

**CITY OF KALAMA
CITY COUNCIL MEETING
JULY 2, 2020**

1. OPENING-ROLL CALL-CHANGES TO THE AGENDA

Mayor Mike Reuter opened the City Council meeting at 7:00 p.m. The meeting was held virtually via Zoom. Participants enter the meeting muted and may sign in to speak through the Chat option and/or raise their hand to be recognized and unmuted.

Councilmembers present were Jon Stanfill, Sandra Macias, Wendy Conradi, Steve Kallio, and Matthew Merz. 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 listed by the names shown on Zoom include Jim Bain, Mel Kamerath, Linda Dolph, Macey Sykes, Marrene Jenkins, Paige Evans, Harlyn Jenkins.

There was one change to agenda, which was to add the CARES committee report.

2. PRESENTATIONS & AWARDS - None

3. PUBLIC HEARINGS - None

4. UNFINISHED BUSINESS

A. Street Funding Sources – Alternative to TBD

Clerk/Treasurer Coni McMaster explained how streets are currently funded and provided a Street Revenues & Expenditures report. She explained the use of funds 101—Street Operations funds, 102—Street Reserve funds, and 310—Transportation Benefit District/Street Improvements funds. For the street operations and maintenance, the bulk of the revenues are from fuel tax revenue (including regular gas and multimodal) distributions received from the State), while the expenses are largely made up of ROW maintenance—street striping, rocking of shoulders, painting curbs, etc., and overhead costs. As far as improvement reserves, funds are from the 6% garbage utility tax revenues, and this year, the City received a large sum of TIB grant funds to complete the Elm Street and West Frontage Rd 2020 pavement preservation projects, but that is not a guaranteed annual revenue. The pavement preservation projects completed in 2020 cost \$920,000, and the grant funds received amounted to \$892,540 the difference being the City's matching funds. The current TBD revenues project a steady \$100,000 from vehicle tab fees for 2020, but if the TBD is taken away—whether by action of Council, ballot vote, or I-976, the 2020 revenues will be returned to the State. City Administrator Adam Smee explained the three funding sources and the three ways the City spends money. He also noted future TIB funding is being restricted due to COVID-19. The City must compete other jurisdictions for the TIB funds based on ranking criteria. He also clarified that the City only spends the TBD money that was receipted in the prior year—essentially holding on to a year's worth of funds in reserves. Councilmember Merz asked Administrator Smee what he thinks the estimated dollar amount would be if the City adopted the proposed 0.2% increase in sales tax to which Administrator Smee explained the City would receive equal to the tab fees or even a bit more but sales taxes are affected by swings in the economy so it would fluctuate.

B. Transportation Benefit District – Funding

Clerk/Treasurer McMaster discussed the TBD funding sources that are available to fund Kalama's streets, (see Appendix J Transportation). Potential revenue sources available to Kalama include the following: impact fees (Local Transportation Act) may be available if they can be used on already existing streets, Motor Vehicle Fuel Tax and Multimodal funds—already in use for operations and maintenance, installation of parking meters, REET 1—which is currently dedicated to capital projects but could be allocated to streets, and TBD—which could be funded like it currently is via vehicle tab fees or it could be funded by 0.2 sales tax increase. The City is currently using most of the available funding options. Councilmember Conradi asked for clarification on fund restrictions, and Clerk/Treasurer McMaster explained that all these funds are restricted for streets aside from the REET funds, which can go toward capital projects. Councilmember Conradi also brought up the subject of the outstanding balance on the City Hall building. It was discussed that the USDA loan payoff has been accelerated, and Council could use reserve funds to pay off the balance of the USDA loan early, which would then free up REET money to be transferred to streets. That money could also shift to service other debt. Councilmember Stanfill asked for some “uncommon options” for funding streets, to which Clerk/Treasurer McMaster explained there are impact fees (under LTA—only applicable on newly developed streets) and tax levy options. She also provided two draft Resolutions to the Council which would need to be passed prior to August 3rd, 2020. The first draft Resolution would add 0.2% sales tax increase to the ballot and removes the vehicle tab fee. A few action items include passing the Resolution by August 3rd, appoint the committees by that time as well—one “for” and one “against” this item. Sales tax would not be effective until April 1st, 2021. The second draft Resolution requested by the Council was to repeal the \$40 vehicle tab fees. This does require a 60-day notice to the Department of Licensing, so it would go into effect October 1st, 2020. Administrator Smees suggested that the Council vote on which action they want City staff to bring back to Council. Going around the positions, Councilmembers Stanfill, Macias, and Merz voted to add the sales tax increase option to the ballot in congruence with the removal of the \$40 vehicle tab fee, while Councilmembers Conradi and Kallio voted to repeal the \$40 vehicle fees and figure out how to fund streets—potentially with the REET taxes. Councilmember Kallio made a motion to remove the \$40 vehicle tab and work to find an alternate funding source for streets. Councilmember Conradi seconded the motion. The motion passed with four in favor of, and one—Councilmember Macias—against. Councilmember Merz made a motion to add the 0.2% sales tax to the ballot, and Councilmember Stanfill seconded. The motion passed with four in favor of, and one—Councilmember Conradi—against. Discussion of other street funding options will likely come back up when discussing the 2021 budget Citizen of Kalama. Citizen Linda Dolph commented that she likes the idea of the proposed tax being on the ballot and the repeal of the vehicle tab fees.

