

**CITY OF KALAMA
CITY COUNCIL MEETING
NOVEMBER 5, 2014**

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, Mike Dennis Langham, Don Purvis, and Mary Putka. City staff present were City Administrator Adam Smee, 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. 2015 Revenue and Ad Valorum Tax Public Hearing

Mayor Poulsen opened the public hearing. Clerk/Treasurer Coni McMaster provided a power point presentation on the revenue side of the 2015 budget. An overview of the proposed revenues and expenditures was provided for reference. Property taxes are proposed to be raised 1% which is the legal limit allowed. This results in an amount of \$401,695,93 to be collected in 2015. Revenues from the state based on population and other tax revenues were reviewed and no increases were proposed. Fees charged by the City including administration fees paid by the water/sewer utility for financial services, court fines, grant funds, concealed weapon permits, and other miscellaneous such as copies and faxes were reviewed but are not proposed to be increased. The dog license fees are not proposed to be changed by staff. Mr. Keith Schulz of Cedar Springs, asked the Council to consider one fee of \$15 for all dogs whether spayed or neutered. He does not feel it is fair to charge different reduced fees for altered dogs. The current fee is \$30 with a discount to \$15 if the dog has been altered. Councilmembers Dominic Ciancibelli and Mike Langham both explained that statistics show unaltered animals tend to be more aggressive and more apt to roam creating more work to deal with them and altering dogs helps to control the animals. Mr. Schulz asked if there is a committee he can take this to for reconsideration. It was explained that as the legislative body of the City, the Council is the final decision making body. Staff is proposing to increase the business license fees from \$75 to \$100. The fees have not been increased since 2002. Also proposed is an increase for an outside resident library card from \$30 to \$35.

Building permit and planning application fees are also being proposed for increases. Building permit fees are being increased 10.7% to be comparable to fees charged by other entities throughout the County, putting Kalama right in the middle of the fee range within the

County. Some of the more work intensive planning application fee are being increased by \$50 and the new Shoreline code will require a lot of administration, so it is being raised to \$1500. This is to cover the costs the City incurs for administering such applications. Ms. McMaster presented an overview of the percentages of the different revenue sources that fund the general fund of the City.

Garbage rates were increased in 2014 and will not be proposed for any increases in 2015. Ms. Pat Schallert asked why the City doesn't offer curb side recycling services as it is better for the environment. It was explained that through an unofficial survey, citizens had rejected paying for curb side recycling a couple of years ago when it was researched. They felt the current drop off site was effective and didn't want the addition cost of \$4 to \$5. Councilmember Mary Putka asked that this be looked at again. City Administrator Adam Smee stated the staff would contact Waste Control to see what the charges would be today.

Ms. McMaster explained the current projections for water and sewer revenues and how these are used not only for operations but for debt service obligations. While the staff has brought the water/sewer budget into balance, it was completed leaving no built in contingency for unexpected maintenance costs that occur in everyday operations and there is only a small proposed carryover. It is also noted that Public Works has been working under staffed for several years, which has created some real issues currently with one person out on extended medical leave as well as others being sick and scheduled vacations. With all of this to be considered, Ms. McMaster, City Administrator Adam Smee and Superintendent of Public Works Kelly Rasmussen are recommending the City increase water and sewer rates in 2015. Staff had hoped to put off any increase until after the water/sewer rate study could be completed, but costs have escalated due to inflation and state mandates for changes to our sewer disposal. The recommend rate increase along with the estimated monthly bill is as shown:

WATER/SEWER RATE INCREASE					
PROPOSING TO INCREASE WATER .20 PER 100 CUBIC FEET					
PROPOSING TO INCREASE SEWER \$1 TO BASE FEE PLUS .50 PER 100 CUBIC FEET					
2 person household 600 cubic ft per month			Family of 4 Household 1000 cubic ft per month		
Current bill :	Water	\$19.70	Current bill :	Water	\$26.50
	Sewer	\$70.50		Sewer	\$92.50
	Taxes	<u>\$ 5.41</u>		Taxes	<u>\$ 7.14</u>
	Total	\$95.61		Total	\$126.14
Proposed:	Water	\$20.90	Proposed:	Water	\$28.50
	Sewer	\$74.50		Sewer	\$98.50
	Taxes	<u>\$ 5.72</u>		Taxes	<u>\$ 7.62</u>
	Total	\$101.12		Total	\$134.62
Total Increase – Monthly		\$ 5.51	Total Increase – Monthly		\$ 8.48
Annual		\$66.12	Annual		\$101.76
Percentage of Increase		5.8%	Percentage of Increase		6.7%

Ms. McMaster explained that since the recommendation is to increase the charge on the amount of usage, the percentage of increase will vary. This is proposed as it provides the citizens the ability to have some control of their bill through conservation of usage. Water rates were last increased in 2010 and sewer was increased in 2012 to help meet debt service obligations. Years ago it was recommend that the rates, especially the sewer rates, be increased incrementally each year and the Council has chosen not to do this due to the economic downturn. So we are consistently playing catch up when we make rate increases and now it is necessary to meet the operating costs of the system. Upon completion of the water/sewer rate study, additional increases will probably be necessary. The rate study will include analysis of the future needs on the system for improvements to the aging infrastructure and growth of the city. City Administrator Adam Sme explained the rate increase is not just to cover another employee but the increases to costs for chemicals, materials, sewer disposal costs, and utility costs. It would not be used in building any reserves. There are currently no funds being used to rebuild the I&I (inflow and infiltration) reserves and the state has mandated that we do some I&I work each year, so they are dwindling. It was asked if the 2014 revenues were as anticipated and they appear to be a little above the projected amounts. So are many of the expenditures. There was some discussion about the summer sewer rates which just ended. Councilmember Don Purvis asked what would the city realize if they didn't offer the summer discount. Staff would look into this and see what the difference would be. The percentage of distribution of the revenues for operations and reserves covering debt service was provided. The need for the water/sewer rate increase will be further discussed in the upcoming budget hearings on November 19th and December 3rd. The resolutions for adopting the property tax increases will be on the next agenda for passage as it is required by law to be completed by November 30th. The hearing was closed at 8:05 pm.

