

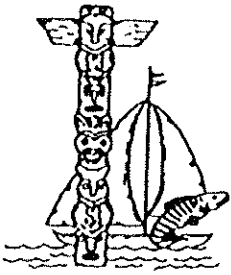
City of Kalama

320 N. First St.
Kalama, WA 98625



City Council Agenda November 1, 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. Stormwater Utility – Plan – Implementation
 - B. 2019 Budget – Initial Budget Hearing - Expenditures
5. UNFINISHED BUSINESS
 - A.
6. NEW BUSINESS
 - A. FOLK – Program Requests
7. ORDINANCES & RESOLUTIONS
 - A.
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 #39639-39687 plus ACH/EFT payments for the Month of October in the amount of \$ 255,804.70

B. Approval of Minutes of the October 18, 2018 City Council Meeting

C.

13. EXECUTIVE SESSION

14. ADJOURNMENT

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**CITY OF KALAMA
CITY COUNCIL MEETING
NOVEMBER 1, 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

A. Stormwater Utility – Plan – Implementation

Mayor Reuter opened the public hearing. Gray and Osborne Inc. engineer Mike Johnson presented an overview of the study on the feasibility of a stormwater utility and what it would do for Kalama. Once formed the fees to fund are used only for stormwater needs. The City has lots of storm lines, but most of it is very old. Any system will fail if don't do maintenance and the City has limited funds to direct at the maintenance or improvement costs at this time. In the recent work on the system the City found an outfall that they didn't know about and it is not in great condition, but they did get water flowing through it which may help the downtown area. Public works has done other small fixes to the system in efforts to direct the flow of water and control it in several areas. The utility, if formed will provide a dedicated source for funding the needs of the stormwater system. Most of the jurisdictions in the area have stormwater utilities and fees that fund it which are in the range of the proposed rates for the City. The fees are structured based on impervious surface of each parcel. The square footage for a single-family home is averaged out to be 3500 square feet which becomes the base or 1 ERU (equivalent residential unit). Ms. Marrene Jenkins asked a question about this being fair, as sizes of residential lots vary. Mr. Johnson noted that the City could calculate each parcel but it is not efficient to calculate nor administer, so the practice is to use an average to develop a base ERU. Non-residential properties are much different and their fees are calculated based upon the base rate times the number of ERU's their parcels equal as many have much more impervious surface then a residence. There are also calculations for multi-unit structures. In the industrial area of the City, many of the industries have on-site or systems that control their stormwater directly keeping it out of the City's system, but they still use the streets where stormwater must be managed. It is suggested that a credit of 75% of the calculated monthly rate be given to these properties. Councilmember Mary Putka asked if the charges will be enough to cover a position to operate the utility. The plan does not include a

new position but would include current employee allocation to do maintenance and operations of the system. Councilmember Rosemary Siipola asked based on the projects listed in the study that the first 3 things need to be done in the next five years. It was explained the study assumes that everything is cash funded and the City should try to do the first 8 in the next 15 years. If grants or loans are available then maybe do sooner using the funds for debt service.

