

Pastor Mike Speegle, Longview-Kelso Seventh Day Adventist 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: Futcher, Karnofski, Schimmel, Myers, McDaniel, and Webb. Councilmember Roberson was absent. Mayor Futcher noted Councilmember Roberson and City Manager Denny Richards were attending the Association of Washington Cities Conference.

Minutes: Upon motion by Councilmember Karnofski, seconded by Councilmember Schimmel, 'Approve the Minutes of the 6/7/11 Regular Meeting,' motion carried, all voting yes.

CONSENT AGENDA:

1. **Ross Street Sewer Repair Paving Closeout, Project No. 591106, in the amount of \$38,543.50**
2. **Approve Department of Ecology Stormwater Grant for Pervious Concrete Retrofits**
3. **Interlocal Agreement with Cowlitz County – Airport Stop Way (Runway Extension)**
4. **Auditing of Accounts:** \$2,067,648.40

Mayor Futcher said there was a request to remove Item No. 2 (Approve Department of Ecology Stormwater Grant) from the Consent Agenda to be discussed separately. Upon motion by Councilmember Myers, seconded by Councilmember McDaniel, 'Approve the remaining items on the Consent Agenda and the Auditing of Accounts in the amount of \$2,067,648.40,' motion carried, all voting yes.

CITIZEN BUSINESS:

Sandy Nanney, 613 S. 7th Avenue, spoke about a water meter that was moved from 614 S. 7th to her property and there was no permission granted to the water department to do so. This meter belongs to a man who lives across the street from her. Public Works Director David Sypher will check on this and contact Sandy.

Nancy Nazareth, 602 Academy, spoke about some of the water problems they are experiencing on Academy Street, which she spoke about at the last Council Meeting. She asked when the work on Academy would be finished. Public Works Director Sypher said the contractor was supposed to have the work completed last week.

Rick Von Rock, asked if there was still going to be a special workshop on June 28th to discuss potential tax issues. He contacted some people to let them know about that meeting and they were not aware it was being discussed tonight. Discussion followed.

COUNCIL BUSINESS:

LTAC Funding Requests - Committee Recommendations for Additional 2011 Lodging Tax Requests:

- Columbia Theatre 2011 - \$20,000
- Cowlitz County "The Big Idea" 2012-2017 - \$7,625 each year – Total \$45,750

Finance Director Brian Butterfield gave a brief tax description of how the City of Kelso benefits from the Hotel/Motel Tax. For each dollar that is collected, 50 cents goes to Cowlitz County and 50 cents goes to the City of Kelso. Kelso averages approximately \$140,000 a year in Hotel/Motel Tax and the County gets the same amount. It was the consensus of the Council to discuss these requests separately. Upon motion by Councilmember Schimmel, seconded by Councilmember Karnofski, 'Approve the Columbia Theatre's request for \$20,000.' Council discussion followed.

Jian Morelli, Executive Director of the Columbia Theatre, spoke about some of the ways the theatre benefits the entire community. Besides putting heads in beds, people coming to the theatre also purchase gas and meals. Resources are being used to draw people to the Columbia Theatre from other areas and it will pay off in time.

Rick Winsman, President of the Kelso/Longview Chamber of Commerce and a member of the Kelso Lodging Tax Advisory Committee, spoke about a couple of things the committee looks at such as whether or not an event puts heads on beds and the benefits the event brings to the city. He believes the Columbia Theatre is a regional entity that services the entire area

Discussion followed. It was the consensus of the Council to ask Mr. Morelli to provide data the Council can review showing numbers relating to the return on the investment. Upon motion by Councilmember Myers, seconded by Councilmember Webb, 'Table the motion to approve Columbia Theatre's request for \$20,000,' motion carried, all voting yes.

Upon motion by Councilmember Myers, seconded by Councilmember Webb, 'Approve "The Big Idea" Interlocal Agreement between Cowlitz County and the Cities of Longview, Kelso, Castle Rock, Kalama, and Woodland.' Discussion followed. Councilmember Myers spoke about the possibility of this being a one-time activity because there wouldn't be any additional funding to continue it the following years.

Cowlitz County Commissioner James Misner spoke about an entity requesting board of Director's approval for "Big Idea" funds to be used for continued support of an activity. Working with the other cities to market an event, will help to make "The Big Idea" a success. He also spoke about it being easier working as a group to get matches for state grants. Discussion continued.

Mike White, 907 S. 6th Avenue, spoke about it being cheaper to advertise a local event in the newspaper. Also, many events are advertised by word of mouth. He spoke about the

performing arts being more popular on the east coast and being against any money going to them.

Discussion followed. Mayor Fatcher reminded Councilmembers of the motion to approve the Memo of Understanding relating to "The Big Idea" project. Councilmembers Karnofski, Schimmel, McDaniel, Webb, and Fatcher voted yes. Councilmember Myers voted no. Motion passed 5 to 1.