C. CARES Committee Report

Councilmember Jon Stanfill and Wendy Conradi represented the CARES committee. Councilmember Stanfill reported it was exciting to give away money to help the community. Committee members also included Liz Norgaard, Carole Eby, Mary Gillespie, Eric Nerison as Chamber President, and Stacy Mangan. The committee was formed by the mayor with directive from the council to provide economic relief for those suffering financial hardship from the COVID-19 pandemic. The committee unanimously decided that the City was to be reimbursed for its expenses, and still they were able to distribute 75% of its CARES funds to Kalama businesses and residents. The committee developed criteria for CARES funds recipients and

COVID-19 pandemic. The committee unanimously decided that the City was to be reimbursed for its expenses, and still they were able to distribute 75% of its CARES funds to Kalama businesses and residents. The committee developed criteria for CARES funds recipients and set out disbursement caps for utilities and rent/mortgage relief and reimbursement for 100% of documented PPE costs for businesses, and a cap for utility reimbursement for residential applicants. The funds were only for expenses incurred, not for lost opportunity of revenue. If a resident that also owned a Kalama business applied for residential and business relief, the committee awarded the business first, and not both. They were able to meet most of the needs of most of the applicants. The committee was able to fund at least 75% of the amount requested by 14 of 17 business applicants (recipients had to have a current City of Kalama business license), and 3 of 6 resident applicants, with \$45 remaining of the \$65,000 to be distributed. Councilmember Wendy Conradi noted the committee was very organized and worked well together. The funds are to be sent out on the upcoming Monday. Councilmember Steve Kallio commended the committee for a job well-done.

5. NEW BUSINESS

Mayor Mike Reuter noted that these new business items have been added to the agenda by Councilmember Merz, and explained that each item will be addressed, with one of four options: (1) a motion to table the item, (2) motion to move forward to discuss, (3) motion to set up a workshop, or (4) not interested in pursuing the item.

A. Discussion for possible Resolution concerning Initiative and Referendum Powers.

Councilmember Stanfill commented he is not interested in pursuing the item, and explained that if the Council does choose to move forward with this item, he strongly recommends additional meetings and input from AWC and the City attorney about the benefits, limitations, and potential pitfalls of this item. He noted that only 52 of the 197 code cities in Washington have chosen to adopt the Resolution, which poses a big concern for him. One of his main concerns about this is that complex issues often get reduced to yes or no decisions. Finally, he noted the financial burden on the taxpayers if the City were to adopt this Resolution. Councilmember Macias noted that previous Council had discussed this matter, and City Attorney Sam Satterfield had explained why it was not in the City's best interest. Councilmember Macias stated she is not interested in pursuing the item. Councilmember Conradi added that she was not interested in pursuing the issue any further as well. Councilmember Kallio commented that he believes it is the right of the citizens to have this Resolution, and he asked that this item be left on the agenda for discussion. Councilmember Merz cited Article I, Section 4 of the Washington State constitution—the right of petition and assemblage. He explained that he does not believe the citizens are being listened to, and votes “yes” to discuss the item, and requests a workshop if necessary. The item failed, with 3 votes to not pursue discussion of the item, and 2 votes to discuss the item at this meeting.

