

**CITY OF KALAMA
CITY COUNCIL MEETING
DECEMBER 2, 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. Members of the public present are listed on the sign-in sheet.

2. EXECUTIVE SESSION - None

3. CHANGES TO THE AGENDA - None

4. PRESENTATIONS & AWARDS - None

5. PUBLIC HEARINGS

A. 2016 Budget and Capital Facilities Plan Hearing

Mayor Poulsen opened the hearing. Clerk/Treasurer Coni McMaster presented information on the budget. She reviewed the updates since the hearing on November 18th which has increased the budget to nearly \$6.2 million without transfers between funds. The changes include the purchase of the public works truck that was not purchased in 2015, the completion of the renovation of the Bank building, the sewer line replacement included on the capital facilities plan, and additional staff costs for the library to complete the update to the circulation system. The presentation covered the General Fund operations of the City including the special revenue and managerial funds. Special revenues included reserve accounts and revenues that have strict rules for how the funds can be spent such as Hotel/Motel taxes or Real Estate Excise taxes. Managerial funds are those funds the City chooses to establish to better track certain activities such as the Library or Community Building. Proposed expenditures included in the special revenue funds include the conversion of the City Hall for the Library, a stormwater utility plan (grant funding has been applied for), insurance and audit costs, Housing Authority support for roof replacements, and the operating expenses for the Library. Tourism funding has been allocated to the Antique freeway signage, the annual car show, the Music Festival, support of the webpage and Big Idea funding obligations. This will only leave a small carryforward to 2017 for future events.

The Community Building fund is budgeted in the red and the Council needs to make a decision on how to address the deficit. Options were presented which included reducing expenditures, using reserves, fundraisers and having the General Fund cover the insurance costs of the building. It wasn't believed that short of closing the building that the City could reduce the operating costs enough to make up the deficit. While the City may hold

fundraisers during the year, the Council didn't feel they can budget for these revenues. The Council directed that the insurance cost for the building be moved to the General Fund for 2016. This will not change the final total budget number but only the allocations of Funds 001 and 113.

The General Operating fund of the City includes the expenditures for the Police, Building and Planning, Finance, Parks, Courts, Jail, and other administrative costs and totals \$1.7 million. The City's personnel costs including estimates for overtime and benefits were presented which is the biggest portion of the budget. The schedule of base salaries for all positions was also presented which includes contractual raises. Capital projects include the completion of the work on the Bank building, the City Hall renovations for the Library and painting the Police Station. Unfunded capital needs include new heat and air conditioning needed as part of the City Hall renovation and gutters, soffit and chimney repairs at the Community Building. In closing the presentation the items included in the 2016 budget include:

- Water/Sewer Rate Increases – 4% Water - 9.5% Sewer
- Garbage Fee Increases - 2%
- Renovation of City Hall for Library Expansion – Cap. Reserves
- Exterior Painting of the Police Station from Cap. Reserves
- Water/Sewer Line Extension Work at Robb Rd/Hendrickson
- Maintenance Upgrades to Water & WW Treatment Plants
- Stormwater Utility Study from GF Reserves
- New Public Works Vehicle from Equipment Reserves
- Street Improvement Projects – Majority Funded by Grants
 - China Garden Road
 - Meeker Drive
 - City Center Overlay
 - Local Street Improvements

The budget ordinance is on the agenda for action and includes the funds from the TBD and the adjustments for the Community Building.

City Administrator Adam Smee noted that a downtown business owner had voiced concerns with the impacts of the rate increases on economic development in the downtown area. He is hoping the City will look for some incentives to help downtown businesses to expand or locate in Kalama. Mr. Tony Curtis of 601 N Second Street asked if there were any allocations to address the stormwater issues on his street. City Administrator Smee noted they are allocating funds for the study and development of a stormwater utility, but nothing directly for the area in question. The plan is to develop a stormwater utility that would provide a funding source to address stormwater issues in all areas of town. Mr. Curtis also asked how much the sewer increase will be over the 5 years which is 7.3%. He asked why the increases. It was explained that the City completed a comprehensive rate study which made recommendations for rate increases the City is instituting. The complete rate study is on line. Also discussed was where the City falls in comparison for Cowlitz County and they fall at the average and just above average for the southwest Washington area. The final 2016 budget will be for \$7,705,600. Mayor Poulsen closed the hearing.

