

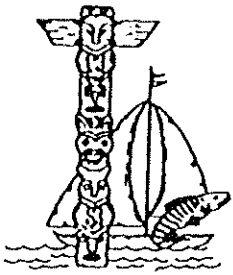
City of Kalama

320 N. First St.
Kalama, WA 98625



City Council Agenda October 18, 2018 @ 7 pm

1. OPENING - Mayor Mike Reuter
 - A. Flag Salute
 - B. Roll Call
 - C. Changes to the Agenda
2. EXECUTIVE SESSION
3. PRESENTATIONS & AWARDS
4. PUBLIC HEARINGS
 - A. Garbage Rate Increase
 - B. 2019 Budget – Revenues – Ad Valorem Property Taxes – Rates & Fees
5. UNFINISHED BUSINESS
 - A.
6. NEW BUSINESS
 - A.
7. ORDINANCES & RESOLUTIONS
 - A. Resolution 673 - Garbage Rate Increase
 - B. Ordinance No. 1409 – 2018 Budget Amendment
8. PUBLIC COMMENTS & CONCERNS (3 minute limit)
9. CORRESPONDENCE
10. MAYOR & COUNCILMEMBER REPORTS
 - A. Mayor Mike Reuter
 - B. Councilmember Mike Truesdell - Tourism
 - C. Councilmember Sandra Macias – Finance & Public Works
 - D. Councilmember Mike Langham – Police & 911 Board
 - E. Councilmember Rosemary Siipola – Planning & Economic Development
 - F. Councilmember Mary Putka – Chamber & Tourism



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11. DEPARTMENT REPORTS

- A. City Administrator Adam Smee
- B. Director of Public Works Kelly Rasmussen
- C. Police Chief Ralph Herrera
- D. Clerk/Treasurer Coni McMaster
- E. City Attorney Sam Satterfield

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

A. Approved for payment are:

Claims and Payroll Warrants #39578-35638 plus ACH/EFT payments for the Month of October in the amount of \$ 550,688.60

B. Approval of Minutes of the October 4, 2018 City Council Meeting

C.

13. EXECUTIVE SESSION

14. ADJOURNMENT

**CITY OF KALAMA
CITY COUNCIL MEETING
OCTOBER 18, 2018**

1. OPENING

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

Councilmembers present were Mike Truesdell, Sandra Macias, Mike Dennis Langham, Rosemary Brinson Siipola, and Mary Putka. City staff present were City Administrator Adam Smee, Director of Public Works Kelly Rasmussen, Clerk/Treasurer Coni McMaster, and Police Chief Ralph Herrera. City Attorney Sam Satterfield was also present. Members of the public present are listed on the sign-in sheet.

2. CHANGES TO THE AGENDA – None

3. PRESENTATIONS & AWARDS

4. EXECUTIVE SESSION

5. PUBLIC HEARINGS

Mayor Reuter made note before the hearings that the property tax increase of 1% is only \$1.69 per resident which isn't much. Also, the Garbage Rate increase is due to Waste Control increasing rates. He will address the issue with the County and make efforts to avoid any future increases.

A. Garbage Rate Increase

Mayor Reuter opened the public hearing. Clerk/Treasurer Coni McMaster presented information on the increase which is being implemented due to the contract requirements included in the contract the City has with Waste Controls which requires the City increase the rates when Waste Control does. Waste Control has received approval for the rate increase from the State Utilities and Transportation Commission citing the recent increase in tipping fees, plus increases in fuel, wages and other operating costs. The increase to the residents is dependent on the size of the cart and ranges from \$1.77 to \$2.60 per month. The new rate is expected to go into effect on December 1, 2018, so residents will receive the increase on the bills issued December 31st.

Marrene Jenkins, resident on Taylor Road asked if citizens are able to negotiate the number of pickups or opt out of the service. The City has mandatory garbage laws as do most cities for health and safety reasons, so the citizens can't opt out of the service. The does offer a low-income discount that reduces the number of pickups and cuts the costs. Mr. Mike Frerichs, resident on Old Pacific Highway asked if the Council has to pass it or was it already done and do the citizens just have to deal with it. Ms. McMaster replied it has not been passed yet, but staff does recommend the Council adopt the rates so as not to break the contract they have with Waste Control. City Attorney Sam Satterfield added that it is a contractual obligation, and the City could lose the service if they fail to adopt the rates. There was a question asked

about how the rates are determined. City Administrator Adam Smee explained the landfill fees are set by the County Commissioners based on recommendations from the Solid Waste Advisory Committee using information on the cost of living index and costs of running trucks on the routes. Waste Control has to go through the state to get approval for any rate increase. The landfill tipping fees do not require this approval. Mr. Terry Hoggatt, Summit Drive stated that by recycling he is not filling the can and he will be looking into reducing the size of the can he has since that is an option. Mayor Reuter closed the hearing.

