

**CITY OF KALAMA
CITY COUNCIL MEETING
NOVEMBER 19, 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 Dominic Ciancibelli, Mike Dennis Langham, Don Purvis, and Mary Putka. Councilmember Mike Truesdell 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 was also in attendance. (left at 8:15pm). Members of the public present are listed on the sign-in sheet.

2. EXECUTIVE SESSION - None

3. CHANGES TO THE AGENDA

Mayor Poulsen announced he would be moving the unfinished business item up for presentation prior to the public hearing

4. PRESENTATIONS & AWARDS – None

5. UNFINISHED BUSINESS – Moved Forward on the agenda

A. Oak Street ROW Boundary Modification

Kalama City Planner Matt Buchanan presented a staff report on the boundary modification for the area around the Oak Street overpass. This area is technically under the jurisdiction of the County but the City police respond to calls and have for many years. There are complications with the question of who has jurisdiction and allowing this area to become part of the City, will correct the problems. The area is all public right-of-way. When the County changed to the new 911 system which is based on GIS mapping, this became an issue. The old system used an address based system. The adjustment is not required to go through a full annexation process. Once the City and County pass the appropriate ordinances the area will become part of the City. It was asked if there would be any financial obligations to the City and there would not.

6. PUBLIC COMMENTS/CONCERNS – Moved Forward on the agenda

Mr. Jim Kane, a Kalama resident read a statement regarding the recent Fluoride issue and ballot measure. Mr. Kane has thyroid problems that are troubled by fluoride, and he is against having it in the City water. He realizes the decision has been made by the election, but he would like the Council to consider doing some testing to determine just how much fluoride residents get from other sources including food. He believes that both sides of the issue do not have tested science on their side since neither has completed a double-blind study. Both are "junk" science. He would be willing to help complete a study of Kalama

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sources for fluoride. Mr. Kane stated he had voiced his concerns back in April about the pro-fluoride contingent having a greater lobby that would influence any vote and he believes that happened in the election. The anti-fluoride group did not have funding to do the kind of advertising campaign that the pro-fluoride group did. He doesn't believe that the poor were represented in the campaign and election. He asked the Council to consider his proposal to do a local study of the availability of fluoride from other sources before the Council makes the final decision. Councilmember Dominic Ciancibelli stated that the City spent no money for either side. They have no control over the campaign spending or advertising. The Council held the election as they wanted to hear from the citizens on the issue. There was much discussion regarding the election and the campaign, as well as health issues, rates of dental decay in other cities that don't have fluoride in the water which are no different than Kalama's, the survey sent to those outside the City limits so they could also be heard, the mass amounts of information from both sides the City received, and politics in general. The Councilmembers stated that they wanted to hear from their constituents before making a decision which is what they have done through the advisory election. Regardless of the campaigning that was done, the public had a chance to vote and those are the results the Council will look to. Mayor Poulsen and the Council thanked Mr. Kane for his comments.

7. PUBLIC HEARINGS

A. 2015 Budget & 2015-2021 Capital Facilities Plan Hearing.

Mayor Poulsen opened the hearing at 7:50 pm. Clerk/Treasurer Coni McMaster provided a power point presentation to the Council. The overall budget was presented and she noted that tonight they would look at the details of the Public Works portion of the Budget – Water/Sewer and Streets, as well as Garbage. The revenues are as they were presented at the revenue hearing and do not include the proposed water/sewer rate increases at this time. Beginning balances for the operating funds are preliminary and not yet included in the revenue numbers. Water/Sewer Operating revenues are estimated at \$2,258,000 with expenditures at \$2,244,500, leaving only \$13,500 for contingency. City Administrator Adam Smee pointed out that it has been balanced, but without any confidence in some of the budgeted numbers. He explained that chemical, labor and utility costs have increased. Certain requirements of the State regulatory agencies have also been changed causing the City to have to do things differently and most often at an increase in cost. This is true for the disposal of biosolids from the wastewater treatment plant. The City has to comply in order to meet the requirements of the permits issued, but it is frustrating when trying to control costs. The understaffing of the department is also an issue. These are all drivers behind the need for a rate increase now. The Rate Study will provide information for the long term needs, but we can already determine the immediate need to cover operating costs. Mayor Poulsen noted that while it may not occur to everyone, the rates don't just cover the providing for water itself, but also for the services to maintain the system or go out and fix it in the middle of the night. Councilmember Don Purvis asked about some of the developments that have been extended. Administrator Smee explained there have been some discussions about moving forward with Stone Forest. At this time the economy is picking up slowly, but we could possibly see more movement to develop in the future. As the review continued costs for personnel and operating expenses were reviewed and how the overall costs have climbed in the last seven years. The proposed rate increase was reviewed which provides an additional \$109,000 in revenues. How the department would use the rate increase was presented

