

**CITY OF KALAMA
CITY COUNCIL MEETING
FEBRUARY 18, 2015**

1. OPENING

Mayor Pete Poulsen opened the City Council meeting at 7:00 p.m. Mayor Poulsen led those present in the Pledge of Allegiance.

Councilmembers present were Dominic Ciancibelli, Mike Dennis Langham, Don Purvis, and Mary Putka. Councilmember Mike Truesdell was absent. City staff present were City Administrator Adam Smee, Superintendent of Public Works Kelly Rasmussen, Clerk/Treasurer Coni McMaster, and Police Chief Randy Gibson. City Attorney Paul Brachvogel was also present. Members of the public present are listed on the sign-in sheet.

2. EXECUTIVE SESSION - None

3. CHANGES TO THE AGENDA - Lions Club Letter of Request

4. PRESENTATIONS & AWARDS - None

5. PUBLIC HEARINGS - None

6. PUBLIC COMMENTS/CONCERNS

A. Lions Club – Request for Community Building Rent Waiver

Clerk/Treasurer Coni McMaster briefed the Council on the letter received this afternoon from the Lions Club which requests a waiver of the Community Building rental fee for their 75th Anniversary dinner based upon all the charitable work they do and have done in the Kalama community including work and donations to the Community Building. Several Councilmembers and the Mayor noted they support the fee waiver. Ms. McMaster pointed out that while the Lions are very supportive of the building, waiving of the fee could set a precedent. Other non-profits currently paying the fee could expect to have their fee for use waived also. Mayor Poulsen suggested setting criteria that if the group has 75 years of community service they could qualify. Councilmember Mary Putka made a motion to approve waiving the \$200 fee for the Lions based upon the community service over the last 75 years. Councilmember Don Purvis seconded, and the motion carried.

7. UNFINISHED BUSINESS

A. USDA RD Community Facilities Loan – Bank Funding- Bond Policies

Clerk/Treasurer Coni McMaster explained to the Council that along with Bond for the USDA loan come a lot of conditions and procedures that are addressed in a policy document provided by the Bond Counsel which is applicable mostly to the treasurer's responsibilities and position. The policies are being adopted administratively. City Administrator Adam

Smee explained that the Bond is a security device for the purchase of the bank building required by USDA. The bond is based upon our taxing ability including our property tax levy. The federal government is not allowed to foreclose on the building so USDA RD will secure the loan with a guarantee of funds from our revenue stream. City Attorney Paul Brachvogel explained that this is not a public offered bond. It has been a long process to get this through all the hoops and bond counsel at Pacifica Law Group have handled this extremely efficiently. Ms. McMaster noted the City should have the funds to repay the interfund loan for the building purchase by the end of next week.

8. NEW BUSINESS

A. Kalama Housing Authority – Request for Funding

Mr. Marcel Goulet Executive Director for the Kalama Housing Authority (KHA) updated the Council on occurrences in the last year. As the Council is aware for several years the KHA has been working through some issues with HUD concerning the KHA owing HUD around \$25000. After digging through years of records without finding how the money was spent inappropriately the KHA requested that HUD explain where the balance comes from. So HUD conducted an audit and upon completion sent it to the Seattle office. In the meantime the KHA Board made the decision to split off Section 8 housing programs and has let Kelso's Housing Authority take over the 27 vouchers Kalama had. So now the KHA is only administering the 16 units for low income housing and will continue to do so. The Section 8 program was costing \$8-10,000 a year to administer and KHA is not able to afford that cost.

The final HUD review was published in December and through that process the debt has increased to \$50,000 plus. The Board has asked for documentation on how that was calculated. They have gone to a meeting Seattle to try find out, but were not provided any additional information. Mr. Goulet stated that in looking at the records, HUD did not account for all funds being held by HUD for the KHA to use. The face to face Meeting did not provide additional information and those officials present were not able to make any kind of options or to negotiate with KHA. KHA has not acknowledged that they owe the money or accepted any ownership of the alleged debt. Nor does the KHA have funds to repay any of the alleged debt as they can't use any of the low income housing money to repay that debt. It was explained that they can look for other sources which could include grants or city funds for affordable housing debt service but HUD operational funds are not eligible for use in debt service. So now the Board is trying to go further up the chain to figure out what can be done. They want to get the feds to discuss the options available.

