

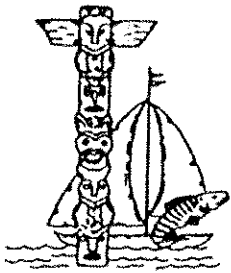
City of Kalama

320 N. First St.
Kalama, WA 98625



City Council Agenda October 19, 2016

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. 2017 Revenue Public Hearing – Property Tax Levy – City Fees
5. PUBLIC COMMENTS & CONCERNS
6. UNFINISHED BUSINESS
 - A. Waste Control – Solid Waste Contract Approval
7. NEW BUSINESS
8. ORDINANCES & RESOLUTIONS
 - A.
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 Rosemary Siipola – Parks & Health Board Rep
 - F. Councilmember Mary Putka – Library Committee & Chamber Representative



City of Kalama

320 N. First St.
Kalama, WA 98625



City Council Agenda October 19, 2016

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 Erin Hillier

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

A. Approved for payment are:

Claim and Payroll warrants 36759-36814 and ACH transactions of \$27,549.45 totaling:
\$127,759.67

B. Approval of Minutes:

- 1. Minutes of the October 5, 2016 City Council Meeting

C. Other Consent Agenda Items

- 2. Set 2017 Budget Hearings for November 2nd & November 16, 2016

13. EXECUTIVE SESSION

14. ADJOURNMENT

**CITY OF KALAMA
CITY COUNCIL MEETING
OCTOBER 19, 2016**

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, Rosemary Brinson Siipola, Mary Putka. Councilmember Mike Truesdell was absent. City staff present were Superintendent of Public Works Kelly Rasmussen, Clerk/Treasurer Coni McMaster, Utility Clerk Kiley Mirenta, and Police Chief Randy Gibson. City Attorney Erin Hillier was also present. 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. 2017 Revenue Public Hearing – Property Tax Levy – City Fees

Clerk/Treasurer Coni McMaster presented a PowerPoint explaining Revenues projected for the 2017 Budget. The City is allowed to increase the property tax levy by 1 % which is calculated by taking the highest lawful Levy for 2016 multiplied by 1%. The City is allowed to include additional amounts for annexations and new construction for a total of just over \$422,000 projected for 2017. The statutory rate of a full \$2.10 would produce a maximum of \$459,000, but by law the City can only take the lesser of the two amounts.

State tax revenues are shared based on population, and the current population is 2540. These taxes include liquor taxes, fuel taxes used for streets, some criminal justice funding and the new marijuana tax. Other tax revenues include sales taxes, criminal justice sales taxes utility taxes of 6%, leasehold excise taxes on leased public property gambling taxes, timber taxes, real estate excise tax which can only be used for capital improvements, and Hotel Motel Taxes which are only available for tourism activities.

Other revenues include Administration fees that are paid by enterprise funds such as water/sewer for services provided by the Finance Department, as well as business and dog license fees, various permits and service fees required by the City. There are some fee increases proposed which include a \$10 increase to the Sidewalk use, special event permit will be raised to \$50 per event or \$150 for an annual permit to cover multiple events. These permits are only issued when streets will be closed. Dog license fees will remain the same but impound fees will be increased by \$10 and fees for fingerprinting at the Police Department will now be \$25. Concealed Weapons Permit fees are set by the state. Also included in other revenues are court fines and fees, grant funds from WASPC and other

police grants, STP and TIB grants for Streets.

Library cards for Outside City Limits will remain the same, but in an effort to off-set the cost of the e-book services it is proposed to add a 5-dollar e-user fee for all users which would be about .41 per month per household. Councilmember Mary Putka asked for more discussion on this issue and for it to be tabled until a later date. Councilmember Rosemary Siipola asked what was the cost? Coni stated that it has nearly tripled and is now about \$1600-\$1800 per year. Councilmember Putka wanted clarification on who would pay the fee, whether it would be all users or only ones who use the service. Ms. McMaster said that was part of the discussion because in order to separate who pays and who does not, it would need to be tracked somehow. Councilmember Putka showed concern for an added cost being implemented unexpectedly especially when the service is not used by everyone. She stated again she would like to table the item until a later date. Mayor Poulsen added that this was a preliminary hearing and that everything is still open for discussion. He stated that nothing will be voted on tonight regarding the budget. Miscellaneous fees include copies, fax services, NSF fees, and fees for certain documents such as the City's Comprehensive Plan based on the costs of printing. The NSF fee will increase to \$35 as the banks have increased the fees to the City.

There are proposed increases for Building and Planning fees, with building permit fees increasing between 5 to 9 percent based on valuation of the project. Several planning application fees will increase to cover the City's administration costs. Many of these fees are already required to reimburse the City for actual costs for outside services.

Ms. McMaster provided an overview of the of the estimated general revenues received. Tax revenues are 71% of all revenues with 11 % of tax revenues being allocated for Library and Streets.

