

Kelso City Council Agenda

Regular Meeting, 6:00 pm
November 18, 2014
City Hall, Council Chambers
203 South Pacific
Kelso, WA 98626



Special accommodations for the handicapped and hearing impaired are available by special arrangement through the City Clerk's Office at 360-423-0900

Invocation:

Pastor Jerry Dahlke, North Gate City Church

Roll Call to Council Members:

1. Approve Minutes:

1.1. November 4, 2014 – Regular Meeting

2. Proclamation:

2.1. International Education Week

3. Public Hearing:

3.1. 2015-2016 Final Proposed Budget

4. Consent Items:

4.1. Auditing of Accounts

5. Citizen Business:

6. Council Business:

7. Action/Motion Items:

7.1. Ordinance, 1st Reading

7.1.1. Adopt 2015-2016 Budget

7.2. Ordinance, 2nd Reading

7.2.1. Setting 2015 Property Tax Levy Amount

7.3. Ordinance, 2nd Reading

7.3.1. B&O Utility Tax Rates

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7.4. Resolution

7.4.1. Authorize Property Tax Increase

7.5. Resolution

7.5.1. Cancellation of Unclaimed Warrants

Other Items:

- City Manager Report
- Staff/Dept Head Reports
- Council Reports
- Other Business
- Executive Session

Pastor Vonda McFadden, Kelso First United Methodist Church, gave the invocation. Mayor David Futcher led the flag salute. The Regular Meeting of the Kelso City Council was called to order by Mayor David Futcher. Councilmembers in attendance were: Myers, Roberson, McDaniel, Schimmel, and Futcher. Councilmembers Archer and Franklin were absent.

Minutes: Upon motion by Councilmember McDaniel, seconded by Councilmember Schimmel, 'Approve the Minutes of the 10/21/14 Regular Meeting,' motion carried, all voting yes.

PUBLIC HEARING:

Declare Surplus of Personal Property – Utility Vehicles: Mayor Futcher opened the public hearing at 6:02 p.m. There being no comments from the public, Mayor Futcher closed the public hearing at 6:02 p.m.

CITIZEN BUSINESS: None.

COUNCIL BUSINESS:

Computer Support Services Agreement – Compass Lane, Inc: Upon motion by Councilmember McDaniel, seconded by Councilmember Schimmel, 'Approve the Agreement with Compass Lane, Inc.,' motion carried, all voting yes.

2015 State Legislative Agenda: Briahna Taylor and Alex Soldano of Gordon Thomas Honeywell Governmental Affairs provided a briefing to the Council regarding what to expect in the upcoming legislative session. Upon motion by Councilmember Roberson, seconded by Councilmember Schimmel, 'Approve the City of Kelso 2015-2017 Biennium State Legislative Agenda,' motion carried, all voting yes.

2015-2016 Budget Discussion: Finance Director Brian Butterfield commented that the preliminary budget will be available to the public after Friday, November 7, 2014, and that a final hearing on the proposed budget is scheduled for the November 18, 2014, Regular Council Meeting.

MOTION ITEMS:

Ordinance No. (1st Reading) Setting 2015 Property Tax Levy Amount: The Deputy Clerk read the proposed ordinance by title only. Upon motion by Councilmember Roberson, seconded by Councilmember McDaniel, 'Pass on 1st reading, 'AN ORDINANCE OF THE CITY OF KELSO FIXING THE ESTIMATED AMOUNT TO BE RAISED BY AD VALOREM TAXES AT \$1,411,235 FOR THE 2015 BUDGET OF THE CITY.' Motion passed, all voting yes.

Ordinance No. (1st Reading) B&O Utility Tax Rate Increase: The Deputy Clerk read the proposed ordinance by title only. Upon motion by Councilmember McDaniel, seconded by Councilmember Roberson, ‘Pass on 1st reading, ‘AN ORDINANCE OF THE CITY OF KELSO AMENDING KMC 5.05.120 TO INCREASE UTILITY BUSINESS TAX RATES FROM EIGHTEEN PERCENT TO TWENTY PERCENT FOR WATER SEWER AND GARBAGE PROVIDERS.’ Councilmember Schimmel made a move to amend the motion to put a 12 month term on the rate increase. The motion died for lack of a second. Councilmembers Futcher, McDaniel, Myers, and Roberson voted yes. Councilmember Schimmel voted no. Motion passed, 4 to 1.