B. Request for Historical Statuary from the City of Portland to be gifted to Kalama

Councilmember Stanfill expressed he was not interested in pursuing the item. Councilmember Macias noted she had no desire to discuss the item. Councilmember Conradi

commented she was not interested in discussing the item. Councilmember Kallio noted he would first want to know if it was possible to obtain the statues, then discuss after we know the availability. He voted to table the item until there was more information. Councilmember Merz thinks it would be great to get a statue or two at Toteff Park, especially if the cost were \$500 or less. The item failed, with 3 votes to not pursue discussion of the item, one vote to table the item, and one vote to move forward to discuss the item.

C. Kalama's Official Date

Councilmember Stanfill noted it was fun to get into the history of Kalama, and found that Kalama was incorporated, then dis-incorporated, then 13 years later incorporated again. He wants to stick with the 1890 date and does not see a need to pursue this item. Councilmember Macias noted that this topic came up during the rebranding regarding what year to put on the flag. There was a committee made up of a diverse cross-section of people that represented the community that worked on the rebranding process—and they were provided the history of the incorporation and dis-incorporation, and it was agreed that they would use the 1890 date going forward. She believes the City should stick with the date it already has, and is not interested in pursuing this item. Councilmember Conradi does not wish to pursue discussion of this item, and she suggested to Councilmember Merz that he bring ideas like this to the Tourism Committee instead of the Council agenda. Councilmember Kallio asked about the cost, and the sign above City Hall, which includes “1890” on it, was about \$4000 when it was purchased. Clerk/Treasurer McMaster noted it would likely be a few thousand dollars to update the City logo on everything, from business cards to staff work apparel. City Administrator Smee explained he was hesitant to recognize the initial date, when Washington was a territory, as the official date when it was intentionally disincorporated, he thinks it may draw legal questions about Kalama’s founding, and somewhat undermines the history of the mayors and ordinances which are part of the foundation of the municipal code. He would like an opinion from Attorney Satterfield as to whether the entire municipal code would have to be restructured—which would be extremely expensive. Attorney Satterfield commented he did not think the code would have to be re-codified, but he would have to double check on that to be certain. Councilmember Kallio voted to table the item, until he could be better educated on the item. Councilmember Merz mentioned that the City of Tumwater had done a similar thing, where they recognize their original date—and they were probably able to do that based on having a big festival to help their economy. He thinks it would be a fun party for the City. He made a motion to recognize November 1871 as the founding date , plan a party for 2021 and have an event for citizens to look forward to in 2021. Councilmember Kallio seconded the motion. Councilmember Stanfill noted it does not necessarily need to be a 150th anniversary celebration, but he is open to a party put on by the Tourism Committee. Councilmember Conradi was not interested in pursuing it. Councilmember Macias did not want to pursue discussion either, and noted it should be left to the Tourism Committee. The motion failed with a vote of four against and one - Councilmember Merz – in favor.

6. ORDINANCES & RESOLUTIONS – None

7. PUBLIC COMMENTS/CONCERNS

Citizen Linda Dolph commented Councilmember Stanfill has a “Black Lives Matter” poster in the front window of his home and questioned how this is not a conflict of interest—

noting he is the liaison for the police department and that the BLM movement is known to be working to “defund the police”. Additionally, regarding Councilmember Merz’s request for official date change, Ms. Dolph suggested the City do an “unofficial” 150th birthday party or an alternative. Citizen Macy Sykes commented she doesn’t believe the poster has a correlation with the BLM movement and defunding police departments, She noted there is quite a difference between the two things, and she doesn’t believe Councilmember Stanfill wants to defund the police,

8. CORRESPONDENCE

9. MAYOR’S REPORT & COUNCILMEMBERS’ REPORTS

A. Mayor Mike Reuter reported that this Saturday will be the 244th birthday of our nation and noted the importance of the freedoms given to the people of the United States. He also commented that all should wear masks, stay safe and wished everyone a happy 4th of July.

B. Councilmember Jon Stanfill started off by addressing the issue of the BLM sign in his window from citizen Linda Dolph. He commented it is his wife’s sign, and she put it in their window and he is not going to tell his wife to do otherwise. He also mentioned he is open to make time for discussion when a citizen has an issue or is questioning his relationship with the police department. He noted he had the privilege and opportunity to meet the newest Kalama police officer. He will pass along to the Chamber the idea of a potential party or event as we emerge from the pandemic. Finally, after reading through rules and procedures about courteous language, he wanted to encourage council members to refrain from using labels like “Wu Han Coronavirus” when talking about COVID-19. Councilmember Stanfill wished all a happy and safe 4th of July.

