

**CITY OF KALAMA
CITY COUNCIL MEETING
NOVEMBER 2, 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 Mike Truesdell, Mike Dennis Langham, Rosemary Brinson Siipola and Mary Putka. Councilmember Dominic Ciancibelli was absent. City staff present were 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. 2017 Budget & 2017-2012 Capital Facilities Plan Public Hearing

Clerk/Treasurer Coni McMaster presented a power point overview of the 6-year Capital facilities plan and estimated expenditures for 2017. She reminded the Council that there will be questions needing their answers and anything at this point can be changed. In the end, the budget is approved by the Council. Revenues have already been discussed at the meeting on October 19th, and these proposed expenditures are based upon those projected revenues.

In 2016, the City completed Capital Projects that included the Downtown Street Overlay (Frontage Road), China Garden Road improvements, paving on 5th Street – 3rd – Holly- Juniper. Ongoing projects include the City Hall renovations, the restoration and expansion of the Library, the Robb Road Water/Sewer Line extension, Meeker Drive Stabilization, Water System Plan, and the Economic Development plan. The City hopes to have Water System Plan update completed before the end of the year. In 2017 the City plans to complete most of these projects. The Meeker Drive Stabilization project is ongoing and will be completed in phases depending upon the funding that may be available. New projects for 2017 include the Sewer System Plan update, Date Street Waterline replacement, and the design and construction of the new Police Facility. Ms. McMaster went on to discuss cost of these projects. Library Restoration/Renovations is estimated to cost \$250,000, which is funded by Insurance/FEMA recovery funds and Capital Improvement Fund. The Robb road Water/Sewer Extension was budgeted at \$475,000 but Public Works Superintendent, Kelly Rasmussen, has said it may be less. The Meeker Drive stabilization project is funded by the STP grant and is budgeted at \$120,000 to complete the slide studies. Police Facility Design will be \$200,000 and will be funded by the new sales tax, if it passes, outside sources, and

reserves. The Economic plan is budgeted at \$75,000, part of this money has been used this year. City Hall parking lot and sidewalk is budgeted to cost \$25,000. Council Member Rosemary Siipola asked what the Meeker Stabilization entailed. Mr. Rasmussen explained that it was funded by the STP grant and that they had Geo-Techs measuring the slide every 6 months. He stated that the goal is to have something shelf ready and a sensible idea as to what is happening underneath to apply for funding. This project may be eligible for TIB funds.

Ms. McMaster continued with Future Capital improvements. Funded projects include a new Police Facility which is a priority project and the City will be looking for additional funding as the total cost is a rough estimate at this time. Future Water projects are projected to have enough funding based on the Water/Sewer rate study conducted in 2015. Future sewer projects will be determined after the Sewer System Plan is completed but at this time repairs are only funded. Unfunded projects were not covered for future years. Currently there are no funded projects for streets, City Hall, Library, except what needs to be done next year. Community building has many needs but none with funding.

Ms. McMaster moved on to the actual budget beginning with Library Operations. She explained that this has nothing to do with remodel and is strictly operating costs. Ms. McMaster also stated that this does not include Furnishings needed once the renovations are complete. Revenues are estimated to be \$50,350, with total expenditures including, personnel, general operating costs, new books and computers for total estimated expenditures at \$53,053. This leaves a -\$2950 shortage, which should be covered by the estimated carryover from 2016 to 2017 of \$10 to 15,000. Councilmember Mary Putka asked if any of the carryover can be used for capital projects. Clerk/Treasurer Coni McMaster explained that they may need the funds to provide an extra buffer for new costs of operations in the new facility such as utilities, but the funds could be used for any Library purpose.

