

City of Kalama

320 N. First St.
Kalama, WA 98625



City Council Agenda November 20, 2013 @ 7 pm

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. **2014 Budget & 2014-2019 Capital Facilities Plan**

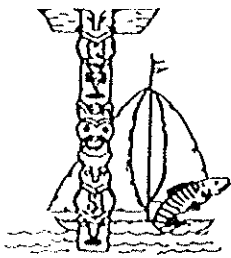
5. **PUBLIC COMMENTS & CONCERNS**

6. **UNFINISHED BUSINESS**
 - A.

7. **NEW BUSINESS**
 - A. **Recommendations from Planning Commission Marijuana Zoning.**

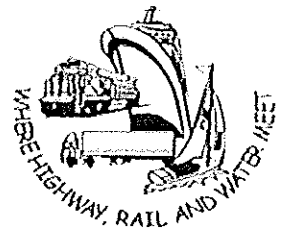
8. **ORDINANCES & RESOLUTIONS**
 - A. **Ordinance 1324 – Marijuana Zoning Code Amendment**
 - B. **Resolution 598 - Set Tax Levy**
 - C. **Resolution 599 – Tax Levy Certification**
 - D. **Resolution 600 – 2014 Fee Schedule**

9. **CORRESPONDENCE**



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City Council Agenda November 20, 2013 @ 7 pm

10. MAYOR & COUNCILMEMBER REPORTS

- A. Mayor Pete Poulsen – Mayor’s Report – COG Representative - Cow Co Tourism
- B. Councilmember Mike Truesdell – Finance Committee
- C. Councilmember Dominic Ciancibelli – Public Works & Planning Committee
- D. Councilmember Mike Langham - Police Committee & 911 Board Representative
- E. Councilmember Donald Purvis - Park Committee, Health Board Representative
- F. Councilmember Mary Putka – Library Committee & Chamber Representative

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 Paul Brachvogel

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

- A. Approval of Payment of Vouchers
 - 1. Claims Vouchers Totaling \$53,542.74 For November, 2013
 - 2. Payroll Vouchers Totaling \$60,343.08 For, November 1-16 2013
- B. Approval of Minutes:
 - 1. Minutes of the November 6, 2013 City Council Meeting
- C. Other Consent Agenda Items
 - 1.

13. EXECUTIVE SESSION

14. ADJOURNMENT

CITY OF KALAMA

SIGN-IN SHEET

MEETING City Council Meeting

DATE November 20, 2013

NAME	ADDRESS	PHONE #	Do you wish to speak?	On What Subject?
BEN PURVIS	KUTV			
JOHN SCHMIT	6944 OLD PACIFIC	673-3381	YES	MARIJUANA ZONING
KATHY SCHMIT	10944 PPKS	1073-3381	possibly	Marijuana zoning
Pam Rittmeier	843 S. 3rd Ave	206 888-4372	no	Remote S. King Street
Jennifer Klein	483 3rd Place	673-2300	NO	

Please speak clearly enough for the tape to pick up your voice or step closer to the Council Desk. Thank you. 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.

**CITY OF KALAMA
CITY COUNCIL MEETING
NOVEMBER 20, 2013**

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, Dominic Ciancibelli, Don Purvis, and Mary Putka. Councilmember Mike Dennis Langham was absent. City staff present were City Administrator Adam Smee, Superintendent of Public Works Kelly Rasmussen, Clerk/Treasurer Coni McMaster, and Police Chief Randy Gibson. City Attorney Paul Brachvogel and City Planner Matt Hermen were also in attendance. Members of the public present are listed on the sign-in sheet.