Resolution No. 14-1125 – Emergency Repair Work at 13th Ave. & Chestnut St: The Deputy Clerk read the proposed resolution by title only. Upon motion by Councilmember Schimmel, seconded by Councilmember Myers, ‘Pass Resolution No. 14-1125, ‘A RESOLUTION OF THE CITY OF KELSO FINDING THE EXPLORATORY EXCAVATION AT THE INTERSECTION OF S. 13TH AVENUE AND CHESTNUT STREET TO BE A SPECIFIC EMERGENCY AND APPROVES CONTRACT FOR EMERGENCY REPAIR WORK WITHOUT FORMAL BIDDING.’ Motion passed, all voting yes.

Resolution No. 14-1126 – Emergency Repair Work at Minor Rd. & Allen St: The Deputy Clerk read the proposed resolution by title only. Upon motion by Councilmember Roberson, seconded by Councilmember Myers, ‘Pass Resolution No. 14-1126, ‘A RESOLUTION OF THE CITY OF KELSO FINDING THE CLEANING AND INSPECTION OF THE LARGE DIAMETER STORM DRAIN ON MINOR ROAD TO BE A SPECIFIC EMERGENCY AND APPROVES CONTRACT FOR EMERGENCY REPAIR WORK WITHOUT FORMAL BIDDING.’

Unidentified Citizen, spoke from the audience about the process for contracting emergency work.

Rick Von Rock, 400 North 7th Avenue, spoke from the audience about to whom the responsibility lays concerning the costs of the repair work.

Motion passed, all voting yes.

Resolution No. 14-1127 – Declare Surplus of Personal Property: The Deputy Clerk read the proposed resolution by title only. Upon motion by Councilmember McDaniel, seconded by Councilmember Roberson, ‘Pass Resolution No. 14-1127, ‘A RESOLUTION OF THE CITY OF KELSO, WASHINGTON AUTHORIZING THE SURPLUS AND SALE OF CERTAIN UTILITY PROPERTY,’ motion passed, all voting yes.

MANAGER’S REPORT:

Steve Taylor: Commented that an executive session will be needed tonight.

COUNCIL REPORTS:

Rick Roberson: No report.

Dan Myers: No report.

Todd McDaniel: No report.

Gary Schimmel: No report.

David Futcher: No report.

EXECUTIVE SESSION:

The Council convened into Executive Session at 6:35 p.m. to discuss pending litigation and an evaluation of an employee. It was announced that the execution session was expected to last approximately 10 minutes and that there may be action taken. The city attorney was present for the pending litigation segment.

The Council reconvened into Regular Session at 6:45 p.m. Upon motion by Councilmember Schimmel, seconded by Councilmember Roberson, '**Authorize the Mayor to enter into and complete negotiations with the City Manager regarding amendments to the salary compensation section of his employment agreement,**' motion carried, all voting yes.

There being no further business, Mayor Futcher adjourned the meeting at 6:46 p.m.

MAYOR

CITY CLERK

PROCLAMATION

International Education Week

November 17-21, 2014

Whereas, the U. S. Department of State joins with the U.S. Department of Education to mark International Education Week and to emphasize the importance of International education and exchange in establishing mutual respect and understanding among people around the world.

Whereas, the challenges of the 21st century cannot be addressed by Government alone and, there, our public-private partnerships with non-governmental organizations, businesses, educational institutions, and communities are more important than ever to effective public diplomacy. Indeed, educational institutions, primary and secondary schools, vocational schools, colleges and universities have always played a key role in opening minds and creating global awareness, and have traditionally been among the State Department's strongest partners in shaping the citizen diplomat.

Whereas, schools, universities and non-profit organizations, community groups and businesses around the world participate in International Education Week annually to celebrate the benefits of International Educational Exchange. During International Education Week, we have the opportunity to highlight for the citizens of other countries the value of experiencing an American education and American culture firsthand and to demonstrate to American students the value of studying abroad and hosting international exchange students. Through the power of international education, we can look forward to a more peaceful and prosperous future together.

Now, Therefore, I, David Futcher, Mayor of the City of Kelso, do hereby proclaim November 17-21, 2014, as **International Education Week** in Kelso, Washington, and encourage Americans and our friends around the world to become involved in this celebration.

In Witness where, I have hereunto set my hand and caused the seal of the City of Kelso to be affixed this 18th day of November, 2014.