C. Councilmember Sandra Macias mentioned the recent City newsletter and reminded all that City phone numbers are listed there and on the city website. She also noted how great the newly repaved Elm Street looks.

D. Councilmember Wendy Conradi had no finance report, but noted how great it was to work with the CARES committee. She also reminded Councilmembers to bring tourism issues to the Tourism Committee and hopefully they will meet soon.

E. Councilmember Steve Kallio reported that the library is still closed, but over 50 new books have been ordered and processed, with future curbside pickup available beginning next week. All the details are on the library website. He also noted the virtual summer reading program and Storytime readings on Facebook, which are led by volunteer Ruthie Tippin.

F. Councilmember Matthew Merz mentioned that he had a call from citizen Maureen Jenkins, who asked if the next Council meeting could be held in the Community Building. Clerk/Treasurer McMaster noted it is not permitted (not more than 5 people in a meeting) since Cowlitz County is still in Phase 2 of Governor Inslee’s Safe Start re-opening plan, and even as we move into Phase 3, only 10 people are permitted in a meeting. Additionally, the official meeting place of Council is the council chambers, so it would also need to be an action of the council to change the location—whether permanently or not. Councilmember Merz got clarification that the meeting would still be limited to 5 participants, and that it was not solely a

matter of social distancing. Police Chief Herrera noted that Governor Inslee has paused all advancing phases- even Cowlitz County's current modified Phase 3 discussion has been put on hold, for two weeks. Finally, Councilmember Merz noted the newly formed Facebook group called "We Are Kalama", created by Harlyn Jenkins—in which there is a planned beach cleanup Kalama on July 5th, at 10am, so all are welcome to get involved.

10. DEPARTMENT REPORTS

A. City Administrator Adam Smee provided a written report. He noted a jump in the amount of land use work, presenting a need for a virtual planning commission meeting soon.

B. Director of Public Works Kelly Rasmussen provided a written report. He explained he is working with AES on doing a substantial completion of the 2020 Pavement Preservation project. He noted a little bit of water spillage on North 2nd and Elm Street where the PW crew should be able to fix the issue for one-third of the cost. He mentioned they are coming in under budget. Councilmember Merz asked when we are going to be able to do the Maruhn monument and design of the "wayside area". Director of Public Works Kelly Rasmussen stated his goal is to be done before the rains of the fall.

C. Police Chief Ralph Herrera presented his statistical report 158 calls for service, 16 resulting in reports. One of the reports was regarding a burglary at the post office, where boxes were forced open and Kalama's was not the only post office hit. The City has hired Officer Jordan Lange starting July 1st, 2020. Officer Skie and Sgt. Parker were awarded Washington State's Medal of Honor, the state's highest honor. They were nominated due to their exceptional conduct during the Sheriff Deputy Derosier incident—Deputy Derosier was awarded the Medal of Honor as well. There will be a ceremony later. Governor Inslee has paused all "phase" advancement in Washington and has expanded the requirement for facial coverings—business owners are to refuse service to those not complying. Chief Hererra also wished a safe 4th of July to all— preferably no more than 5 in gatherings with use of good judgement and to stay with nuclear family groups. He reported the COVID-19 positive case count from 3/1/2020 to 6/1/2020 was 73 cases, and then 115 new cases from 6/1/2020-6/30/2020.

D. Clerk/Treasurer Coni McMaster provided the June cash and investment report. She reported it is mid-year, so it is time to do a "true up", and there will likely be an upcoming budget amendment brought to Council. CARES payments are included in warrants for tonight. She is working on the requests for CARES funds from the State and from FEMA.

E. City Attorney Sam Satterfield had no report and wished all a Happy 4th of July.

11. CONSENT AGENDA 8:41pm

Councilmember Jon Stanfill made a motion the City Council approve the Consent Agenda including:

A. **Approval for payment are Claims & Payroll warrants #41710-41764 plus ACH/EFT payments for June 2020 in the amount of \$398,573.00**

B. **Approval of Minutes of the June 18, 2020 City Council Meeting**

Councilmember Merz seconded, and the motion carried.

12. EXECUTIVE SESSION - None

13. ADJOURNMENT

Mayor Reuter adjourned the meeting at 8:42 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