6. PUBLIC COMMENTS/CONCERNS

Ms. Kathy Schmit of 6931 Old Pacific Hwy South addressed the Council thank them for hearing her at the last meeting and for the services the City provides. She stated she wanted to ask some questions to better understand where the City is going. Since the November meeting she hasn't spoken with any resident or business owner that is in favor of the proposed project. Ms. Schmit asked several questions of the Council about how they make contact with the residents for input; how they researched a proposal for a marijuana grow operation and the effects it may have on the surrounding residential areas; why they feel the area is needed for industrial uses; and what recourse do the citizens have to address a business proposal. In response, it was explained that the Council wants to hear from the citizens, but they can't force them to come to meetings. The Council often finds it frustrating that the citizens don't show more interest in what is happening and in planning for the future. The City does need industrial areas within the City limits and this was part of the information included in the vision exercise conducted as part of the Comprehensive Plan update. Industrial areas help to provide job and growth in a community. It was noted that any citizen can request notification regarding any application for activities on a particular piece of property and they will receive all notifications by mail. Mayor Poulsen noted the City has a good Council and good Commission that work hard to follow the laws and regulations when addressing applications and planning for the future.

Ms. Schmit asked if the City requires direct road/street access to property for development. City Administrator Adam Smee responded yes the does require this and does not allow easements for access over private property. Ms. Schmit asked if the proposal for the marijuana growing operation proceeds, what process will there be. She also asked what the Police will do if there are issues. The application may require a SEPA which has some public notice requirements. Other parts of the application process may be administrative, which means it would not go before the Planning Commission or Council. Police Chief Randy Gibson noted the Department will do their duty to protect life and property to best of the ability based on their resources. Ms. Schmit asked since the City has received federal funding for its downtown area, if it were to allow a marijuana business would the City have to pay back the federal funds, since marijuana is still against federal laws. It was explained that the federal government has been very vague on how they will address and recent information has been more relaxed on address the issue of federal funds. In order for the business to get a City business license, the owners will have to provide the justification for allowing the activities and address the gray areas of the law. It was suggested that Ms. Schmit set up an appointment to discuss issues with the City Administrator. She asked about the referendum process and was directed to the County elections office for more information. Ms. Schmit also voiced her appreciation for the work the Council does and thanked them for allowing her to speak.

7. UNFINISHED BUSINESS

A. Authorize Mayor/City Administrator to Sign Engineering Consulting Agreement with Gray & Osborne for Meeker Drive Project.

Councilmember Mary Putka made a motion the Council authorizes the Mayor or City

Administrator to sign the agreement with G&O for the Meeker Drive Project. Councilmember Don Purvis seconded, and the motion carried.

B. Authorize the Increase to the Planning Budget (\$6000) and Mayor/City Administrator to sign the Amendment to the Agreement with Cowlitz/Wahkiakum Council of Governments.

Councilmember Mary Putka made motion the Council approve the proposed contract amendment and increase in the planning budget and authorize Mayor to sign the amendment with the COG. Councilmember Don Purvis seconded, and the motion carried.

C. Approve Amendment for HDR Inc for the Water/Sewer Rate Study – Time Extension only

Councilmember Mary Putka made a motion the Council approve the contract amendment with HDR Inc for a time extension and authorize the Mayor to sign. Councilmember Mike Langham seconded, and the motion carried.

8. NEW BUSINESS - None

9. ORDINANCES & RESOLUTIONS

A. Ordinance No. 1368 – Water Utility Rate Increase

Ordinance No. 1368 was read by Title: An Ordinance of the City Council of the City of Kalama setting rates for water services for the next five years incorporating a 4% increase in 2016 and 2% increases in the next four years and phasing out the declining rate structure currently available to qualified industrial users to meet the needs of providing water services to the community amending Kalama Municipal Code Section 12.12.010.

Councilmember Don Purvis made a motion the Council adopt Ordinance No. 1368 as read. Councilmember Mary Putka seconded, and the motion carried.