Mayor Reuter asked about out buildings located on separate lots. If the out buildings are on the same parcel then it would be all one ERU. If a separate parcel then a separate ERU would be applicable unless the lot is undeveloped. Mr. Johnson indicated that all circumstances may not be addressed at this time but the City will look at how to administer it. Mr. Bob Smith from Kalama Telephone asked if the Appendix D was the expected calculations for most of the non-residential users. This would be a starting point and prior to implementation, they will need to double check all the lots. The projects 1 through 3 or 4 in appendix C are the first that will need to be completed. Public Works has done some study on Frontage Road already. The system will have challenges and the City may not have control over all of them. The projects are pretty solid based on the information currently available. A question was asked about the credit and if it would apply to residential lots that have on site drainage such as french drains. The credit only applies to non-residential as most residential lots will impact the system at some point. Business owner Dena Diamond Ott noted that in the draft plan it recommends completion of a comprehensive plan. Projects or priorities may change once the comp plan is completed. The projects are based on the current understanding and concerns that we are aware of and once more is known it may move projects back and add new ones. The recent camera information has not yet been analyzed. Ms. Carrie Potts noted that at her home on Fifth Street there are flooding issues as runoff comes down from Taylor Road which also needs to be addressed. Mr. Johnson noted the City has not yet done a detailed study of all basins or areas, as the current focus has been downtown and the known problems. The comprehensive plan will look at all the basins and what needs to be done to address them all in all areas of the City. Councilmember Mike Langham asked if there is a timeline on development. Mr. Johnson explained that currently the City has adopted the 1992 Stormwater manual that requires new development to address its impact on the system when it is building. They have to minimize runoff the new development may be increasing. All mitigations are done during the development process which includes the building of detention and controls to meet the needs of the area. There are newer stormwater manuals which may have more restrictions and require larger facilities. The City may have to consider changing which manual they use. City Administrator Adam Smee noted it is difficult to manage and balance the requirements and meet the needs for developers and encourage growth. Stone Forest put in the on-site facility during their construction and new developments will be required to develop under the 1992 manual. More restrictions add more costs to the development or take up more of the site making less marketable lots and costs of housing goes up. The older developments at the top of Taylor Road were done years ago and Mr. Johnson was not sure if the City had a manual in place. They did require stormwater facilities and plans. Mayor Reuter asked if there is an emergency now, what can be done. Contacting Public Works Director Kelly Rasmussen would be first. From there he will get the engineers involved to help with the issues. Ms. Dena Ott representing the businesses downtown read a letter from their attorney into the record. The letter addressed the City's failure to act to address or properly maintain the stormwater system or develop a stormwater plan which has resulted in past flooding. This includes their failure to demand Washington State Department of Transportation (WSDOT) maintain its ditch along W. Frontage Road. While the business group is not planning to initiate legal action, but may consider it in the future, they want the City to not ignore the problems. They are willing to work

toward a remedy with the City, and WSDOT. The business owners are requesting the City dedicate \$50,000 in 2019 for stormwater maintenance and repairs and carryout the comprehensive plan recommendations from the City Engineers. Clerk/Treasurer Coni McMaster read from two emails received. Jim Bain's email stated his support of the adoption of the stormwater utility. Dominic Ciancibelli wrote in his email that rates should be designated by greatest benefit, and contribution to stormwater runoff, and steps already taken to address stormwater. Councilmember Siipola asked what the cost is for the WSDOT work needed. It is estimated at a few 100 thousand dollars. She suggested the City move forward to get WSDOT to partner with the City and approach the legislature for funding whether they include it in the WSDOT maintenance budget or allocate capital funds to get it done. The City has had some conversations with WSDOT and with a couple of the legislators. Ms. Ott added that the business owners will also be sending a letter to WSDOT and copying to legislators but are waiting until after the election. Ms. Marrene Jenkins state she is still processing the ERU'S and those that have acreage if it doesn't equate to single lot as they may have greater affect than the average home. Mr. Johnson stated that details on how to address the lesser common issues will have to be looked at. If property is not developed there wouldn't be a charge. Councilmember Sandra Macias noted all of what has been done in the last couple of years and there are many areas that need to be addressed, not only downtown. Staff noted that in the past Councils have not wanted to implement the necessary fees, but it needs to be done. Administrator Adam Smee noted that as development continues in the future, as the City needs to grow, they need to be prepared and not make the problem worse. Having not addressed the issues in the past, has put us at a disadvantage. Mr. Dan Ohall commended the City on the research that has been done, thanked the business community for the support of the needed utility and voiced his support. He added that currently the County doesn't support impact fees but perhaps the county mayors should look at this along with growth issues for the future. Mayor Reuter closed the hearing.

Clerk/Treasurer McMaster asked the Council for directions as to what if anything the staff should do to move forward. Several Councilmember voiced their belief the City needs to establish the stormwater utility. Councilmember Rosemary Siipola made a motion the Council accept the recommendations of the engineer included in the Stormwater Utility Formation Study, and directs staff to draft the required ordinances for implementation and funding at a rate of \$5.50 per ERU of a Stormwater Utility for Kalama. Councilmember Mike Langham seconded, and the motion carried.

