

**CITY OF KALAMA
CITY COUNCIL MEETING
JANUARY 21, 2009**

1. OPENING

Mayor Pete Poulsen opened the City Council meeting at 7:00 p.m.

A. Flag Salute

Mayor Poulsen led those present in the Pledge of Allegiance.

B. Roll Call

Councilmembers present were Adam Smee, Dominic Ciancibelli, Chuck Hutchinson, and Bud Gish. Councilmember Don Purvis was absent. City staff present were Director of Public Works Carl McCrary, Clerk/Treasurer Coni McMaster, and Police Chief Bruce Hall. City Attorney Paul Brachvogel was also present (left at 7:40 p.m.) Members of the public present are listed on the sign-in sheet.

2. EXECUTIVE SESSION

Mayor Poulsen announced the Council would go into executive session for fifteen minutes to discuss labor contract negotiations with the Police Guild. The meeting resumed at 7:13 p.m.

3. CHANGES TO THE AGENDA - None

4. PRESENTATIONS & AWARDS

Presentation of the Draft Water System Plan – Gray & Osborne

Mike Johnson and Tom Zerkel of Gray & Osborne Engineers made an overview presentation of the draft plan. The City is required to update the plan every six years. The plan evaluates the current facilities, demands and needs, and then the future (the next 20 years) demands to determine what the City must do to meet the needs of both.

Kalama has a very large service area and many components to operate spread over many zones. Mr. Johnson reviewed the gap between the City's consumption and production which has grown closer over the years as the City has reduced the water losses with improvements to the system. The City is required to set goals and work with the customers on issues regarding conservation. Measures are included in the plan. The City has the water rights and capacity to meet all the current needs and those in the next 6 years. There will be improvements needed to meet capacity requirements up to 20 years from now. Capital improvements and financing those improvements are also part of the plan. The main projects include improvements and expansion of the current treatment facility and replacing several of the older small reservoirs and booster stations. In order to finance the improvements it is recommended that the City put in a place an annual

rate increase from between 1 to 3 percent. For industrial area improvements the Port would be asked to contribute as well. The City has some projects that may be eligible for the federal economic stimulus package being proposed by the new administration. Mr. Johnson explained the next step is for the Council to authorize the engineers to send the plan to the State Department of Health for review. Once they approve, then it will be brought back to the Council for adoption by the City. The Council and public thanked the engineers for their presentation.

5. PUBLIC HEARINGS - None

6. PUBLIC COMMENTS/CONCERNS

A. Dena Ott - Chamber Board member

Ms. Dena Ott, informed the Council of a project the Chamber is working on to put out an advertising circular/newsletter for the local merchants. Many of the merchants are having a difficult time in this economy. The antique association may not be able to hold their "wheel and deal" event due to lack of advertising money. The Chamber would like to get the word out to shop local, "shop Kalama" to the residents. They will be posting flyers and doing the newsletter in this effort. The ads will cost at most \$75, and they hope to have up to six pages. The Chamber proposes that if the City wanted to join with them, the City could include a newsletter/city information page.

If this is a double-sided page, the cost to the City would be \$600 per quarter. The Chamber would do all the printing/copying and mailing. They would propose to have the first one out in April. The Council will consider the proposal and let the Chamber know.

B. Robert Peonio

Mr. Robert Peonio expressed his frustration over the lack of notice of the recent increase to the water connection fees. He is building a house on Kilkelly Road outside the City limits and in late December requested locates and information on the meter. He was not told of the future increase at that time. He had his building permit and would have purchased the connection in December had he been aware.

He requested the Council consider some kind of exception. Staff explained that the City has no way of knowing who is building outside the City limits to notify of pending rate increases. Staff should have informed Mr. Peonio in December, but if he spoke with the crew, they would not be aware of fee increases. The Council had questions on how to address the issue for future increases. Staff felt that this would be difficult, but agreed to put some additional wording into the water availability letters. Councilmember Dominic Ciancibelli made a motion the City allow a 30 day grace period for the 2009 connection fee increase provided a County building permit was issued prior to January 1, 2009 and the applicant applies before January 30, 2009. Councilmember Adam Smee seconded. The motion carried with three votes in favor. Councilmember Chuck Hutchinson abstained from the vote as he is related to Mr. Peonio.