B. 2019 Budget – Revenues – Ad Valorem Property Taxes – Rates & Fees

Mayor Reuter opened the public Hearing on 2019 Revenues. Clerk/Treasurer Coni McMaster made a presentation outlining the different revenue sources of the City, and noting the increases the City is proposing for 2019. The City is planning to increase the Property taxes at the legal limit of 1% which provides the City \$4639.47 increase from 2018. Based on the City population of 2750 this equals \$1.69 per resident. The rate per \$1000 of assessed valuation is \$1.610069 which is less than the \$1.740714 in 2018. The annual cost for the city's share of the property taxes on a \$250,000 home will be \$402.52 which is \$32.66 less than what was paid in 2018. The 2018 rate was also less than the 2017 rate by \$49.21. The reduction in the levy rate is due to the new construction that has been added to the City's assessed valuation and the legal limitations. While this is good for the taxpayers, it limits the City's ability to meet the costs of inflation and staffing needs to maintain the expected levels of service. Other tax revenues included in the budget are sales, utility taxes, real estate excise, leasehold, gambling, fuel, hotel motel and liquor taxes, some of which are distributed based on the population. The City is not implementing increases to any of these tax rates for 2019. Other revenues sources not being adjusted for 2019 are the Transportation Benefit District used only for local street improvements, recording fees used only for affordable housing, and state funding (based on population) for criminal justice. The City assesses fees and charges for certain activities and for services it provides to the citizenry. These include business and dog licenses, permitting fees, building permit fees, rental fees and other miscellaneous fees. Of these staff is recommending changes to a few of the business license fees based on the code revisions, an increase to the labor rate of \$5 and increases to all of the planning and development application fees which range from a 20% to 50% increase. These applications are becoming more complex as new regulations are implement by the state requiring more staff time to administer and process. Utility rates will see the 4th increase of a 5- year incremental planned increase recommended by the 2015 rate study. Residents will see and increase depending on usage but an average increase will be between \$11.42 and \$14.94 per month. Grants for some police activities will be received in 2019, and the Library received a Rural Heritage Grant to continue their project of preserving Kalama's history. Public Works has applied for two street project grants from the Transportation Improvement Board, but will not know if approved until November. The City does not anticipate taking any loans or incurring other debt in 2019. An overview of the projected 2019 revenues shows just over \$10,000,000 which does include some duplicated revenues for transfers of certain monies between funds such as connection fees and utility rates allocated to reserves.

Mr. Dan Ohall, Taylor Road asked what the timeline is for upgrades to the Sewer Plant. City Administrator Adam Smee explained the city just completed the Sewer plan update which covers 6 years but includes a planning horizon of 20 years for maintenance of the system. The plan includes over \$14 million in upgrades on the system required to maintain operations and

meet capacity needs. All systems depreciate over time and mechanical systems show wear and tear which require replacements and maintenance. The Sewer Plant is now 11 years old and within the next 5 years many of the mechanical pieces will need replaced or updated to remain in operation to meet its 20-year life span. There is a plan for expansion in place that would add 50% more capacity at a cost of \$4 million which would be expected to begin design or planning in the next 10 years. Mayor Reuter asked what will happen with the rates once the five years of rate increases are completed in 2020. The 2015 rate study projected what rate growth should be which is how they based the rates. If they didn't miss anything in those calculations, any rate increases should only be to equal inflation rates in future years. The need for the large rate increases for sewer is due to the lack of increases in the past. The City was at a point where they were not holding enough in reserves to meet the debt on the Sewer Plant, so maintenance and improvements for the future were not being funded. In 2020 the City will need hire a consultant to update and revise the rate study to determine future rate increases and needs of the system based on the updates to the water and sewer plans and actual improvements to and needs of the system to meet the community needs.