In order to address the issue Mr. Goulet is requesting to use the City's recording fee funds for affordable housing toward the debt if it is determined they owe anything. This would only occur should HUD negotiate a balance that the HA would consider reasonable. So would the City be willing to allocate the funds to be used as partial payment for the debt instead of for capital improvements? He added that he understands that the City wants to use funds for capital improvements. Councilmember Don Purvis asked if the City is obligated to provide the funds for this purpose. City Attorney Paul Brachvogel stated the City is not obligated that he is aware of. Mr. Goulet noted that the Board is just trying to identify if the

City is a viable source. No matter what the decision, the KHA will continue to work through the process with HUD. Councilmember Mike Langham confirmed that HUD has provided no documentation on what the debt is based on and provided no evidence so was not clear on how it can be owed.

Councilmember Mary Putka asked what the debt is for. Mr. Goulet explained that the claim is that administration costs for one program supported the other program and this is not allowed. This is based on HUD's definition and a formula for applying administration costs to each program. Based on report information HUD concluded that a certain amount should be left and may not have been properly allocated so there is an amount to be repaid. The officials KHA met with had no authority to negotiate any exceptions and no hard proof so the debt is based on assumptions. Councilmember Dominic Ciancibelli noted back to the time when there was some turmoil at the KHA that the Council could not make any decisions, but the Mayor has some authority for KHA. Mayor Poulsen responded that as a special district of the City, the KHA operates as its own entity. Since that time of turmoil, Marcel was hired and has been tasked with trying to fix a multitude of problems but the issues with the fed mandates for these funds has put the KHA in real trouble. They need to reach HUD personnel that have the answers. Mayor Poulsen continued that while he wants to try to retain the KHA under the City, it may not survive. It may come to having another Housing Authority absorb the KHA, but the demand for these funds may keep that from happening as well. Another Housing Authority would not want to take on the debt. Mr. Goulet stated that the Board is not adverse to looking at this possibility and others. Legislators are being contacted to see if they can help. KHA has been here 60 years and is a great asset to community. Mayor Poulsen recommended holding off taking any action until it is clear what HUD wants from the KHA and what it is based on. The Council controls the funds from recording fees as part of the City's budget. Mr. Goulet noted that the issues do not appear to be affecting the current funding of the low income housing program. It would be easier to address the issue if the KHA and City had a clear picture of the debt. Mr. Goulet stated he understood but now he can go back to HUD to show the conversation with the City was held. He can state the need to address the issues even more noting that the Council wants more to justify the need. He added that the entire Board is working hard to address these problems. Mayor Poulsen thanked Marcel for all his work.

9. ORDINANCES & RESOLUTIONS

A. Ordinance 1355– GO Bond – USDA Loan

Ordinance No. 1355 was read by title: An Ordinance of the City of Kalama, Washington, authorizing the issuance of a limited tax general obligation bond of the City in the principal amount of not to exceed \$400,000 to provide financing for the costs of acquiring and improving property; fixing the date, form, terms, maturity and covenants of such bond; and authorizing the sale of the bond to the United States of America, acting through the United States Department of Agriculture, Rural Housing Service. Councilmember Don Purvis made a motion the Council adopt Ordinance No. 1355 as read. Councilmember Mike Langham seconded, and the motion carried.

B. Resolution 618 – USDA Loan

Resolution No. 618 was read by title: A Resolution of the City Council of the City of Kalama authorizing and providing for the incurrence of indebtedness for the purpose of providing a portion of the cost of acquiring, construction, enlarging, improving, and/or extending its City Hall facility to serve an areas lawfully within its jurisdiction to serve. Councilmember Dominic Ciancibelli made a motion the Council adopt Resolution No. 618 as read. Councilmember Mike Langham seconded, and the motion carried.

C. Resolution 619 – Surplus Public Works Loader

Resolution No. 619 was read by title: A Resolution of the City of Kalama, Washington declaring the 1987 d/ex loader surplus and authorizing disposal in the City of Kalama's best interest. Councilmember Don Purvis made a motion the Council adopt Resolution No. 619 as read. Councilmember Mary Putka seconded, and the motion carried.