David Futcher, Mayor

AGENDA SUMMARY SHEET

AGENDA ITEM: Public Hearing
Final Hearing on the proposed
2015-2016 Biennium Budget

AGENDA ITEM # _____
FOR AGENDA OF: 11/18/2014
ORIGINATING DEPT: Finance
DATE SUBMITTED: 11/13/2014
COST OF ITEM: _____
AMT. BUDGETED _____
CITY ATTY. APPROVAL _____
CITY MGR. APPROVAL _____

SUBMITTED BY: Brian Butterfield

SUMMARY STATEMENT:

RCW 35A.33.070

The council shall meet on the day fixed by RCW 35A.33.060 for the purpose of fixing the final budget of the city at the time and place designated in the notice thereof. Any taxpayer may appear and be heard for or against any part of the budget. The hearing may be continued from day to day but not later than the twenty-fifth day prior to commencement of the city's fiscal year.

AGENDA SUMMARY SHEET

AGENDA ITEM: Ordinance 1st reading
Final Budget 2015/2016.

SUBMITTED BY: Brian Butterfield

AGENDA ITEM # _____

FOR AGENDA OF: 11/18/2014

ORIGINATING DEPT: Finance

DATE SUBMITTED: 11/10/2014

COST OF ITEM: _____

AMT. BUDGETED _____

CITY ATTY. APPROVAL _____

CITY MGR. APPROVAL _____

AGENDA ITEM PAPERWORK:

See attached Ordinance.

SUMMARY STATEMENT

Ordinance adopts the 2015/2016 final biennial budget for the City of Kelso.
Total appropriations amount to \$26,578,761 and \$35,212,690 in 2015 and 2016, respectively.
Appropriations in the general fund amount to \$7,679,251 in 2015 and \$7,803,040 in 2016.

OPTIONS:

- 1) Move to approve ordinance on first reading.
- 2) Do not approve ordinance.
- 3) Provide direction to staff regarding desired changes.

ORDINANCE NO. _____

**AN ORDINANCE RELATING TO MUNICIPAL FINANCE AND
ADOPTING A BUDGET FOR THE CITY OF KELSO FOR THE 2015/16
FISCAL YEARS.**

THE CITY COUNCIL OF THE CITY OF KELSO DO ORDAIN AS FOLLOWS:

SECTION 1. That the City budget for the ensuing biennium of 2015/2016, as the same now appears in the Office of the City Clerk, be and the same is hereby in all respects adopted and approved.

SECTION 2. That the following are the separate totals of the appropriation total allowed for each of the following funds:

<u>FUND</u>	<u>2015 Budget</u>	<u>2016 Budget</u>
General	\$7,679,251	\$7,803,040
Street	791,917	707,466
Arterial Street	1,820,363	8,505,852
Library	465,901	481,991
Paths & Trails	45,000	-
Kelso Station	47,180	53,780
Stadium	118,440	123,025
Hilander Festival	60,900	60,900
Parks and Recreation	264,241	244,293
Tam O'Shanter Park	14,900	-
HUD Grant	460,000	10,000
Façade/Mural	10,000	10,000
Criminal Justice	257,550	264,950
Transportation Improvement District	246,000	301,000
2011 G.O. Bond	211,128	209,028
Capital Projects	80,000	80,000
Solid Waste	1,518,848	1,549,209
Water/Sewer	9,064,752	7,691,978
Water Capital Reserve	1,100,500	5,380,500
Drainage	640,240	614,730
Sewer Capital Reserve	1,090,000	400,000
Drainage Capital Reserve	85,000	50,000
Water Guarantee Deposit	140,000	145,000

Revenue Bond Fund	-	-
Bond Reserve Fund	-	-
Equipment Reserve	195,000	432,098
Firemen's Pension	<u>171,650</u>	<u>181,850</u>

TOTAL APPROPRIATIONS **\$26,578,761** **\$35,212,690**

SECTION 3. That the City Clerk be and is hereby authorized and directed to transmit a copy of the budget as adopted to the Division of Municipal Corporations.

SECTION 4. This Ordinance shall be in full force and effect on the first day of January, 2015.

ADOPTED by the City Council and **SIGNED** by the Mayor this ____ day of _____, 2014.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PUBLISHED: _____

AGENDA SUMMARY SHEET

AGENDA ITEM: An ordinance setting
the 2015 property tax levy amount.
Second reading.