Ms. Marrene Jenkins, Taylor Road, asked how the revenue from McMenamins affects the calculations. Administrator Smee explained that with a business such as McMenamins or new development, it brings in added general fund revenue, but in terms of utility rates it is proportional as it draws on the capacity the City has to offer. Water and Sewer systems and plants are built to include capacity for future growth. Larger users take more of that capacity than a single-family home, so the capacity can be used up faster. The City places the connection fees and also a portion of the rates so that it can meet the needs of not only the existing but the future capacity.

Ms. Jenkins about the growth in the community and if the approved developments have their own sewer or stormwater plants. Stone Forest has its own storm water system that connects into the City's and those homeowners pay a fee for when the homes are built. None have private sewer systems. Subdivisions or developments do build the infrastructure within the development or make improvements to existing systems as part of developing. The systems are then given to the City and the City becomes responsible for the future maintenance and replacement. Commercial and residential growth are calculated into the capacity needs when designing a new system. Currently the City is still on the same projected growth level for the design life of the sewer plant. The growth is not over taxing the system which is shown in the updated Sewer Plan. Ms. Jenkins asked about the amount in Fund 412. Ms. McMaster explained this is loan reserve account. Under the loan agreement the City is required to hold a loan payment in reserve so the fund has been invested and will only interest as revenues for 2019.

Ms. Mel Kamerath, Tenth Street asked if the reason for the garbage rate was explained. It was noted that Waste Control cited the increase in their operating costs over the last three years. Ms. Kamerath asked about the tourism funding and if that had been allocated. Ms. McMaster explained that at the last meeting this was discussed and due to the funding being new the Council had agreed to allocating \$2000 each to three requests and to fund the freeway antique sign in 2019. They would also set up a committee to look at adopting a policy and plan for tourism in the future. Administrator Smee added that the City has limited history on the revenue, so are still collecting data on whether there are seasonal fluctuations, so the predictions could be off. This is why it is recommended we determine a policy and a plan.

Mayor Reuter closed the hearing.

6. UNFINISHED BUSINESS - None

7. NEW BUSINESS - None

8. ORDINANCES & RESOLUTIONS

A. Resolution 673 - Garbage Rate Increase

Resolution No. 673 was read by title: A Resolution of the Kalama City Council adopting new rates for providing garbage service to the residents of Kalama beginning December 1, 2018. Councilmember Mike Truesdell made a motion the City Council adopt Resolution No. 673 as read. Councilmember Mike Langham seconded, and the motion carried.

B. Ordinance No. 1409 – 2018 Budget Amendment

Ordinance No. 1409 was read by title: An Ordinance of the City of Kalama, Washington amending the 2018 Budget to account for unanticipated revenues and expenditures in General Operating Fund 001, Tourism Fund 105, and Water/Sewer Connections in Fund 401 increasing the Budget in the amount of \$394,500.00. Councilmember Mary Putka made a motion the City Council adopt Ordinance No. 1409 as read. Councilmember Rosemary Siipola seconded, and the motion carried.

9. PUBLIC COMMENTS/CONCERNS - None

10. CORRESPONDENCE - None

11. MAYOR'S REPORT & COUNCILMEMBERS' REPORTS

A. Mayor Mike Reuter had no report.

B. Councilmember Mike Truesdell had no report.

C. Councilmember Sandra Macias had no report.

D. Councilmember Mike Langham had no report.

E. Councilmember Rosemary Siipola had no report.

F. Councilmember Mary Putka noted that she agrees a tourism committee is need to set a policy and plan for increased funding. She has been looking at how cities throughout the state use their funds. The committee should include members of the Chamber, members of the branding committee and citizens.

12. DEPARTMENT REPORTS

A. City Administrator Adam Smee noted that the Budget amendment included \$50,000 for funding stormwater maintenance for the remainder of the year as had been requested by the downtown business owners.