10. CORRESPONDENCE - None

11. MAYOR'S REPORT & COUNCILMEMBERS' REPORTS

A. Mayor Pete Poulsen reported the 125th Anniversary Committee is working hard and is growing. There are now school kids and teachers helping. There will be 3 days full of stuff to do. The dates are July 10 -12, 2015.

B. Councilmember Mike Truesdell was absent.

C. Councilmember Dominic Ciancibelli reported he met with Superintendent of Public Works and discussed the sale of loader and possible need for a new dump truck. They also discussed getting water and power under RR tracks for the construction project at south portion of the Port near the new grain elevators. This led to a discussion of the noise levels caused by the trains and the construction. Would there be any noise abatement possible? City Attorney Paul Brachvogel noted that this occurs all around country and can be negotiated but it is difficult. Councilmember Don Purvis noted that Europe does address noise issue. Attorney Brachvogel stated it would be a long battle to get the railroad on board with little chance of success. There was additional discussion about small cities and other organizations discussing oil trains going through the areas and how to address safety issues based on recent events in other parts of the country. Readiness plans are in place to address emergency situations and this is worked on through the local CARE group.

D. Councilmember Mike Langham no report.

E. Councilmember Donald Purvis informed the Council of an English study on the use of marijuana and that if used on regular bases in youth it affects their mental health leading to more psychosis and aggression.

F. Councilmember Mary Putka reported the Library is having an adult reading program called Fire it up!!! Prizes are awarded. Also a Kalama senior high school student did landscaping and clean up at Library as community service. There is a preschool reading program on Wednesdays at 11 am. Kalama Chamber is having a flea market this weekend including a taco feed on Saturday evening. On April 18th they will hold the awards and

community dinner.

12. DEPARTMENT REPORTS

A. City Administrator Adam Smee reported on the continuing with projects of the Shoreline Master Program and the Port of Kalama developments . Began process for the update to the Shoreline program with County but then split to address each entities needs as each has different areas to address. The update is mandated by DOE. The contracts with the engineers have been finalize including the Water system plan contract. The negotiations with both Guild and Teamsters are ongoing.

B. Superintendent of Public Works Kelly Rasmussen presented a written report. Kelly explained that he is selling the loader purchased 15 years ago for \$20,000 and has found a buyer for \$16000. The funds will be used to improve or replace the 10 yard dump truck which has some major issues. If reasonable to repair the City will fix the truck, but may need to replace it with something newer. Kelly informed the Council that the crew has been making street light repairs in several subdivisions. They can retrofit the existing lights with new LED bulb units which cost less and will last longer. They are simple to retrofit. They will do these LED replacements over time as the old units burn out to help reduce costs. Meeker Drive lift station required some repairs as it burned up a motor. Had to rebuild at a cost of \$3400. Also had to rent a pump to keep the system operational during the recent storm. The City has also been putting in larger street signs. Kelly added that WSDOT will be here next week to trim the oak trees on West Frontage.

C. Police Chief Randy Gibson presented his statistical report elaborating on the non-stolen stolen vehicle – forgot where they parked and the vehicle impounded. There is also an impound tow going to trial but storage is more than vehicle is worth.

D. Clerk/Treasurer Coni McMaster reported they are currently short staffed as one of the employees is on extended medical leave. The department has been busy. She informed the Council over 200 utility customers are signed up for ebills and about 115 are on auto pay. The City collected over \$20,000 in online payments for those auto pay accounts. Coni reported that current Park Committee is looking at possible locations for skate parks and the parks and recreation programs may start up again as she has an instructor wanting to do Zumba again..

E. City Attorney Paul Brachvogel had no report.

13. CONSENT AGENDA

Councilmember Mary Putka made a motion the City Council approve the Consent Agenda including:

1. Claims Vouchers Totaling for \$56,621.37 for February 2015
2. Payroll Vouchers Totaling for \$56,793.86 for February 1-15, 2015
2. Minutes of the February 4, 2015 City Council Workshop
4. Minutes of the February 4, 2015 City Council Meeting

Councilmember Don Purvis seconded, and the motion carried.