7. UNFINISHED BUSINESS

B. City Hall Complex - Report from Rob Barrantine, Consultant - out of order

Mr. Rob Barrantine, the consultant on the Master Facilities Plan, presented a roughed out sketch drawing of how a Complex could be laid out as previously proposed by Jim Bain on the current City Hall location and the property to the north. As an exercise in how the buildings might function, the drawings indicated that the site would be a good fit for all departments. He had met with all the Department Heads, and they had agreed that the site could work. There is a lot of flexibility in the design of the spaces. At this point it is just to decide if all the City departments could obtain the desired space and functionality. Mr. Barrantine addressed the issue of phasing the building of the complex, and there could be three or four phases. The space meets 97% of the recommendations included in the Master Plan. Mr. Barrantine declined to guesstimate what the costs might be due to the economy and the nature of the construction market. It would be millions of dollars. This discussion was continued during the Envision Kalama portion of the meeting.

A. Envision Kalama - City Hall Complex

Mr. Mark Wilson, an Envision Kalama board member gave a brief overview of what Envision Kalama is and what they are doing in the community. Envision is a non-profit organization created out of the work in the KCAP Plan which takes donations and uses the funds to benefit the Kalama community. They raised the money for the downtown trees when funds were not available for the landscaping, and they helped in the decision making process to entice the Port of Kalama to build the new Park. They are working on several projects including helping the library, creating a plaza downtown, and Community Building improvements. Mr. Jim Bain had approached Envision on the City's behalf to request the funds to pay Mr. Barrantine for completing a conceptual drawing of the complex proposal. Mr. Wilson explained that Envision had concerns on how serious the City was about moving forward with the project if they couldn't find the funding for this \$2000 piece. Members of the Council explained that once it is shown that the site could function, which they received tonight, then the next step would be look at whether the public could support it. However, the financial issues are complex and the City is only taking baby steps at this point. With the economy so poor, the Mayor and Council don't want to take the project to the citizens to request an increase to their taxes. In order to make any further steps, the Council would need an official drawing of the concept which is what the funding proposed would provide to give the citizens information to base their decisions on. Mayor Poulsen noted that he is aware that Envision has limited funds as well. It would be their decision whether to spend them on this project as there are no guarantees the City can move forward anytime soon. Whether the drawing is done now or later, it will be needed. Mr. Jim Bain suggested that getting backing by obtaining funds through Envision might provide insight as to how the citizens would look at funding the project fully. There was discussion regarding phasing the bond proposals to the public. It would mean asking them more than once. Running a bond election is not

an easy process. Envision is interested as the proposal helps meet their goals regarding the downtown plaza and expanding the Library.

The complex idea was supported back in June or July at the public meeting. There are now two locations where this might be possible. It was suggested that the City needed to be acquiring the property before they lose the opportunity, even if they don't develop for years. The City doesn't have the funds to do this without getting tax funds from the citizens. They are not in a place financially to fund it otherwise. The Council needs to hear from a lot more in the community before it could feel comfortable taking any bond proposal for the public to vote on. The economy is just not stable now, and everyone is struggling. There was much discussion on whether the City wanted to proceed at this point or not, and the big issue is funding. It may be wiser to hold off until the economy improves. Mr. Bain informed Mr. Wilson that he has obtained the funds to move forward with the concept drawing through Envision. Mr. Wilson asked if the Council wanted Envision to help them with this? It would be a simple straight forward concept drawing that could be used to give the public an idea of what they would be funding when the time comes. It was noted that all sites and options will have to be considered. The cost of the property is also an issue as it includes an operating business and may have environmental issues. The other property under consideration could also have unknown's that would have to be addressed. Councilmember Adam Smee made a motion the City request Envision Kalama fund the costs for the a more enhanced or polished drawing of the concept from the architect. Councilmember Bud Gish seconded and asked for a little clarification on the exact purpose of the motion. It was explained the motion was being made to provide an answer to Mr. Wilson. Councilmember Dominic Ciancibelli stated that he wasn't sure they should ask for anything until the Council knows where they are going with this. Councilmember Chuck Hutchinson agreed stating he didn't think they were far enough along to make a request for money. The vote on the motion resulted in a tie with Councilmembers Smee and Gish for and Councilmembers Ciancibelli and Hutchinson against. The motion carried with a yes vote from Mayor Poulsen. It was noted that even with the completed drawing the City may not move forward immediately.

C. Dangerous Trees on Fifth Street

Director of Public Works Carl McCrary presented photos of the trees on private property endangering City right-of-way showing why this is an urgent situation. The trees are scary as they stand. The City Attorney has drafted a letter to be sent out tomorrow to the property owner. If no response is received the Council will be asked to take action to allow the City to remove the trees. The costs will be passed on to the property owner.

D. Police Guild Contract - Ratification

Councilmember Adam Smee made a motion the City Council authorize the Mayor to sign the bargaining agreement with the Kalama Police Guild. Councilmember Bud Gish seconded, and the motion carried.

E. Water System Plan - Forward to State Dept. of Health

Councilmember Chuck Hutchinson made a motion the City Council authorize the engineers to forward the 2009 Water System Plan to the State Department of Health for review. Councilmember Adam Smee seconded, and the motion carried.