B. Director of Public Works Kelly Rasmussen presented a written report. He noted the Crew completed a very difficult repair at the Simmons Road Reservoir when the one pump went out. The Toteff Park restroom is closed until next week as the door lock is broken and the part had to be ordered. He thanked the City of Longview for allowing their crew to help him with the vactoring and camaring of the downtown storm system which has been done all week. It's been very interesting as they discovered many things that were unknown in the system which in places dates back to the 20's. They have been compiling data by going from manhole to manhole. The engineers have also been surveying the system. When both are done the information will provide the city with detailed system map of the downtown core. He met with the business owner workgroup tonight and will continue to work to find ways to use funds to avoid flooding in the future. The mapping projects will hopefully be completed next week. Director Rasmussen informed all that per notice he received today, as of November 1, Waste Control will stop taking plastic at the recycling locations in Kalama and the County. This is due to the collapse of the market in China. He will try to get some additional containers for cardboard once the plastic ones are removed. The information will be put out on the utility bills and in the newsletter and posted online to inform the public. He also reminded the public that while the containers are on City property, they belong to Waste Control and are their responsibility.

C. Police Chief Ralph Herrera presented his statistical report for 163 calls for service with 14 reportable incidents. The Department will participate in the Career fair at the School next week. On Saturday, October 27th Prescription Take Back Day will be held. The Department will participate with Fire District 5 to accept unused and expired medications from the public which will then be properly disposed of. Medications shouldn't be tossed or flushed. On October 28th, the City will do agility testing for Reserves applicants. There is still time to apply. Contact Officer Neil if interested. The Department has been Hosting a Fielding Training class at the Community all week. They are continuing the process to hire a new officer looking at one advanced entry level and couple of entry level candidates. The Coffee with a Cop was successful. They are hoping to maybe do a larger more social event in the future. Mr. Mike Frericks noted the Chief is doing a great job.

D. Clerk/Treasurer Coni McMaster reported she has been working on preparing for the budget hearings. The invoices tonight include a payment on the Police facility construction. She will be preparing the final resolutions on the property taxes and fee increases for the meeting on November 15th. The packets for November 1st will be out by next Thursday. A newsletter will be included in the October water bills with information on Stormwater – already posted on the website, and info from the Police and Public Works. Hope the customers will take the time to read it. The Library/FOLK will hold movie afternoons next during the school's early release. She reminded everyone to vote on the new Vision and Mission statements and new logo design which are displayed at both the City Hall and the Library as well online on facebook and the City website.

E. City Attorney Sam Satterfield had no report.

13. CONSENT AGENDA

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

Claims and Payroll Warrants #39578-35638 plus ACH/EFT payments for the Month of October in the amount of \$ 550,688.60

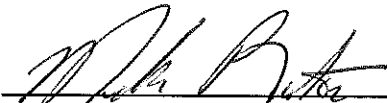
Approval of Minutes of the October 4, 2018 City Council Meeting

Councilmember Mike Langham seconded, and the motion carried.

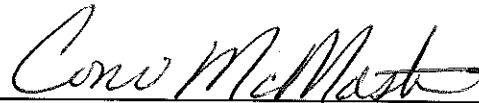
14. EXECUTIVE SESSION - None

15. ADJOURNMENT

Mayor Reuter adjourned the meeting at 8:25 p.m. These minutes are not verbatim. A copy of the recording for this meeting is available for review upon request.



Mike Reuter - Mayor



Coni McMaster - Clerk/Treasurer

MEETING SIGN-IN SHEET

MEETING: **KALAMA CITY COUNCIL REGULAR MEETING**

MEETING DATE: **October 16, 2018**

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 STAND - SPEAK CLEARLY and step forward. Thank you.

PLEASE CHECK AGENDA ITEM(S) YOU WISH TO SPEAK TO

Name	ADDRESS	EMAIL OR PHONE NO.	Pub Hear GARBAGE RATES ✓	Pub Hear 2019 Budget - Revenues ✓	PUBLIC COMMENTS SUBJECTS NOT ON AGENDA
Ann Fahn	1051 N 7 th ST.				
Debra Nelsen	630 Taylor Rd	360 481 5608			
Doree Off	955 Chino Garden	431-7361			
Dennis Off	11 61	431-4856			
Charles Parsons	350 S 10 th ST	360 609 3222			
DoLores Parsons	" "	360 513 6638			
Daniel O'Neal	285 Eli Avery	673-6367			
John Flynn	Taylor Rd, Kalama	673-3676			
Mike French	old Lee	360-450-1555			
HOSGATI Hosgati	80 Summit Ave				
Margaret Smith		360-673-3440			ongoing - about budget review
Andi Dolph	Taylor				
Mea Kamath	10 th ST	360-773-8031			