B. 2019 Budget – Initial Budget Hearing – Expenditures

Mayor Reuter opened the public hearing. Clerk/Treasurer Coni McMaster provided a presentation covering the proposed capital projects for 2019 or Capital Facilities Plan for all departments, and an overview of the projected expenditure of general fund departments. The Capital Facilities Plan (CFP) includes just over \$1.6 million for the completion of the new Police facility, Sidewalk, ADA and parking lot at City Hall, the Maruhn Monument Wayside project and flood prevention measures for the Library Building. There are equipment needs totaling \$85,000 which include computer servers, computers, a building vehicle, and an update to the City Website. Street projects included in the CFP total \$802,000, with two projects contingent on the approval of grant funding from the Transportation Improvement Board. Capital projects for Water and Sewer total \$1,843,000 for upgrades to the Sewer plant, design upgrade for the Meeker Lift Station, waterline construction, Cloverdale Pump Station construction, new

reservoir design for the Green Mountain Road reservoir, video inspection of the City reservoirs, and a new service vehicle. Future water and sewer projects are projected to cost over \$22 million but many are needed to address the aging systems. This is the reason the City is allocating a portion of the rates to the reserves and why the rates have been increased over the last five years.

The presentation continued with an explanation of the types of funds the City uses and allocations for the departments. The General Fund covers many functions of the City and includes some managerial and special revenue funds that are not strictly restricted. The unrestricted tax dollars received by the City are property, sales, leasehold, and utility taxes and are used to provide the necessary services to the City. Those services include

Department	2019 Projected Expenses	Tax funds needed
Police	\$992,584	\$ 882,844
Finance	\$342,700	\$ 147,700
Building & Planning	\$258,300	\$ 71,300
Administration of Justice	\$124,000	\$ 61,800
Legislative & Parks	\$ 60,800	\$ 60,800
General Operations	\$384,260	\$ 342,900

Each department includes the costs of personnel, operations, training and outside services for consultants in building and planning. It was noted that building permit fees are restricted to be used for covering the costs of plan reviews and inspections and not eligible for costs related to code enforcement, nuisance abatement or planning services. General operations includes the costs of the audit and insurance for all departments. Some funding comes from specific revenue sources or fees. Of the \$1,527,325 the City has in unrestricted tax dollars, the needs to provide the services is projected to cost \$1,567,344, which leaves a shortfall of \$40,019. This shortfall can be attributed to capital expenditures which include a computer server for the police and a building department vehicle which will be covered by carryover reserve. Managerial funds of the General Fund include the Library (\$72,800) and the Community Building (\$29,700). Ms. McMaster explained that the Library fund includes transfers from the General fund which remain in that fund for library expenditures as carryover from year to year. The Community building is supposed to be self-supporting, but has struggled. She has a proposal to bring to the Council for the lease of the space once the police vacate the building that would include the lessee taking over some of the management and cleaning of the facility in partial exchange for the rental fees. This would increase the revenue and reduce some of the costs on the building for the City. A lease agreement will be developed and reviewed by the City Attorney and presented to the Council in the future. Other funds include the Criminal Justice fund with included the Sales tax allocated to help pay for the Police facility, the Community Building Reserve which comes from donations, and the designated reserve funds for leave buyouts, insurance and audit costs which are funded by transfers from other funds. The City maintains reserve funds for police vehicles and a general reserve account for one-time expenditures, shortfalls, and emergencies. The goal of the City is to hold 25% of the general fund expenditures in the reserve fund and they have not yet reached that goal.

Restricted funds include Tourism funding (\$18,500), Park Improvements (\$34,000),

Affordable Housing (\$0) and Real Estate Excise – Capital Improvements - \$129,000. The expenditures for tourism were set at an earlier meeting and include funds for planning and setting a policy for the future use of tourism dollars. Parks include the community education programs as well as the Maurhn Monument. Capital Improvements include the loan payment for City Hall and work on City Hall and the Library. Debt Service Funds and Capital Improvements are dedicated to the payment of the loan on the City Hall and the construction and bond payments for the Police facility.

Streets maintenance and operation is projected at \$193,450 in 2015 to cover the costs of general maintenance, street striping, cleaning, roadside maintenance, snow & ice, street lights and stormwater. Street Improvements are contingent on the receipt of grant funding for Elm Street and West Frontage Road work, while the study on Meeker Drive will continue. The Transportation Benefit District, funded by the \$40 vehicle tab fee will be used to improve Birch to Military and if possible some other streets in that area. These funds have paid for a project each year for the last 3 years on local streets. The General Funds are projected at a total of \$4,985,524 for 2019 including \$2,425,000 in capital projects. The final budget hearing will be on November 15th which will cover the enterprise funds, personnel costs and a final overview of the budget.