Tourism funding has estimated revenues of \$8450 and a projected carryover of \$10,000. Estimated expenditures include the website at \$1700, Big Idea Funds at \$900, and Tourism books at \$2500 which is an optional item. Requests for Tourism funds this year are from the Untouchables Car Show for \$2000, the Library Anniversary Committee and an estimate of \$10,000 for two Street dances that which was requested by the public after the one held with the Car show this year. This takes the entire budget and leaves nothing for the future. There was discussion regarding the street dances and community events and it was believed that they could be done for less or maybe just the one with the Car Show. Mayor Poulson added that he wanted to fund a band for a Fundraiser for the Community building in February. Based on the recommendations of the Council changes were made to Tourism by deleting the tourism book funding, reducing the city event budget to \$5000 and adding \$1000 for the Library anniversary event which will leave some funding for the future. Councilmember Mary Putka added that some banners for the light posts in front of library could be purchased.

Community Building revenues are estimated at \$14,050 and expenditures including personnel, operating costs, insurance and utilities, and deposit refunds equal \$24,500, leaving a shortage of \$10,450. Councilmember Rosemary Siipola asked about damage deposits and clarified how the damage deposits are refunded depending on cleaning/damage after an event. Mayor Poulson noted there is a plan for the Wine & Chocolate event in the spring. Fundraisers typically bring in 3-4 thousand. Ms. McMaster noted that the General fund has been paying insurance this year. Councilmember Siipola noted since the City is still

using a portion of the building for the Police it would be appropriate to continue this for 2017.

The other Special Revenue funds were reviewed. Criminal Justice is used for special programs or equipment for the police such as the shop with a cop and it is projected at \$6500. Community Building Reserve is funded from donations mostly from the Amalak and Lions Club, and used for Community Building improvements but none are budgeted for 2017. Wage and Benefit reserves used for leave buyouts and budgeted at \$7000. Parks Improvement funds come from new development assessments with a balance of 20000 to carryover but zero to be spent in 2017. Within that fund the Community Education program is ran and that is self-supporting at about \$2000 a year. Housing/Community services is funded by recording fees and can only be used for affordable housing which for Kalama would be the housing authority. Kelso Housing Authority has taken on the Kalama Housing Authority and have indicated they will be requesting some of the funds. The Designated Reserve Fund is for the annual liability insurance of \$171,000 which is an 11% increase. The City's assessment is based on a combination of property values, personnel and claim rates. Capital Improvement fund/Real Estate excise tax is the state tax restricted for capital projects which will include the Library and Police facilities estimate at \$400,000. The Police Vehicle Reserve is 0 for 2017. General Fund Reserves has been being built up to be available for one-time expenses/projects and emergencies, but may be needed for some of the costs of the Library and Police restorations. There is the USDA – Loan payment Fund for \$47000 and the project fund for the City Hall Improvements of \$25,000.

Water/Sewer Operations has a projected revenue of \$2,584,000 which can only be used for Water/Sewer. The figure does not include any carryover or projected hookup fees that go into reserve funds. The expenditures including personnel costs of \$850,000, operating expenses of \$871,000, maintenance/equipment costs of \$100,000, reserve allocation from rate increases of \$670,000, and additional reserve funding for equipment and benefits of \$49,000 for total expenditures of \$2,537,000. This leaves a difference of \$47,000. There will be a carryover from 2016 of \$100,000 or more, so the funding should be sufficient to meet the needs.

Water/Sewer Reserve fund are used maintenance/improvement projects and loan payments. Water reserves will go to the Robb Road Water Extension estimated at \$300,000, loan payments at \$223,000, and prep for the Cloverdale Pump Station at \$65,000 with estimated carryover of \$685,000 to 2018. Sewer Reserves will go to the Robb Road Extension project at \$100,000, sewer line replacements of \$15,000, the Sewer System plan update of \$100,000 and loan payments of \$406,000 with a projected carryover to 2018 of \$585,495. Ms. McMaster stated that it is important to understand that this will be the first year that our sewer reserve carryforward actually covers our sewer loan payments, which is why sewer improvements have been on hold. Public Works Equipment Reserve will purchase equipment of about \$18,000 leaving a carryover to 2018 of \$75,000. The Sewer Loan Reserves is required by the loan for the Wastewater Treatment Plan and has about \$235,000. The I & I Reserve is used for sewer line maintenance and will expend \$15,000 of the balance leaving \$153,000 to carryover to 2018.

