13, 2020

Budget Query: 32

From: Councilmember Christy Carr

Date Rec'd October 6, 2020

Re: Ecology Grant

### Question/Topic:

How much is the Ecology grant for the SMP periodic review? How is the City planning on spending \$15k on public outreach? There was previous discussion on professional services to support strengthening the record on proposed aquaculture regulations – has this been dropped?

### Response:

The grant from the Department of Ecology is for \$22,400.

The budget includes \$15,000 for public outreach will be spent on advertising/mailings, on-line open house and workshop facilitation, webpage development and public comment management.

The Proposed Budget does not include funding professional services dollars related to aquaculture regulations. When the ordinance is complete, the City may need to identify funding to address this topic.

### Additional Detail:

### Summary of Budget Dollar and FTE change:

	2021	2022	One-time or ongoing	Comment
Estimated \$ Change				
FTE Change				



# 2021-2022 PROPOSED BUDGET

## Budget Query

Date: October 13, 2020  
 Budget Query: 33  
 From: Councilmember Christy Carr  
 Date Rec'd: October 6, 2020  
 Re: Public Farmland Master Lease

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### Question/Topic:

Does the budget include funding of the public farmland master lease? If not, has an alternative management model been identified? What is the cost?

### Response:

The Master Lease between the City and Friends of the Farms (FOF) does not include an annual payment from the City to FOF. In 2018 and in 2019, FOF requested and the Council approved annual funding support to FOF in the amounts of \$65,000 and \$72,000. The lease was amended in each year to allow for payment.

At the beginning of 2020, a Council Ad Hoc Public Farmland Committee was established to consider several policy issues related to public farmland, including identifying possible management models. The recommendations of the ad hoc committee are under development and have not been presented to the full Council for discussion.

The Proposed Budget includes support for the City-owned public farmland of roughly \$150,000 to complete identified repair and maintenance projects and to recognize the City's obligations as a property owner.

### Additional Detail:

### Summary of Budget Dollar and FTE change:

	2021	2022	One-time or ongoing	Comment
Estimated \$ Change				
FTE Change				



# 2021-2022 PROPOSED BUDGET

## Budget Query

Date: October 13, 2020

Budget Query: 34

From: Councilmember Christy Carr

Date Rec'd October 6, 2020

Re: Sidewalk repair

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### Question/Topic:

How is the \$120k sidewalk repair item accomplished? Could this same approach be used for other non-motorized “spot improvements”?

### Response:

The type of contractor that performs this work is not suited to perform non-motorized “spot improvements.”

The sidewalk repair work is performed by a contractor that specializes in minor repairs of horizontal concrete and other hardscape walking surfaces. All the City’s sidewalk needs were inventoried and prioritized, and approximately half of the required work was performed in 2019. The remaining work is proposed to be performed in the next two years.

### Additional Detail:

### Summary of Budget Dollar and FTE change:

	2021	2022	One-time or ongoing	Comment
Estimated \$ Change	\$60,000	\$60,000	One-time	
FTE Change				



# 2021-2022 PROPOSED BUDGET

## Budget Query

Date: October 13, 2020

Budget Query: 36

From: Councilmember Christy Carr

Date Rec'd October 6, 2020

Re: Springbrook Creek Fish Weir

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### Question/Topic:

Can the Springbrook Creek fish weir be replaced as an interim solution to replacing the culvert with a fish passage?

### Response:

The staff inquired with the Washington State Department of Fish and Wildlife on this topic and learned that fish weirs are no longer considered an allowable improvement for fish-bearing streams, and therefore repair of existing facilities are not permitted. Temporary solutions, such as sand bagging the existing facility, are permitted, and City staff are prepared to implement that solution this year as they have in previous years.

### Additional Detail:

### Summary of Budget Dollar and FTE change:

	2021	2022	One-time or ongoing	Comment
Estimated \$ Change	N/A	N/A		
FTE Change				