Business owner Dena Ott asked if the next meeting will include the requested \$50,000 for stormwater. As the stormwater utility will be moving forward now, Ms. McMaster stated she and other staff will look at funds and projects to determine what can be included and will include in the presentation on the 15th. Kalama resident Marrene Jenkins stated that after studying and attending the budget meetings over the last few years she has looked at how the revenues have been used. She noted the proposed purchases of vehicles for building and Public Works, plus some other items that should be put on hold. The funds should be used to set off the stormwater fees and cover the costs immediately. She added that the tourism dollars should be dedicated to lighting of the murals at the underpass. While she understands that equipment has a life expectancy, she believes a moratorium on the purchase of any equipment should be in place until the stormwater is addressed and not add fees to the citizens. She is not opposed to having a reserve but has a problem with establishing any more fees based on how much things have increased in the last three years. City Administrator Adam Smee explained that City departments prioritize and set out a plan for replacement of the vehicles and equipment based on the age, mileage, and maintenance costs. Public Works places funds in reserves annually so that it can replace equipment when needed. A 2004 truck which has several mechanical issues is expected to be replaced in 2019. The City utilizes the State bid and local dealerships to purchase for more cost effectiveness. The 2001 Jeep that was used by the building department was sold when it became a maintenance issue for the City. Building has been extremely busy in the last few years and current funds will cover the purchase so it makes sense to purchase a vehicle for building department which should be good for the next 10 years. It will fill a need for the City. He understands there is a perception that the City is not being frugal, but we are planning and doing what we can to meet needs in all departments. Deferring maintenance or not replacing depreciating assets becomes an issue for the future. Councilmember Sandra Macias explained that she had some of the same questions, but now sees the City is doing it right. They need to ready when a call comes in after hours to get there and not breakdown when trying to provide service. Mayor Reuter noted that staff has talked about the calls and will continue to discuss the issues of when police cars should be replaced and options. Clerk/Treasurer McMaster noted that even if the purchases

were deferred, the specified funds can't be use for stormwater. The building funds are allocated for building while the water and sewer funds are available for water/sewer uses. General tax revenues are available for most uses, but adding a department could reduce the funds from the other departments. The Council can make a choice, but at this time have decided these services are important. It is the Council's option if they want to allocate the tax funds to stormwater instead of other departments. Mayor Reuter closed the hearing.

6. UNFINISHED BUSINESS - None

7. NEW BUSINESS

A. FOLK – Program Requests

Clerk/Treasurer Coni McMaster presented a request from FOLK (Friends of the Library Kalama) to hold a senior movie night and Fibre Arts meeting at the Library facility in the meeting room or Council Chambers. The movie night is like the movies the Library and FOLK provide for kids, as FOLK has the movie license, so that is not an issue. The Fibre Arts is something different and Ms. McMaster was not sure it met the criteria outlined in the meeting room policy as it appears more social than civic in nature. So she has referred this to the Council. There was discussion that if approval is given it will set a precedent and it may require the City to change our policy, issues of meeting room capacity in the meeting room, who will monitor the usage and clean up and what about the next requestor. Clean up of the facility is addressed in the current policies. It was suggested it be tried for 6 months, and the policies be reviewed by the Library Board. Comments from audience were that FOLK is a wonderful volunteer group that does a lot for the community and the City should be sure their policy is well written. The decision was to allow the usage, being sure that group is aware of the room capacity and policies. Future uses would be on a case by case basis. The Council may want to consider a policy update and or refer the policy to the Library Board for review.

8. ORDINANCES & RESOLUTIONS - None

9. PUBLIC COMMENTS/CONCERNS - None

10. CORRESPONDENCE - None

11. MAYOR'S REPORT & COUNCILMEMBERS' REPORTS

A. Mayor Mike Reuter asked Councilmember Mary Putka about a discussion of the Tourism funding. It was noted that a Committee is to be established for setting policies for future use of the tourism dollars and is covered in the 2019 budget projections.

B. Councilmember Mike Truesdell had no report.

C. Councilmember Sandra Macias thanked the citizens for their votes on the branding efforts. The final ballots will be tallied with results brought to the Council on November 15th. For the first time Kalama will have an official logo along with a vision and mission statement.

D. Councilmember Mike Langham had no report.

E. Councilmember Rosemary Siipola reported the Council of Governments is looking at developing a regional revolving loan fund for the future use. She will also be establishing a task force for the economic development plan early in 2019. The stormwater decision is important and shows the City is taking serious action to address the problems.

F. Councilmember Mary Putka reported it was successful Halloween event. She noted that once in place the committee will look at what other cities are doing with tourism funds.