B. Ordinance No. 1369 – Sewer Utility Rate Increase

Ordinance No. 1369 was read by Title: An Ordinance of the City Council of the City of Kalama setting rates for sewer services for the next five years incorporating an increase in each year of 9.5% in 2016, 2017, 2018, 8.5% in 2019 and 2% in 2020 to meet the needs of providing sewer services to the community by amending Kalama Municipal Code Section 12.08.011.

Councilmember Dominic Ciancibelli made a motion the Council adopt Ordinance No. 1369 a read. Councilmember Mike Langham seconded and the motion carried.

C. Ordinance No. 1370 – Increase to Mayor’s Salary

Ordinance No 1370 was read by Title: An Ordinance of the City of Kalama, Washington Amending the Kalama Municipal Code Chapter 2.08.020 Mayor’s and Councilmember’s Salaries, increasing the salary of the Mayor.

Councilmember Mary Putka made a motion the Council adopt Ordinance No. 1370 to increase the Mayor’s salary. Councilmember Mike Langham seconded, and the motion carried.

D. Resolution No. 629 – 2016 Fee Schedule

Resolution No. 629 was read by title: A Resolution of the City Council of the City of Kalama replacing Resolution No. 615 relating to fees and charges imposed by the City of Kalama and establishing the following fees and charges for the services beginning January 1, 2016.

Councilmember Don Purvis made a motion the Council adopt Resolution No. 629 as read. Councilmember Mike Langham seconded and the motion carried.

E. Resolution No. 630 – Garbage Rate Increase

Resolution No. 630 was read by title: A Resolution of the Kalama City Council of the City of Kalama adopting new rates for providing Garbage service to the residents of Kalama beginning January 1, 2016.

Councilmember Don Purvis made a motion the Council adopt Resolution No. 630 as read. Councilmember Mike Langham seconded, and the motion carried.

F. Ordinance No. 1371 – 2016 Budget Adoption

Ordinance No. 1371 was read by Title: An Ordinance of the City of Kalama approving and adopting the Budget for the City of Kalama for the calendar year 2016 in the amount of \$7,705,600.00 and the Capital Facilities Plan for years 2016 through 2021.

Councilmember Mary Putka made a motion the City adopt Ordinance No. 1371 as read. Councilmember Dominic Ciancibelli seconded. Police Chief Randy Gibson asked about the difference in the numbers from the presentation and the ordinance. It would be looked at but it shouldn’t affect the passage of the budget. The motion carried.

Mayor Poulsen took the opportunity to thank Council and staff for all the hard work on the budget. It’s been a long journey to get through the budget and the staff provided a good presentation.

10. CORRESPONDENCE

A. TIB Letter – Project not Funded in 2016

11. MAYOR'S REPORT & COUNCILMEMBERS' REPORTS

- A. Mayor Pete Poulsen had no report.
- B. Councilmember Mike Truesdell was absent.

C. Councilmember Dominic Ciancibelli reported on the relight program to replace street lights with LED lights. It is an incentive program that could save lots of money for the City. Mayor Poulsen noted that the street lights at the North I-5 off ramp are out. Superintendent Rasmussen explained they may have been removed by WSDOT under their current replacement project. Several persons noted it is very dark and you can't see the exit. Mayor Poulsen asked Mr. Rasmussen to contact WSDOT to determine what has happened to the lights. It was also noted that the Port of Kalama is painting the pedestrian overpass which has been closed during the project.

- D. Councilmember Mike Langham had no report.
- E. Councilmember Donald Purvis had no report.

F. Councilmember Mary Putka had no report but noted the Walk & Knock on December 5th

12. DEPARTMENT REPORTS

A. City Administrator Adam Smee thanked the Council for getting the budget passed and Coni for her work.

- B. Superintendent of Public Works Kelly Rasmussen presented a written report.

Police Chief Randy Gibson presented his statistical report with 90 calls resulting in 10 with reports or investigations noting the one drug incident involving minors and marijuana. There was another stolen vehicle in the area as well. The Shop with Cop event this year will be local at Kalama Kids and focused on children ages seven and under. Chief Gibson explained the program is for under privileged and needy families. It is a great public relations builder, helping law enforcement make connections in the community. Kalama Kids owner Diana Durgeloh matches the donations dollar for dollar and her business provides toys for learning purposes. They served 23 children in 2014.