which included restoring \$44,500 in cuts made to balance the current numbers and funding a new crewperson at \$73,000. The City would still not be building reserves with this rate increase. Capital projects were discussed and all but replacement of waterlines at \$65,000 were covered from water reserve funds. These reserves also cover the debt service payments. For water, the City will be completing the water meter replacement which is an investment in future efficiencies, doing the water/sewer rate study, updating the water system plan as mandated by the state, and replacing the outdated turbidity sensors at the water plant. This will take a portion of the reserves, but water has some ability to rebuild with the connection fees received on new homes. For sewer the City will only do \$15,000 of sewer line replacement for I&I which is required by the state. The amounts coming from rates and connection fees will only partially cover the loan payments. Since none of the reserves are being replenished, the City could be out of reserves for loan payments in five years and out of I & I funds in seven. The capital facilities plans for water and sewer were provided which not only show what is funded in 2015, but show many projects that will need to be completed at some point in the future. The Council agreed that while it isn't pleasant, the rates do need to be raised and agreed to putting that into the budget including the new crewmember.

The Garbage budget of \$305,600 was reviewed which includes the amount paid to Waste Control for service, and a transfer to streets for the maintenance, cleaning and litter control. Information on the cost of curbside recycling was presented as requested. In the 2012 proposal the cost would be between \$4.67 and \$6.23 depending upon including glass and the market rates for mixed paper. Staff is still waiting to hear from Waste Control for updated rates. The 2012 survey results were also reviewed, which were 45% in favor and 55% against. Comments received back then were that curbside would be convenient or that the customers didn't want to pay for curb side service.

The Street budget, which is funded from tax revenues competing with other departments like the Library and Police, was reviewed. Revenues are projected to be \$126,550 with a possible carryover of \$25,000. Expenditures including personnel, operating, street lights, contracted services, and loan payments equal \$138,700 so a portion of the carry forward will be needed to cover expenses. Reserves will be used for matching money for several overlay projects and for Meeker Drive rehab. Projects will cost \$412,000 with the City's share at \$55,000. Proposed is the Overlay of China Garden Road, but TIB funding has not been awarded yet and it is dependent on receiving that funding. The City's share is 7%. The City also hopes to put in the Taylor Road Guardrail for \$15,000. Administrator Smee explained that they are looking at ways to reduce street lighting costs and funding to do so by using LED lighting which is more efficient. He also noted that a lot of the expense in streets is for stormwater maintenance. Kalama is the only City in the County that doesn't have a stormwater fee. He would propose a future fee of \$5 per month to cover these costs. The STP grants for the projects are federal dollars. The Meeker Drive project will be completed over four years with a feasibility study in 2015. This is for the slide area north of Nectarine that the County had chosen to patch every few years before it came into the City. The study will help to determine if an affordable fix is available and an option or if the City will need to continue with the County's practice for maintenance in the future. Mr. Ben Purvis asked about the new fee they pay on the car tabs. It was explained that this is for the Transportation Benefit District which is a separate entity. The City will not be requesting any of those funds at this time for 2015. Administrator Smee noted the garbage utility tax implemented in 2013 has helped to build the reserve to provide the matching funds for the

funded projects. At the conclusion of the presentation, Ms. McMaster stated that at the next hearing on December 3, 2014 she would bring back an updated budget for the water and sewer and they would review the general fund expenditures of the City. The hearing was closed at 8:50 pm.

8. NEW BUSINESS - None

9. ORDINANCES & RESOLUTIONS

A. Ordinance 1348 – Oak Street Right of Way Boundary Modification

Ordinance No. 1348 was read by Title: An Ordinance of the City of Kalama, Washington, related to the modification of boundaries of Oak Street between the west city limit line of Kalama, crossing the Interstate 5 Southbound Off Ramp and Interstate 5 Northbound On Ramp to remove Cowlitz county's jurisdiction in that affected roadway, pursuant to RCW 35A.21.210. Councilmember Don Purvis made a motion the City adopt Ordinance No. 1348 as read. Councilmember Mike Langham seconded, and the motion carried.