2. EXECUTIVE SESSION - None

3. PRESENTATIONS & AWARDS

4. PUBLIC HEARINGS

A. 2014 Budget & 2014-2019 Capital Facilities Plan

Mayor Poulsen opened the public hearing. Clerk/Treasurer Coni McMaster opened explaining that tonight's hearing will focus on the Water/Sewer and Street budget proposals. Through a power point presentation she provided the information on the proposed budgets. Currently Water/Sewer operations have a proposed budget that is funded by the projected revenues for 2014, utilizing no carryover from 2013 for a total of \$2,178,100. Included are expenditures for personnel, utilities, contract services including administrative fees to the Finance Department, equipment and vehicle expenses and basic operating expenses for supplies, insurance, etc. Built into the operating budget is funding for reserves which comes from rates and connection fees. The operating budget also includes capital expenditures for equipment for both water and sewer, plus reservoir maintenance. Proposed in the budget is the replacement of water meters with new radio read meters, at a cost of \$180,000 which would be funded from reserves. For consideration by the Council, is a proposal to also use reserves to fund a water/sewer rate study estimated at \$30,000. The value of the rate study was discussed which focused on its use by the City for defensible rates and to plan for future improvements or growth. Water reserves are estimated to carry forward about \$600,000 plus an estimated \$300,000 to be received from operating transfers. Loan payments of \$235,000 will be made in 2014 plus the \$180,000 for the new meters leaving a balance of about \$485,000. There would be adequate water reserves to cover the rate study should the Council authorize the expense. Sewer reserves are estimated to carry forward about \$390,000 with operating transfer of \$375,000. The loan payments are \$407,000 leaving a balance of about \$344,000 at the end of 2014. This would not cover future loan payments so there are not capital projects planned from sewer. There is \$15,000 budgeted from the I&I reserves to cover major sewer line repair should something be needed. Issues with sewer infrastructure were discussed and how infiltration of ground water has been a problem the

City has been addressing and will continue to address. Capital Facilities plans were presented which show there are numerous projects that are unfunded.

Streets has a projected budget of \$135,000. Projected revenues are only at \$126,000 so there is approximately \$9000 coming from the carry forward of 2013 to cover 2014 expenditures. Street expenditures include personnel, street light utility costs, and contracted services. Since some of street operating expenses are contingent upon environmental conditions such as snow or heavy wind or rain, the budget is difficult to predict but the City works to be prepared to address these needs. Street and sidewalk reserves are budgeted to spent to cover a 5% share of three projects. The Elm Street Sidewalk project has received TIB funding with the engineering being completed in 2013 and construction in 2014. Two street projects have been submitted to TIB for funding, but not yet approved. Should the funding not be approved, the projects will not be done and no funds expended. Some of the budgeted reserves could be used to pave some side streets or on the Taylor Road Guardrail.

The budget for garbage was presented which includes revenues and expenditures which include a projected rate increase due to the County's new landfill and tipping fees. With that, Ms. McMaster concluded the presentation and asked for questions. Being none, Mayor Poulsen closed the hearing at 7:50 pm.

5. PUBLIC COMMENTS & CONCERNS

A. Marijuana Comments - Mr. John Schmidt a local resident explained he and his wife Kathy were in attendance to see what is happening with the marijuana laws. Based on an article they read in the paper, they are concerned that Kalama may be sending a message that marijuana will be welcome here. After doing a wonderful job of improving the downtown in the last 10 years, this is not the direction they want to see the City go. He noted that Woodland and other cities are placing moratoriums to take some time before taking any final actions. Even though the voters in the State passed I-502, Cowlitz County voters voted against it and it is still against federal law. Mayor Poulsen asked that the Schmidt's hold further comments until the item is addressed under new business at which time many of their questions will probably be answered.

Mr. Mike Phillips also addressed the issue as a former paramedic and fire fighter whose perspective is that he has seen less issues with people impaired by pot than by alcohol. Since the area being proposed for retail sales is far from downtown, he doesn't believe the issue should warrant opposition. In response, Kathy Schmidt noted that as a teacher at Kalama schools, she sees the effects of pot every day. She believes alcohol issues are more prevalent since it is legal and with the legalization of marijuana, these issues will become open as well.

Police Chief Randy Gibson added that he does see impaired drivers, which could be under the influence of pot instead of alcohol. He noted that the current marijuana has higher potency level than it had years ago. He believes that kids are getting a mixed message creating problems. Most problems seen by the department are at the high school or as driving under the influence issues.