8. NEW BUSINESS

- A. Floor Fund Raising Event @ Community Building - Lions/Amalak**
- B. Envision Kalama - Request for Community Building - Library Fundraiser**

These two items were discussed together due to the similarity of the requests. Clerk/Treasurer Coni McMaster explained that both the Amalak and Envision Kalama have requested to have the regular rental fee waived for their respective events as they are being held to benefit Kalama. Amalak and the Lions Club are holding a fundraiser to raise money to replace or refinish the floor at the Community Building. Envision wants to hold a literacy event to raise funds to help the Library. Ms. McMaster noted that the City had just received the current heat bill for the building, and it was over \$1000. With all the reduced rate and no charge non-profit uses the City is going to need to relook at the costs on the building. She noted that she will be looking at the education classes with LCC and getting a return on those usages. These events are ones that will be beneficial to the community, so it is hard to charge the fees. Yet the costs of operating the building have to be considered. Councilmember Bud Gish made a motion the City Council approve the waiver of the rental fee for the Community Building for the fundraising event held to benefit the Community Building by replacing or refinishing the floors provided the users agree to cover any accidental damage to the building that occurs during the event. Councilmember Adam Smee seconded, and the motion carried.

Councilmember Adam Smee made a motion the City Council waive the fee for Envision Kalama's use of the Community Building for a Library fundraiser. Councilmember Dominic Ciancibelli seconded, and the motion carried. Mr. Jim Bain pointed out that he believes that LCC will be willing to cover some of the costs once the classes are established and on going.

9. ORDINANCES & RESOLUTIONS

- A. Ordinance No. 1233 - An Ordinance of the City of Kalama, Washington amending the 2008 Budget to include unanticipated revenues and expenditures increasing the total 2008 Budget in the amount of \$338,600.00.**

The Ordinance was read by Title. Councilmember Bud Gish made a motion the Council adopt Ordinance No. 1233 as read. Councilmember Chuck Hutchinson seconded. Citizen Jim Dickey asked what was in the amendment. It was explained that this included additional revenues from water/sewer fees and connection charges, which create transfers to reserve funds, additional

revenues from a sidewalk contribution and confiscated property, additional garbage revenues creating additional expenditures for services, and additional street expenditures requiring a transfer from reserves. The motion carried.

B. Resolution No. 523 - A Resolution of the City of Kalama, Washington declaring office equipment, computers, and radios from the Finance and Police Departments surplus and authorizing disposal in the City of Kalama's best interest.

The Resolution was read by title. Councilmember Chuck Hutchinson made a motion the Council adopt Resolution No. 523 as read. Councilmember Adam Smee seconded, and the motion carried.

10. CORRESPONDENCE - None

11. MAYOR'S REPORT & COUNCILMEMBERS' REPORTS

- A. Mayor Pete Poulsen had no report.
- B. Councilmember Adam Smee had no report.
- C. Councilmember Dominic Ciancibelli had no report.
- D. Councilmember Chuck Hutchinson had no report.
- E. Councilmember Donald Purvis had no report.
- F. Councilmember Bud Gish had no report.

12. DEPARTMENT REPORTS

A. Director of Public Works Carl McCrary reported on the boil water order and water shortage during the flooding event. This was caused by the condition of the Kalama river during the flooding. Kalama Telephone helped by doing a reverse dialing message to all the customers. Mr. McCrary noted that the new downtown street signs have been installed and look nice.

B. Police Chief Bruce Hall had no report.

C. Clerk/Treasurer Coni McMaster reported that the 2008 budget is in balance. The street reserves are only at \$30,000 rather than the anticipated \$45,000. She will be finalizing the 2009 budget document by the end of next week. After talking with the Mayor and other Department Heads, she is planning on changing to paying the bills twice a month instead of once. If the bargaining units agree, then the City may also change to a bimonthly payroll. She will also be looking at direct deposit options for the future. Ms. McMaster noted that small claims case on the Dump Truck sold in 2005 was resolved in the City's favor.

D. City Attorney Paul Brachvogel had no report.

13. CONSENT AGENDA -

Councilmember Chuck Hutchinson made a motion the City Council approve the Consent Agenda including Claims Vouchers Totaling \$ 115,942.78 to include a federal tax deposit for third party sick pay, and the City Council minutes of January 7, 2009. Councilmember Bud Gish seconded, and the motion carried.

14. EXECUTIVE SESSION - None

15. ADJOURNMENT

Mayor Poulsen adjourned the meeting at 9:40 p.m. These minutes are not verbatim. A copy of the tape can be made available for listening.

Pete Poulsen - Mayor

Coni McMaster - Clerk/Treasurer