Levy Lift Discussion: Mayor Fatcher asked Councilmembers if they would like to discuss the possibility of putting a levy lid lift on the November ballot tonight or wait until the previously scheduled workshop on June 28th. Discussion followed. Finance Director Butterfield said if it is approved tonight, two readings of an ordinance would be required which would give citizens more opportunities to respond. It was the consensus of the Council to move forward with the discussion. Mayor Fatcher encouraged citizens to comment about the potential ballot measure. The following citizens spoke from the audience:

Mike White, 907 S. 6th Avenue, spoke against raising taxes. Mayor Fatcher assured the citizens the Council is not taking a position for or against raising taxes. They are trying to decide if it should be put on the ballot to allow citizens to vote on the issue.

Nancy Nazareth, 602 Academy, spoke about the possibility of having to lay off four police officers next year and asked if this has anything to do with the West Main Project. Public Works Director Sypher assured her it did not. In fact, due to grants, the City might not have to pay anything for the project. Discussion followed.

Rod Wright, 97 Banyon, spoke about a retired Kelso citizen having to pay a \$100 fee to have his water turned back on because he didn't get paid until the next day. He spoke about everything going up and the services getting worse. He suggested some wages should be cut and some jobs should be combined or eliminated. He doesn't want to lose police officers. Discussion followed.

Rick Von Rock, 400 N. 7th, suggested including some separate funding levies on the ballot. Let the people determine what level of services they want by allowing them to vote.

Mayor Fatcher asked Councilmembers if they wanted to keep working on something to present to the voters, have another workshop to work out the details, or move forward tonight. Discussion followed. Upon motion by Councilmember Myers, seconded by Councilmember Webb, 'Put the levy lid lift on the agenda for the next regular Council Meeting to allow input from citizens.' Council discussion followed.

The following citizens spoke from the audience:

Rod Wright, 97 Banyon, spoke about not being against raising taxes to keep officers, but thinks the City should look at other alternatives to keep this from happening.

Larry Anderson, 1000 N. 19th, asked what happened to the warning tickets that used to be given to citizens before their water is shut off. Mayor Futcher explained the individuals receive several notices; however, in an effort to save money, we no longer pay an employee to hang tags on the door.

Nancy Nazareth, 602 Academy, spoke about a mix-up with the mail after the move to the new City Hall, which caused her to receive a door tag. People who have received door tags aren't always deadbeats.

Anthony Currena, 803 S. 6th, asked if the Council would make the decision as to whether or not the taxes would go up if it isn't put on the ballot. Mayor Futcher explained the Council cannot raise property taxes beyond the 1% without a vote of the people. The question is whether or not we even want to ask citizens to vote on it.

Mayor Futcher reminded Councilmembers of the motion, which is to put the levy lid lift on the next Council agenda. Councilmembers Karnofski and Webb voted yes. Councilmembers Schimmel, Myers, McDaniel, and Futcher voted no. Motion failed 2 to 4. Mayor Futcher reiterated that this topic would not be put on the next Council agenda and the issue is dead for now. The Council Workshop previously scheduled for June 28th is being cancelled.

Rick Von Rock, 400 N. 7th, spoke about this not going on the ballot unless citizens let Councilmembers know they want to vote on it. If at the end of the year there is not enough money and the City has to cut police officers, citizens should not complain if they don't have the police coverage they want.

Rod Wright, 97 Banyon, asked if the City would look at alternative ways to keep police officers. Mayor Futcher said the Council is always looking at alternatives, but there are no revenue alternatives and their hands are tied. We have to wait to balance the 2012 budget and we cannot make any promises.

MOTION ITEMS:

Resolution No. 11-1045 - Declaring Cellular Phones as Surplus: The Deputy City Clerk read the proposed resolution by title only. Upon motion by Councilmember McDaniel, seconded by Councilmember Schimmel, 'Pass Resolution No. 11-1045, 'A RESOLUTION OF THE CITY OF KELSO, WASHINGTON, DECLARING CERTAIN PERSONAL PROPERTY OF THE CITY OF KELSO TO BE SURPLUS AND DIRECTING THE DISPOSITION THEREOF.' Discussion followed about the recyclable value of the thirty-nine cellular phones to be surplused. Public Works Director Sypher spoke about requests for proposals being done with all three of the major cellular companies and AT&T was above everyone else. As a package, this was a tremendous savings. Motion carried, all voting yes.

Resolution No. 11-1046 - Six-Year Capital Improvement Program (CIP) 2011-2016 Update: The Deputy City Clerk read the proposed resolution by title only. Upon motion

by Councilmember Schimmel, seconded by Councilmember McDaniel, 'Pass Resolution No. 11-1046, 'A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KELSO RELATED TO CAPITAL IMPROVEMENTS AND ESTABLISHING THE CITY'S CAPITAL IMPROVEMENT PROGRAM FOR THE PERIOD OF 2011-2016,' motion carried, all voting yes.