6. PUBLIC COMMENTS/CONCERNS

Ms. Margaret Hendrickson requested the City Council look at increasing the speed limit going south out of town on Old Pacific Highway from Elm Street on. It used to be 35 and 45 but is not 25 and 35 as you go further away from town. Ms. Hendrickson also requested that the street signs identifying Old Pacific Highway be made for visible. Superintendent of Public Works Kelly Rasmussen stated that he would look at having the street signs replaced.

7. UNFINISHED BUSINESS

A. Authorize Mayor and/or City Administrator to Sign Agreement for Water/Sewer Rate Study with HDR Inc.

City Administrator informed the Council that he had contacted FCS regarding their proposal for the water/sewer rate study and asked them if they could revise it to be more within the City's budget. In paring it down, they removed a lot of the information the City needs to make the study useful, so he has contacted the second choice HDR and is recommending the City accept that proposal. While FCS received great recommendations, the difference in the cost is not manageable. The HDR proposal also received good recommendations and is within the budgeted amounts. He has the contract and is waiting for the attorney to complete his review. Councilmember Don Purvis made a motion the City

authorizes the Mayor or City Administrator to sign the contract with HDR for the Water/Sewer Rate Study for an amount not to exceed \$30,000 upon approval of the City Attorney. Councilmember Mike Langham seconded, and the motion carried.

B. Fluoride

Councilmember Mary Putka noted that with the election completed, the issue of fluoride in the City water could be put to rest. The survey for the outside city residents is due in by Monday and she requested to help with the results on Wednesday. There were some comments that the survey didn't matter as the voters had determined they wanted to keep fluoride in the water. Mayor Poulsen noted that no action is required as the City has continued with the fluoride and will do so going forward. Several Councilmembers noted they would like to make it official once the election has been certified.

8. NEW BUSINESS - None

9. ORDINANCES & RESOLUTIONS

10. CORRESPONDENCE - None

11. MAYOR'S REPORT & COUNCILMEMBERS' REPORTS

A. Mayor Pete Poulsen reported the purchase of the bank building has been completed. Adam explained that Rural Development representatives will be down on the 13th to look at the building. The City still needs to meet all the ADA requirements including curb cuts. Mayor Poulsen also noted the Port of Kalama is holding an open house for their new facility tomorrow.

B. Councilmember Mike Truesdell had no report.

C. Councilmember Dominic Ciancibelli had no report.

D. Councilmember Mike Langham had no report.

E. Councilmember Donald Purvis had no report.

F. Councilmember Mary Putka had no report.

12. DEPARTMENT REPORTS

A. City Administrator Adam Smee had no report.

B. Superintendent of Public Works Kelly Rasmussen presented a written report noting the adjustment on the PRV valve serving the downtown and industrial area. Kelly also noted the information he received at the GEM meeting from an expert meteorologist indicating that the winter should be a mild one through the end of the year with snowfall early next year above 1500 feet.

C. Police Chief Randy Gibson presented his statistical report for a period of 20 days which showed 50 calls resulting in reports and/or arrests. He noted the heroin overdose, the child abuse case which was unfounded after the investigation, marijuana possession at the school, the fraud (bad checks) case and the burglary cases. There were

14 arrests and 4 accidents were investigated. The Halloween event went off with no incidents. Chief Gibson informed the Council that he is in the process of evaluating a body camera system for the department. This would be a no cost to the city as the companies are currently promoting these cameras heavily and there are grant funds available. There are positives in having the cameras, but there are also some privacy issues to be addressed. He will bring the issue back to the Council should he decide to proceed.

D. Clerk/Treasurer Coni McMaster reported the first monthly bills went out. It was noted that if the final 200 meters inside the city limits get replaced all inside customers will be on monthly billing by the end of the year. There have a few new home permits applied for. Coni also noted that since the beginning of the year the use of the on line payment system has increased 58%. Nineteen percent of the City's utility payments are being received electronically and 65% of that is through our on line payments. She noted she is looking at expanding the service to include other payments, such as dog and business licenses, by the first of the year.

E. City Attorney Paul Brachvogel was absent.

13. CONSENT AGENDA

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

1. Claims Vouchers totaling \$124,428.30 for October 2014
2. Payroll Vouchers totaling \$136,767.67 for all of October 2014
3. Minutes of the October 15 2014 City Council Meeting
4. Minutes of the October 22, 2014 Special City Council Meeting

Councilmember Mike Langham seconded, and the motion carried.

14. EXECUTIVE SESSION - None

15. ADJOURNMENT

Mayor Poulsen adjourned the meeting at 8:46 p.m. These minutes are not verbatim. A copy of the recording for this meeting is available.

Pete Poulsen - Mayor

Coni McMaster - Clerk/Treasurer