6. UNFINISHED BUSINESS – None

7. NEW BUSINESS

A. Recommendations from Planning Commission Marijuana Zoning

City Planner Matt Hermen presented the recommendations from the Planning Commission for the zoning of marijuana related activities. With the passage of I-502, the City is faced with having to address the possible placement of production, processing and retailing marijuana activities within the City. The State Liquor Control Board (LCB) has been setting out regulations and licensing requirements which include location criteria. There are limitations of 1000 feet from schools, daycares, parks, playgrounds, libraries and others where these activities can be placed. There were several options the City could take which include doing nothing, relying on the state regulations to address the issues; prohibit marijuana all together which would then violate state law; make activities subject to conditional use permits which then has the city approving an activity establishing possible liability; or establish zoning to place the activities in the most appropriate areas. The City is proposing zoning that places the production and processing activities in the Industrial zone and the retail activities in an specific area south of town within the Highway Commercial District which has also where sexually oriented businesses are zoned. It was noted that the LCB has also placed limits on how many establishments can be in each County which for Cowlitz is seven.

City Administrator Adam Smee explained that since the passage of the initiative, LCB has done a very good job of drafting regulations. There is also the issue of marijuana still being illegal under federal law which was addressed by the Attorney General (AG). First the AG indicated that as a violation under the controlled substance act, they would still consider it illegal and possibly hold government employees liable if they were to approve an activity. Then they issued a second opinion where they stated that if the state regulates the activities well, they may choose not enforce the federal law. So then the question becomes, would the City get sued if they prohibit the activity and violate state law. So they have kept looking at how the state is establishing rules and what they will mean. The LCB began taking applications on Monday, so there could be state licenses issued beginning in December. Mr. Smee believes the City needs to have a solution in place to meet that deadline. He added that a moratorium requires certain actions in order to be valid. The entity has to be working towards a resolution of the issue during the period of the moratorium and if they are not then a challenge to the validity of the moratorium could be made. He explained that the City's Industrial zone is an area from RSG north to Wilson Drive, owned by the Port of Kalama. They have authority on how they lease their property.

The retail activities seem to be the hot topic. The retail area proposed is south of town in an area that presents development challenges. Mr. Smee noted that this is the lesser of all evils, as he knows the City does not want to welcome the activity, but they are obligated to allow by the state law. If they don't allow it could lead to expensive litigation for discrimination or other claim. So he believes this is a proactive approach and not an action to promote the activities. He added that while the marijuana activities are being heavily taxed by the State, none of those revenues are coming back to the City, even though our law enforcement officers will be expected to help police the activities in an already strained budget. Councilmember Dominic Ciancibelli noted that when he was on the Planning Commission

years ago, they were tasked with zoning for the sexually oriented businesses. If they were not specifically zoned for, then they could likely be placed in an unsuitable location. This area will make it harder for such a business to locate here at least in the near future. City Attorney Paul Brachvogel noted that under the proposed zoning, a business license will be required and currently business licenses are not issued to activities against federal law. By establishing the zoning, the City will preclude any accusation of a taking. There are risks to all actions, even under a moratorium, but the staff has done a good job at reducing those risks.

Mr. and Mrs. Schmidt responded that they appreciated the explanation and the actions are understandable. Mrs. Schmidt did raise the issue that the process could have been more transparent for the public. The City should consider doing more in the future. They do feel the solution is very well done and they will spread the word to the community. Councilmember Don Purvis noted that the Kalama Safe Community Coalition is working to be sure that proper information on the issues will be available in the community. Mr. Smee noted that the actions were required to be addressed through a non-project SEPA and was published accordingly in the legal notices, which are not read well. There was further discussion that medical marijuana is being addressed by the LCB and may be incorporated into the recreational uses. The zoning regulations will address all uses. Mayor Poulsen commended the staff and Planning Commission for the approach taken. He asked if there was concern with the transparency issue that perhaps the City should put this on hold and act at the next meeting. With the possibility of licenses being issued by the State in December, it was recommended the City take action now. The Schmidts agreed, just noting that for the future the City should consider more notification.