14. EXECUTIVE SESSION - None

15. ADJOURNMENT

Mayor Poulsen adjourned the meeting at 8:35 p.m. These minutes are not verbatim. A copy of the recording for this meeting is available for review upon request.



Pete Poulsen - Mayor



Coni McMaster - Clerk/Treasurer

CITY OF KALAMA

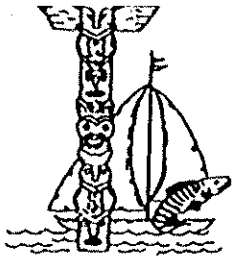
SIGN - IN SHEET

MEETING Kalama City Council

DATE February 18, 2015

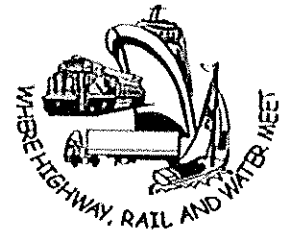
Name	Address	Phone/Email	Do you wish to Speak?	Subject
Ben Purvis	KLTN			
Don Murremi	Kalama	673-4646	NO	
Mareel Goulet	Kalama Business Park	673-3444	YES	

Please sign in for the record. Signing in does not mean you must speak but to address the Council you must sign in for the record. When recognized please state your name and address. Your comment could be subject to a time limit at the discretion of the Mayor. Please speak clearly enough for the tape to pick up your voice or step closer to the Council Desk. Thank you.



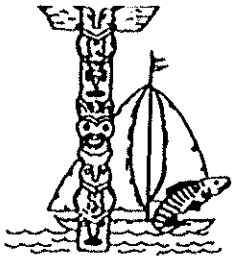
City of Kalama

320 N. First St.
Kalama, WA 98625



City Council Agenda February 18, 2015 @ 7 pm

1. OPENING - Mayor Pete Poulsen
 - A. Flag Salute
 - B. Roll Call
 - C. Changes to the Agenda
2. EXECUTIVE SESSION
3. PRESENTATIONS & AWARDS
4. PUBLIC HEARINGS
5. PUBLIC COMMENTS & CONCERNS
6. UNFINISHED BUSINESS
 - A. USDA RD Community Facilities Loan – Bank Funding- Bond Policies
7. NEW BUSINESS
 - A. Kalama Housing Authority – Request for Funding
8. ORDINANCES & RESOLUTIONS
 - A. Ordinance 1355– GO Bond – USDA Loan
 - B. Resolution 618 – USDA Loan
 - C. Resolution 619 – Surplus Public Works Loader
9. CORRESPONDENCE
10. MAYOR & COUNCILMEMBER REPORTS
 - A. Mayor Pete Poulsen – Mayor’s Report – Cow Co Tourism
 - B. Councilmember Mike Truesdell – Finance Committee
 - C. Councilmember Dominic Ciancibelli – Public Works & Planning Committee
 - D. Councilmember Mike Langham – Police, COG Board & 911 Board Rep
 - E. Councilmember Donald Purvis - Parks, KSCC Rep & Health Board Rep
 - F. Councilmember Mary Putka – Library Committee & Chamber Representative



City of Kalama

320 N. First St.
Kalama, WA 98625



City Council Agenda February 18, 2015 @ 7 pm

11. DEPARTMENT REPORTS

- A. City Administrator Adam Smee
- B. Superintendent of Public Works Kelly Rasmussen
- C. Police Chief Randy Gibson
- D. Clerk/Treasurer Coni McMaster
- E. City Attorney Paul Brachvogel

12. CONSENT AGENDA - *I move the City Council approve the consent agenda as presented.*

A. Approval of Payment of Vouchers

- 1. Claims Vouchers Totaling \$56,621.37 for February, 2015
- 2. Payroll Vouchers Totaling \$56,793.86 for February 1-15, 2015

B. Approval of Minutes:

- 1. Minutes of the February 4, 2015 City Council Workshop
- 2. Minutes of the February 4, 2105 City Council Meeting

C. Other Consent Agenda Items

13. EXECUTIVE SESSION

14. ADJOURNMENT