B. Res 613 - Ad Valorem Property Tax Levy

Resolution No. 613 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 2015 Budget of the City of Kalama. Councilmember Dominic Ciancibelli made a motion the City adopt Resolution No. 613 as read. Councilmember Mike Langham seconded, and the motion carried.

C. Res 614 – Property Tax Percentage of Increase

Resolution No. 614 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 2015 Budget. Councilmember Mary Putka made a motion the City adopt Resolution No. 614 as read. Councilmember Mike Langham seconded, and the motion carried.

10. CORRESPONDENCE

A. Williams Pipeline Letter – Kalama Lateral Project

Mayor Poulsen noted the open house would be on Friday at the Community Building.

B. Letter from Jan Hune – Fluoride Vote

It was noted that staff has spoken with Ms. Hune regarding the limitations the City has under the election laws and it tried to do the best it could to hear from all the water users.

11. MAYOR'S REPORT & COUNCILMEMBERS' REPORTS

- A. Mayor Pete Poulsen had no report.
- B. Councilmember Mike Truesdell was absent
- C. Councilmember Dominic Ciancibelli had no report.
- D. Councilmember Mike Langham had no report
- E. Councilmember Donald Purvis wished all a Happy Thanksgiving
- F. Councilmember Mary Putka reported FOLK would be holding book sales on November 22nd and December 12th in the Council Chambers at City Hall.

12. DEPARTMENT REPORTS

- A. City Administrator Adam Smee had no report.

B. Superintendent of Public Works Kelly Rasmussen presented a written report noting the visit from engineers from the State Department of Health (DOH) . There are only 3 DE water treatment plants in the State of Washington and Kalama's is the largest. This visit was an education on both sides as to the differences in how the plant operates to meeting the requirement of DOH. He hopes to do it again and include the operators from the other 2 plants. Kelly reported that the crew has installed 130 additional meters and there only about 40 left for inside the City limits. He hopes to be able to complete the outside meter replacements in first quarter of 2015. This will reduce the time to read meters from a week to about 4 hours. The ability to data log a service is also very helpful when trying to determine if there is a leak. He added that while the City was ready, the icy weather didn't materialize, but they remain ready for winter weather. He has also replaced street signs in various locations in the City.

C. Police Chief Randy Gibson presented his statistical report for 21 reportable calls including lost dogs, a suicide attempt, a rifle taken for safekeeping, and the intoxicated man falling into the water at the marina. He will bring information on the annual Shop with a Cop event to the next meeting.

- D. Clerk/Treasurer Coni McMaster reported the Vouchers include the purchase of the bank building explaining the high amount.

- E. City Attorney Paul Brachvogel was not present.

13. CONSENT AGENDA

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

1. Claims Vouchers Totaling \$393,077.29 for November 2014
2. Payroll Vouchers Totaling \$66,675.94 for November 1-15, 2014 & Police Holiday Pay
3. Minutes of the November 5, 2014 City Council Meeting
4. Approve Mayor's Appointment to Civil Service Commission – Gary Finley

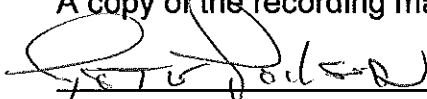
5. Approve Mayor's Appointment to Kalama Housing Authority Board-
Heather Jones

Councilmember Mike Langham seconded, and the motion carried.

14. EXECUTIVE SESSION - None

15. ADJOURNMENT

Mayor Poulsen adjourned the meeting at 9:14 p.m. These minutes are not verbatim.
A copy of the recording may be made available upon request.



Pete Poulsen - Mayor



Coni McMaster - Clerk/Treasurer

CITY OF KALAMA

City Council

SIGN-IN SHEET

MEETING Transportation Benefit District Board Meeting DATE November 19, 2014 6pm

NAME	ADDRESS	PHONE/Email	Do you wish to speak?	On What Subject?
BEN PURVIS	KCTV			
DAN O'HALL	KALAMA		No	
Jim Kane	Kalama		yes	Fluoride
Deshay Bombardier	496 W 2nd		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.