Streets funding is projected at \$344,000 including state fuel tax, transfers from the General Fund and Solid Waste, right-of- way permits (increasing to \$75), Grants, and reserves held for improvements. The Kalama Transportation Benefit District was established in 2013 and is funded by the \$20 fee seen on the car tab renewals. This money is all used for street improvements, and the first projects were completed in 2016. Superintendent Kelly Rasmussen explained the project paved portions of North 5th, North 4th and 3 blocks of North 3rd, and parts of Ivy and Juniper. This project for the side streets was around \$85,000. While the East Frontage project was about \$406,000 due to engineering and design.

Garbage revenues are about \$350,000 of which 15% is retained by the City for administration costs while the rest covers the cost for contracted services through Waste Control. State Refuse Tax, which is paid to the state, and the City Utility tax used for street improvements are also collected.

Water/Sewer revenues include the 2017 rate increases, connection fees, and miscellaneous revenue such as parts/labor, hydrants permits, grant/loans for Sewer System Plan update, and interest on reserves. Water and sewer rates will increase next year based on Ordinance Nos 1368 & 1369 that were adopted in December 2015. Examples of a current residential bill vs next year's bill were provided based on 2-person and family of 4 size households. She explained that 19% of Water rates and 35% of sewer rates go into

reserves, along with all of the connection fees.

Ms. McMaster stated it is proposed to increase both residential and commercial late fees with the residential late fees going to \$20. The commercial late fee is proposed to increase to \$50 or it may be changed to a 5% fee of the balance which is how some other entities are charging late fees. It is also proposed to increase the disconnection fees to \$50. Superintendent of Public Works Kelly Rasmussen explained about the amount of time it takes to do shut offs and why he would like to see an increase. Councilmember Siipola asked for clarification on commercial shut off procedures. It was explained that in an effort promote business and not discourage it staff makes courtesy calls for the first few incidents before actually shutting off the service. The overall distribution of Water/Sewer revenues was provided and 37 percent of all revenues are allocated to reserves for system improvements.

Budget Hearings on the expenditures for 2017 will be held at the next two Council meetings. The Council and public are welcome to come in and discuss the budget with staff at any time.

6. PUBLIC COMMENTS/CONCERNS

Mr. David Devine, who lives just out of town off Sauer Road and is a current water customer introduced himself to the Council. He stated that he is new to the community and has not been to a Kalama meeting before. He wanted to thank everyone with the City for what they do especially the police. He has had experience with police through working in the foster care system in another state, so he understands some of what they face. He came tonight to talk about water but for what it's worth he would like to comment on a couple of items from the public hearing. He explained that he sees the annexation to the City as a gain for the city, so he doesn't see why triple the fee. This would not be a "welcome mat". Clerk/Treasurer Coni McMaster clarified that the increase is \$150 going from \$350 to \$500 not going up from \$150. Mr. Devine also commented that by doubling the utility late fee the City could be hurting the lowest income people of the City. Mr. Devine then addressed his concerns with the chlorine smell he has notice in the water. He took two classes of tap water and added 15 chemical drops to one which should change the color of the water if chlorine is present. He understands that the chlorine is necessary to process the water for the public. The glass of water stayed clear and he stated that he had gotten a different result in water drawn from the men's restroom earlier than he is getting on the water taken from the kitchen. It was explained that chlorine dissipates while setting in the open, and this may be the case here. If water runs for a minute or two this will also lessen the chlorine level from what may have been sitting in the pipes. The treatment of water is required by law. Superintendent of Public Works Kelly Rasmussen explained that they test the water at the City shop everyday as mandated by Department of Health. Kalama's water goes through the treatment plant and out to the 2-million-gallon reservoir where it then goes out to the residents and out to additional reservoirs in the system. Chlorine is only added at the plant and not throughout the system. Kalama flushes the water lines frequently for this reason. Kalama's water was voted as Best Tasting Water in 2014 by the American Water Works Association which was a national award. Mayor Poulsen suggested Mr. Devine contact Superintendent Rasmussen about taking a tour of the system and how it works.

Lewis Hendricks of 153 Greystone in Kalama asked about the two abandoned houses that are across the street from him. He feels they are bringing his property values down and wants to know what actions the City is taking after they had condemned the one at 156 Greystone. These two homes have had a lot of history with the police and possible drug trafficking. 156 Greystone, the condemned house, is under foreclosure by USDA and the City is looking at ways to address getting the nuisance abated. Mr. Hendricks explained he is concerned that kids could be drawn to these homes as well as the effect on the neighborhood. Mayor Poulsen responded that he understands the issues. The staff has been working to and will continue to try to find a way to address the problem. Mr. Hendricks noted that he really likes the community and the small town atmosphere and benefits.