12. DEPARTMENT REPORTS

A. City Administrator Adam Smee reported the new operating contract for 911 communications center as its own entity has been sent to the attorney for review. The 911 center will be separating from Cowlitz County. The contract appears to be pretty standard. The County has requested to extend the Jail contract for another year and it appears the existing rate will actually decrease, but booking fees will increase. The Humane Society provides services to the rest of the county and is currently in negotiations. Kalama provides its own service through the Police but has requested a daily rate to deal with the occasional need to house or quarantine an animal. The Planning Commission meeting has been changed to November 14th to accommodate the notice requirements for the public hearing on Sunset Terrace Development application. The School is planning a ground breaking in spring of 2019 but still need to do a conditional use plus other permits which will be a challenge to get it done in the timeline. The building permit for the Port T-barge project is being reviewed. The plans for the Spencer Creek infrastructure have approval from the City and County for the engineering and plans for the roundabout are still being reviewed by the WSDOT. Construction is planned for 2019.

B. Director of Public Works Kelly Rasmussen presented a written report. He is still working on finalizing the plans for the Cloverdale Pump Station and Old Pacific Highway waterline projects so they can go out for bid in January. As of today, there is no more plastic recycling at the shop, only paper, cardboard, aluminum and tin. Glass is available out on Kalama River Road. He noted they have requested another cardboard container when the plastic container is removed. There was a stormwater meeting with the business owners before the council meeting. He noted that during the camera process they found another outfall to the river, unplugged it so it is now flowing. They found some cracked/broken pipes and some we didn't know existed. Some are over 80 years old so need replaced. This is what a comprehensive study will tell the City. Ms. Jenkins asked if when streets are improved if pipes would also be replaced. Director of Public Works Rasmussen that they will if any of the pipes are in the location of the street repairs.

C. Police Chief Ralph Herrera presented his statistical report for 123 calls for service with 11 reportable incidents. The one notable incident is the burglary at Double D's and they have arrested the suspect. The Department participated at resource fair and drug take back event with Cowlitz 5. Two of the Reserve candidates passed the agility test. There will be a Drug town hall event hosted by the Sheriff in Woodland on November 8th which is the second of three events. Chief Herrera noted he is in the final stages of the hiring process to fill the

vacant position with a projected start date of December 1. He noted there will be a procession at about 8:30 in the morning to send the Cross Country team of to state. It was noted that good surveillance video and public help were valuable in the solving of the burglary. The owners noted that the police did a great job.

D. Clerk/Treasurer Coni McMaster reported County Boundary Review Board has approved the Cloverdale Annexation with comment period that closes on November 30th. October is not completely closed, so a Treasurer's report will be in the next packet. Draft of the Business License code and new Personnel Policies will be ready for review by the end of November. She and Police Clerk Krystall Marriott have trained on the new Public Record request software and it will be live on the website next week. It will better track requests and the responses. The city received a grant for the software – the setup & training plus two years of the subscription. The next agenda will include the adoption of the ad valorem tax resolutions and the 2019 fee resolutions as presented at the revenue public hearing.

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 #39639-39687 plus ACH/EFT payments for the Month of October in the amount of \$ 255,804.70, and Approval of Minutes of the October 18, 2018 City Council Meeting. Councilmember Mike Langham seconded, and the motion carried.

14. EXECUTIVE SESSION - None

15. ADJOURNMENT

Mayor Reuter adjourned the meeting at 9:46 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: November 1, 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 Stormwater Utility	Pub Hear 2019 Budget Expenditures	PUBLIC COMMENTS SUBJECTS NOT ON AGENDA Please List subject
DANIEL OHAU	511 AVEY-KAL		✓	✓	
Carrie Potts	462 N 5th K	carrie@kalamacounty.com	X		
Marcene Jenkins	Taylor Rd		X	X	
Debbie Nash	Taylor Rd	431 5605			
Stephanie Vossen	Po Box 175 Kalama	NO SSEN@kalamacounty.com 360 846 5520			
don Pilcher	1051 N. 4 th				
Juni Henriksen	Box 187	360-431-0609			
Dora Diamond	Off 955 Churne Garden	431-7361	X		
Patty Bricker	P.O. Box 1965	360-562-5822			
Bob Smith	KAL. TELCO. 290 N 1ST	bobsmith@kalamacounty.com	X		