SUBMITTED BY: Brian Butterfield

AGENDA ITEM # _____
 FOR AGENDA OF: 11/18/14
 ORIGINATING DEPT: Finance
 DATE SUBMITTED: 11/10/14
 COST OF ITEM: _____
 AMT. BUDGETED _____
 CITY ATTY. APPROVAL _____
 CITY MGR. APPROVAL _____

AGENDA ITEM PAPERWORK:

See attached ordinance.

SUMMARY STATEMENT/DEPT. RECOMMENDATION:

The levy amount for the 2015 General Levy is \$1,412,683
 This represents a dollar increase of \$18,809 over the
 2014 General Levy. The increase is made up of two
 components:

	2nd Reading	1st Reading
1) New Construction:	\$3,422	\$3,422
2) Increase in State Assessed prop.	\$1,448	\$0
3) 1.00% increase over prior year levy:	\$13,939	\$13,939
Total Increase	\$18,809	\$17,361

Staff recommends approval of this ordinance on second reading.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KELSO FIXING THE ESTIMATED AMOUNT TO BE RAISED BY AD VALOREM TAXES AT \$1,412,683 FOR THE 2015 BUDGET OF THE CITY.

THE CITY COUNCIL OF THE CITY OF KELSO DO ORDAIN AS FOLLOWS:

SECTION 1. The estimated dollar amount to be raised upon real and personal property in Cowlitz County, Washington, to raise said dollar amount to cover the estimated budget needs of the City of Kelso for calendar year 2015 are as follows:

DOLLAR AMOUNT

General Levy \$1,412,683 or maximum allowed by law

SECTION 2. This Ordinance shall be in full force and effect five (5) days from and after its passage and publication of summary as required by law.

ADOPTED by the City Council and **SIGNED** by the Mayor this ____ day of _____, 2014.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PUBLISHED: _____

AGENDA SUMMARY SHEET

AGENDA ITEM: 2nd reading of an
Ordinance of the City of Kelso amending
Kelso Municipal Code 5.05.120 to
increase tax rates for water, sewer and
garbage providers.

SUBMITTED BY: Brian Butterfield

AGENDA ITEM # _____
FOR AGENDA OF: 11/18/2014
ORIGINATING DEPT: Finance
DATE SUBMITTED: 11/10/2014
COST OF ITEM: _____
AMT. BUDGETED _____
CITY ATTY. APPROVAL _____
CITY MGR. APPROVAL _____

AGENDA ITEM PAPERWORK:

See attached ordinance.

SUMMARY STATEMENT:

During the budget discussion at the October 21, 2014, City Council meeting, Council directed staff to add two positions to the proposed preliminary budget. The two positions include one police patrol officer and one civil engineer. To defray the costs of the two new positions Council further directed staff to increase the utility tax on providers of water, sewer, and garbage services by 2%.

OPTIONS:

- 1) Move to approve ordinance on second reading.
- 2) Do not approve ordinance.
- 3) Provide direction to staff regarding desired changes.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KELSO AMENDING KMC 5.05.120 TO INCREASE UTILITY BUSINESS TAX RATES FROM EIGHTEEN PERCENT TO TWENTY PERCENT FOR WATER SEWER AND GARBAGE PROVIDERS

WHEREAS, the City has suffered from decreased or flat tax revenues combined with increased operating expenditures, and

WHEREAS, the City Council would like to enhance the services provided to the residents of the City of Kelso for the 2015/2016 biennium, and

WHEREAS, without additional revenue sources, these enhanced services to the residents of the City of Kelso would have a negative effect on the City's financial position;

NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF KELSO DO ORDAIN AS FOLLOWS:

SECTION 1. AMENDMENT OF KMC 5.05.120. That Kelso Municipal Code Section 5.05.120—Imposition of the tax—Tax levied , Subsections E, F, and G are hereby amended to provide as follows:

5.05.120 Imposition of the tax—Tax levied.

Upon every person engaging within the city in any one or more of the businesses hereinafter mentioned, as to such person the license fee shall be equal to the gross operating revenue of the business multiplied by the rate set forth after the business, as follows:

[...]

E. The business of selling or furnishing water for hire, ~~twenty eighteen~~ percent of the total gross revenue.

F. The business of selling or furnishing sanitary sewer service, ~~twenty eighteen~~ percent of the total gross revenue.

G. The business of selling or furnishing garbage or refuse service, ~~twenty eighteen~~ percent of the total gross revenue.