7. UNFINISHED BUSINESS

A. Waste Control – Solid Waste Contract Approval

Clerk/Treasurer Coni McMaster explained that the current contract had expired back in January. The new contract does not make any significant changes and has been reviewed by both entities and their attorneys. Waste Control General Manager Ken Young was present and noted that he and the Willis' appreciate of the relationship Waste Control has with Kalama. They always want to do a good job and try to address any issues as soon as possible. Ms. McMaster noted that Waste Control responds well when needed. Councilmember Rosemary Siipola made a motion the Council approve the 5-year contract with Waste Control. Councilmember Mike Langham seconded, and the motion carried.

8. NEW BUSINESS-None

9. ORDINANCES & RESOLUTIONS - None

10. CORRESPONDENCE - None

11. MAYOR'S REPORT & COUNCILMEMBERS' REPORTS

- A.** Mayor Pete Poulsen had no report.
- B.** Councilmember Mike Truesdell was absent.
- C.** Councilmember Dominic Ciancibelli had no report.
- D.** Councilmember Mike Langham had no report.
- E.** Councilmember Rosemary Siipola had no report.

F. Councilmember Mary Putka reported that the Library has many challenges working at the bookmobile, but they are managing. They are looking at the hours they work on Saturday to see what might work better for the public. The Library received a grant for two orange backpacks which are for kids and are to be filled with books and activities. This Saturday is Ladies Tea sponsored by Folk and next week is the volunteer breakfast. Part-time librarian Molly Ciancibelli is hosting the book discussion group which has grown to about 10

people regularly. Councilmember Putka added that she attended the Chamber meeting yesterday where McMenamins representatives discussed the new facility. McMenamins is a family owned organization and when they build they plan to stay in the community. As part of the project they want to include some history of the community in the development. They have found that when they come in, other businesses will follow. They hope to employ about 75 locally once they open. They will get most of the materials locally as well. They are hoping to be open by October 2017. She noted that they do get involved with non-profits within the community. Councilmember Putka noted that a committee has been formed to work on 100-year birthday of the Library, and they may have a need for Tourism money if some is available.

12. DEPARTMENT REPORTS

A. City Administrator Adam Smee was absent.

B. Superintendent of Public Works Kelly Rasmussen presented a written report. He discussed the storm that never really evolved as it split over the ocean and lost its impact. The area did get some winds and a few trees went down. On Monday we did get a large cloud burst that created areas of high water in the downtown area. He did a walk through of the areas and had some additional jetting done. With that he discovered some areas that really need some major improvements for the future if funding can be found. They have made some changes that should work to help alleviate the impacts in areas such as the Post Office parking lot. Kelly noted that the crew has been keeping up on clearing storm drains before and after the storm. There are sandbags available at the shop if needed. It was noted that the improvement the City has made at the culvert on N. Second and China Garden Road worked well during the heavy rain event. Kelly noted that we are fixing many the problem areas and will now be looking at downtown. It was noted that Police station modular buildings are sold and will be moving in the near future.

C. Police Chief Randy Gibson presented his statistical report which included 84 calls for service with 19 reports which range from dog bites to vehicle prowls which are the usual types of calls. Included on the report was the high speed pursuit incident that happened two weekends ago where Kalama officers put out spike strips to slow the vehicle that was speeding the wrong way on the interstate. This helped to end the pursuit sooner and avoid any accidents.

D. Clerk/Treasurer Coni McMaster reported that City Administrator Adam Smee is at the County Planning Commission meeting. In her Department, the computers were down nearly two days which made things interesting. Ms. McMaster noted that the audit is complete and the exit conference held. Overall the audit report will be a good one, but it does include one finding related to an error in reporting of the City's pension liability that is held by the State. This was a new reporting requirement in 2015 and the calculation was done incorrectly. This under reported the liability by a large amount and therefore would be considered material resulting in the finding. The City has no direct control of the funds. This is the first finding for Kalama since 1992 or 1993. The auditors did find that the City has adequate internal controls and operates efficiently and issued a clean accountability audit. Mayor Poulsen noted that the auditors did not represent the finding as serious and that other entities have had issues with this same new reporting requirement.

E. City Attorney Erin Hillier report that she is reviewing new rulings on sign codes and other constitutional rulings by the courts. She will be looking for model codes from different sources and comparing the City's current codes before recommending any changes.

13. CONSENT AGENDA

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

1. *Claim and Payroll warrants 36759-36814 and ACH transactions of \$27,549.45 totaling: \$127,759.67*
2. *Minutes of the October 5, 2016 City Council Meeting*
3. *Set 2017 Budget Hearings for November 2nd & November 16, 2016*

Councilmember Mike Langham seconded, and the motion carried.

14. EXECUTIVE SESSION - None

15. ADJOURNMENT

Mayor Poulsen adjourned the meeting at 8: 08 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 City Council

DATE October 19, 2016

Name	Address	Phone/Email	Do you wish to Speak?	Subject
David Devine	135 Leaside Ave S RD	603 381-3854	X	Water
Lewis Handbiker	153 Grey Stone Rd	971.533-1915	X	Empty houses
Ken Young	3165 Maple Hill	636-7608	NO	Waste Control Contract

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.