D. Clerk/Treasurer Coni McMaster provided the November financial report. She noted the high voucher amount for approval includes the last biannual loan payment for 2015. She thanked the Council for passing the budget.

- E. City Attorney Paul Brachvogel was absent.

13. CONSENT AGENDA

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

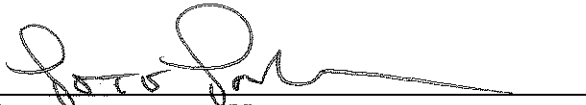
- 1. Claim and Payroll Warrants 35498-35559 including voided warrants and all electronic/ACH payments for a total of \$349,830.14*
- 2. Minutes of the November 18, 2015 City Council Meeting*

Councilmember Don Purvis seconded, and the motion carried.

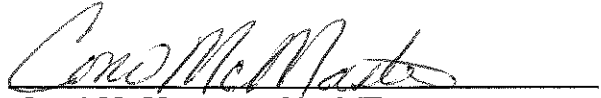
14. EXECUTIVE SESSION - None

15. ADJOURNMENT

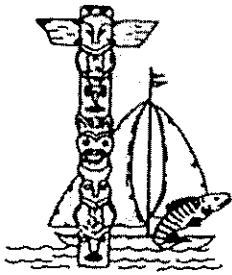
Mayor Poulsen adjourned the meeting at 8:50 p.m. These minutes are not verbatim. A copy of the recording for this meeting is available for review upon request.



Pete Poulsen - Mayor

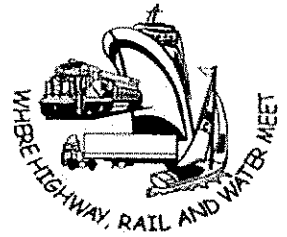


Coni McMaster - Clerk/Treasurer



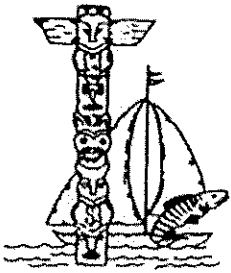
City of Kalama

320 N. First St.
Kalama, WA 98625



City Council Agenda December 2, 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**
 - A. 2016 Budget and Capital Facilities Plan Hearing
5. **PUBLIC COMMENTS & CONCERNS**
6. **UNFINISHED BUSINESS**
 - A. Authorize Mayor/City Administrator to Sign Engineering Consulting Agreement with Gray & Osborne for Mecker Drive Project
 - B. Authorize the Increase to the Planning Budget (\$6000) and Mayor/City Administrator to sign the Amendment to the Agreement with Cowlitz/Wahkiakum Council of Governments.
 - C. Approve Amendment for HDR Inc for the Water/Sewer Rate Study – Time Extension only
7. **NEW BUSINESS**
8. **ORDINANCES & RESOLUTIONS**
 - A. Ordinance No. 1368 – Water Utility Rate Increase
 - B. Ordinance No. 1369 – Sewer Utility Rate Increase
 - C. Ordinance No. 1370 – Increase to Mayor’s Salary
 - D. Resolution No. 629 – 2016 Fee Schedule
 - E. Resolution No. 630 – Garbage Rate Increase
 - F. Ordinance No. 1371 – 2016 Budget Adoption
9. **CORRESPONDENCE**
 - A. TIB Letter – Project not Funded in 2016



City of Kalama

320 N. First St.
Kalama, WA 98625



City Council Agenda December 2, 2015 @ 7 pm

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

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. Approved for payment are:

Claim and Payroll Warrants 35498-35559 including voided warrants and all electronic/ACH payments for a total of \$349,830.14

B. Approval of Minutes:

- 1. Minutes of the November 18, 2015 City Council Meeting

C. Other Consent Agenda Items

13. EXECUTIVE SESSION

14. ADJOURNMENT

CITY OF KALAMA

SIGN - IN SHEET

MEETING Kalama City Council

DATE December 2, 2015

Name	Address	Phone/Email	Do you wish to Speak?	Subject
BENI PUMPS	KCTV			
DAN O'HALL	KALAMA			
Judee Luckyes	135 N 1st			
Robert Soreng	155 Elm			
Tom Curtes	601 N. 2nd St			
Kathy Schmut	6931 PRHS	Schmutfamily@aol.com	YES	Potential Mangrove business, Layman Regale, mangrove code

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.