SECTION 3. SEVERABILITY. The provisions of this Ordinance are declared to be severable. If any provision, clause, sentence, or paragraph of this Ordinance or the application thereof to any person, establishment, or circumstances shall be held invalid, such invalidity shall not affect the other provisions or application of this Ordinance.

SECTION 4. EFFECTIVE DATE. This Ordinance shall be in full force and effect January 1, 2015.

ADOPTED by the City Council and **SIGNED** by the Mayor this _____ day of November, 2014.

ATTEST/AUTHENTICATION:

MAYOR

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PUBLISHED:

AGENDA SUMMARY SHEET

AGENDA ITEM: A Resolution authorizing
an increase in the regular property tax
levy in addition to any amount resulting
from new construction etc.

SUBMITTED BY: Brian Butterfield

AGENDA ITEM # _____
FOR AGENDA OF: 11/18/14
ORIGINATING DEPT: Finance
DATE SUBMITTED: 11/10/14
COST OF ITEM: _____
AMT. BUDGETED _____
CITY ATTY. APPROVAL _____
CITY MGR. APPROVAL _____

AGENDA ITEM PAPERWORK:

See attached resolution.

SUMMARY STATEMENT/DEPT. RECOMMENDATION:

The total increase is set forth
as follows:

1) 1.00% increase over prior levy	\$13,939
2) New construction	3,422
3) Increase in State Assessed prop.	1,448

Total Increase	<u>\$18,809</u>
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Staff recommends approval of this resolution.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KESLO AUTHORIZING AN INCREASE IN THE REGULAR PROPERTY TAX LEVY IN ADDITION TO ANY AMOUNT RESULTING FROM NEW CONSTRUCTION AND IMPROVEMENTS TO PROPERTY, NEWLY CONSTRUCTED WIND TURBINES, AND ANY INCREASE IN THE VALUE OF STATE ASSESSED UTILITY PROPERTY.

WHEREAS, the City Council of the City of Kelso, Washington, a city of more than 10,000 population, has properly given notice of the public hearing held on October 7, 2014, to consider the City's current expense budget for the 2015 calendar year, pursuant to RCW 84.55.120; and

WHEREAS, the City Council, after hearing and after duly considering all relevant evidence and testimony presented, determined that the City requires an increase in property tax revenue from the previous year in addition to that resulting from new construction and improvements, newly constructed wind turbines, and any increase in the value of state-assessed utility property; in order to discharge the expected expenses and obligations of the City and in its best interest; now, therefore,

THE CITY COUNCIL OF THE CITY OF KESLO DO RESOLVE AS FOLLOWS:

SECTION 1. That an increase in the regular property tax levy, in addition to any amount resulting from new construction and improvements, newly constructed wind turbines, and any increase in the value of state-assessed utility property, is authorized by the 2015 levy which is the amount of \$13,939.00 a percentage increase of 1.00% from the previous year.

ADOPTED by the City Council and **SIGNED** by the Mayor this ____ day of _____, 2014.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

AGENDA SUMMARY SHEET

AGENDA ITEM: A resolution to cancel
unclaimed warrants.

SUBMITTED BY: Brian Butterfield

AGENDA ITEM # _____

FOR AGENDA OF: 11/18/2014

ORIGINATING DEPT: Finance

DATE SUBMITTED: 11/10/2014

COST OF ITEM: N/A

AMT. BUDGETED N/A

CITY ATTY. APPROVAL _____

CITY MGR. APPROVAL _____

AGENDA ITEM PAPERWORK:

Proposed resolution

Exhibit A (list of unclaimed warrants)

SUMMARY STATEMENT/DEPT. RECOMMENDATION:

Cancel unclaimed warrants as required by
RCW 39.56.040.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
KELSO CANCELLING CERTAIN WARRANTS OF THE CITY
PURSUANT TO RCW 39.56.040.**

THE CITY COUNCIL OF THE CITY OF KELSO DO RESOLVE AS FOLLOWS:

SECTION 1. That those warrants listed on Exhibit A, attached hereto and incorporated herein, which have not been presented for payment within one year of the date of their issue or call as the case may be, be and the same are hereby cancelled pursuant to RCW 39.56.040.

ADOPTED by the City Council and **SIGNED** by the Mayor this ____ day of _____, 2014.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

EXHIBIT A

<u>Warrant #</u>	<u>Vendor/Payee</u>	<u>Date</u>	<u>Amount</u>
161013	Lily Chamberlain	11/20/2012	\$ 17.99