8. ORDINANCES & RESOLUTIONS

A. Ordinance 1324 – Marijuana Zoning Code Amendment

Ordinance No. 1324 was read by Title - An Ordinance of the City of Kalama, Washington, relating to land use and zoning, allowing recreational marijuana producers as a permitted use in the I-1, Industrial Use Zoning District; allowing recreational marijuana processors as a permitted use in the I-1, Industrial Use Zoning District; allowing recreational marijuana retail outlets as a permitted use for those properties east of Interstate 5 at exit 27 in the C-2, Highway Commercial Zoning district; prohibiting recreational marijuana uses in all residential zones, adopting other restrictions on the operation of these recreational marijuana uses, adopting a new Chapter 17.29 to the City of Kalama Municipal Code. Councilmember Don Purvis made a motion the City adopt Ordinance No. 1324 as read. Councilmember Mary Putka seconded, and the motion carried.

B. Resolution 598 - Set Tax Levy

Resolution No. 598 was read by Title - A Resolution of the City of Kalama establishing the dollar amount of tax revenue for ad valorem taxes which will be necessary to meet the financial requirements of the 2014 Budget of the City of Kalama. Clerk/Treasurer Coni McMaster noted the amount property tax will be at \$2.10 per 1000 for a total of \$388,527.37. Councilmember Dominic Ciancibelli made a motion the City adopt Resolution No. 598 as read. Councilmember Don Purvis seconded, and the motion carried.

C. Resolution 599 – Tax Levy Certification

Resolution No. 599 was read by Title - A Resolution of the City of Kalama establishing the amount of the property tax increase to meet the requirements of the 2014 Budget. Clerk/Treasurer Coni McMaster noted the increase is just under .7% for a total of \$2654.51. Councilmember Mary Putka made a motion the City adopt Resolution No. 599. Councilmember Mike Truesdell seconded, and the motion carried.

D. Resolution 600 – 2014 Fee Schedule

Resolution No. 600 was read by Title - A Resolution of the City Council of the City of Kalama replacing Resolution No. 583 relating to fees and charges imposed by the City of Kalama and establishing the following fees and charges for the services set forth herein beginning January 1, 2014. Councilmember Don Purvis made a motion the City adopt Resolution No. 600 as read. Councilmember Dominic Ciancibelli seconded, and the motion carried.

9. CORRESPONDENCE - None

10. MAYOR & COUNCILMEMBER REPORTS

A. Mayor Pete Poulsen had no report.

B. Councilmember Mike Truesdell had no report.

C. Councilmember Dominic Ciancibelli reported he met with Superintendent of Public Works Kelly Rasmussen discussing the budget and other public works issues. All appears to be going well.

D. Councilmember Mike Langham was absent.

E. Councilmember Donald Purvis reported as a member of the Kalama Safe Community Coalition he will be attending drug training in Washington DC in December.

F. Councilmember Mary Putka had no report.

11. DEPARTMENT REPORTS

A. City Administrator Adam Smee had no report.

B. Superintendent of Public Works Kelly Rasmussen presented a written report noting that it has been mostly maintenance activities. He also noted the article that was completed on the water plant in Water System Operators magazine. Councilmember Ciancibelli commented that it was well done.

C. Police Chief Randy Gibson presented the two week statistical report which had fewer than normal reportable responses. He noted that the one mental health incident involving a baby was resolved safely.

D. Clerk/Treasurer Coni McMaster had no report.

E. City Attorney Paul Brachvogel commended the staff on their work in addressing the marijuana issues in such a way as to protect the City.

12. **CONSENT AGENDA**

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

1. Claims Vouchers Totaling \$53,542.74 For November, 2013
2. Payroll Vouchers Totaling \$60,343.08 For, November 1-16 2013
3. Minutes of the November 6, 2013 City Council Meeting

Councilmember Don Purvis seconded the motion. The motion carried.

13. **EXECUTIVE SESSION - None**

14. **ADJOURNMENT**

Mayor Poulsen adjourned the meeting at 8:50 p.m. These minutes are not verbatim. A copy of the tape can be made available for listening.



Pete Poulsen - Mayor



Coni McMaster - Clerk/Treasurer