Garbage has estimated revenues of \$382,000 with expenditures including contact services with Waste Control of \$300,000 for a total \$376,800 which leaves \$5820 to carryover

to 2018.

Ms. McMaster asked for questions and stated that the Final Budget hearing would be held November 16th but noted that it may be continued to the December 7th meeting for finalizing the budget.

6. PUBLIC COMMENTS/CONCERNS

Kalama resident Connie Dean addressed the Council regarding the proposed Methanol refinery. She had read an article regarding Louisiana city that had helped to build a methanol plant in the city in 1987. The cancer rates in the immediate area increased 85% after it was built. It was planned prior to the public being made aware of the project and the public did not get a voice in the planning. Ms. Dean noted that this had made her think of what she wanted her legacy to be when she is gone. She likes to help people and protect the environment, but up until this project she had been a silent activist. She asked the Council to consider what they would like their legacy to be and if it is what this plant will bring to Kalama.

7. UNFINISHED BUSINESS - None

8. NEW BUSINESS - None

9. ORDINANCES & RESOLUTIONS

A. Resolution No. 643 – Deactivation of the Kalama Housing Authority

Mayor Poulsen noted that the Kelso Housing Authority has taken over the Kalama Housing Authority and it was the best solution available to keep the low-income housing available in Kalama. The transfer of the assets took place back in July and this is just to formalize the Kalama Housing Authority's deactivation. Resolution No. 643 was read by Title: A Resolution of the City Council of the City of Kalama deactivating the Kalama Housing Authority Under RCW 35.82.320, as of the date of transfer of all assets and activities to the Kelso Housing Authority, July 1, 2016. Councilmember Mike Truesdell made a motion the City Council adopt Resolution No. 643 as read. Councilmember Mike Langham seconded, and the motion carried.

10. CORRESPONDENCE - None

11. MAYOR'S REPORT & COUNCILMEMBERS' REPORTS

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

E. Councilmember Rosemary Siipola reported she will be attending the AWC regional meeting in Woodland tomorrow night.

F. Councilmember Mary Putka read a thank you to the Community from Chamber president Taryn Nelson for all the support for the downtown Halloween event which include the City crew and Police officers. She also noted there will be a Festival of Boats event on December 10th.

12. DEPARTMENT REPORTS

A. City Administrator Adam Smee was absent.

B. Superintendent of Public Works Kelly Rasmussen presented a written report, adding that the crew has been busy all over town. They worked with the City of Longview and City of Kelso on jetting some additional areas downtown where they found some roots in the system that could have been a part of the issues during the last big cloud burst. They are prepared for the next big rain. He informed everyone that the best guide for weather is the online through NWS Portland and provides better information than TV.

C. Police Chief Randy Gibson presented his statistical report with 82 calls resulting in 10 reports or investigations. He noted that the Halloween event went well, but there did seem to be more of a traffic snarl this year.

D. Clerk/Treasurer Coni McMaster provided the Cash activity report for October and noted that she has been focusing on the budget.

E. City Attorney Erin Hillier was absent.

Mayor Poulsen called on Cowlitz/Wahkiakum Council of Governments Executive Director Bill Fashing who was in the audience. Mr. Fashing reported that the COG has received a grant for a pilot program through AWC for developing a regional legislative agenda to help all the entities in southwest Washington. This will be a different approach to area legislation. Work is also continuing with the Economic Development Council which now includes Wahkiakum County, and the regional Transportation Planning.

13. CONSENT AGENDA

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

- 1. Claims and Payroll warrants 36815-36879 and ACH transactions totaling \$31,135.18 for a Grand Total of \$235,641.61*
- 2. Minutes of the October 19, 2016 City Council Meeting*

Councilmember Mike Langham seconded, and the motion carried.

14. EXECUTIVE SESSION - None

15. ADJOURNMENT

Mayor Poulsen adjourned the meeting at 8:17 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

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