Resolution No. 11-1047 - Amending Utility Fees: The Deputy City Clerk read the proposed resolution by title only. Upon motion by Councilmember Myers, seconded by Councilmember Schimmel, 'Pass Resolution No. 11-1047, 'A RESOLUTION OF THE CITY OF KELSO RELATING TO UTILITY FEES AMENDING RESOLUTION 10-1027 TO PROVIDE THE PASS THROUGH OF UTILITY BUSINESS AND OCCUPATION TAX FOR GARBAGE UTILITY SERVICES,' motion carried, all voting yes.

Ordinance (1st Reading) – NoaNet Franchise Communication Services: The Deputy City Clerk read the proposed ordinance by title only. Upon motion by Councilmember Karnofski, seconded by Councilmember Myers, 'Pass on 1st Reading, 'AN ORDINANCE OF THE CITY OF KELSO, WASHINGTON, GRANTING THE NORTHWEST OPEN ACCESS NETWORK ("NOANET"), A WASHINGTON NON-PROFIT MUTUAL CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE RIGHT, PRIVILEGE, AUTHORITY AND FRANCHISE TO SET, ERECT, LAY, CONSTRUCT, SUPPORT, ATTACH, CONNECT, MAINTAIN, REPAIR, REPLACE, OPERATE AND USE COMMUNICATION SYSTEM OR FACILITIES IN, UPON, OVER, UNDER, ALONG, ACROSS, AND THROUGH THE FRANCHISE AREA TO PROVIDE FOR THE TRANSMISSION, DISTRIBUTION AND SALE OF COMMUNICATION SERVICE(S) AND TELECOMMUNICATION SERVICE(S) AND ANY OTHER PURPOSE FOR WHICH NOANET'S COMMUNICATION SYSTEM OR FACILITIES MAY BE USED, PROVIDED THAT SUCH RIGHTS, PRIVILEGES, AUTHORITIES AND FRANCHISES ARE IN ACCORDANCE WITH CITY REQUIREMENTS.'

Chris Walker, the director of operations with Northwest Open Access Network (NoaNet), spoke about the company being formed in 2000 when the public utility districts of Washington State endeavored to provide broadband telecommunication services to rural communities in the State of Washington. A 1,700-mile fiber optic network was developed, providing affordable cost based telecommunication services in the rural areas. He spoke about the proposed route in this area.

Brian Magnason, owner of Cascade Networks, spoke in opposition. The reason funding was initiated was to go where there is no infrastructure today. Cascade Networks has taken their own funds and invested in this community heavily over the last five years. We connected Kelso's City Hall, the shop on Parrot Way, and the library at the new mall location. We have also connected local schools, fire departments, and police departments. He spoke about having to compete against a company that will be funded by the federal government and allowed to have a franchise without any fees. Cascade Networks currently pays 5% in taxes to the City.

Discussion followed about the potential taxes, which may be determined by whether or not it qualifies as a cable company. Finance Director Butterfield noted the PUD pays a 6% B & O Tax. Attorney Janean Parker spoke about an equal access requirement that she will research further. If a franchise is being provided for this kind of service, it has to be provided equally to all; however, there are some exceptions.

Chris Walker, spoke about NoaNet continuing to work with the local service providers and not wanting to put them out of business.

Upon motion by Councilmember Schimmel, seconded by Councilmember Webb 'Postpone voting on this issue until we get some more information,' motion failed, all voting no.

Mayor Fatcher reminded Councilmembers of the motion to pass the ordinance on 1st reading, which is merely a formality because it will be read and voted on a second time. Councilmembers Karnofski, Myers, McDaniel and Fatcher voted yes. Councilmembers Schimmel and Webb voted no. Motion passed 4 to 2.

Ordinance (1st Reading) – Amending Utility Fees: The Deputy City Clerk read the proposed ordinance by title only. Upon motion by Councilmember McDaniel, seconded by Councilmember Myers, 'Pass on 1st Reading, 'AN ORDINANCE OF THE CITY OF KELSO RELATING TO UTILITY FEES AMENDING ORDINANCE 10-3733 TO PROVIDE THE PASS THROUGH OF UTILITY BUSINESS AND OCCUPATION TAX FOR WATER AND SEWER UTILITY SERVICES,' motion carried, all voting yes.

Approve Department of Ecology Stormwater Grant for Pervious Concrete Retrofits: Upon motion by Councilmember McDaniel, seconded by Councilmember Karnofski, 'Approve the grant agreement with the Department of Ecology.' Discussion followed. Public Works Director Sypher gave some information about the grant which provides sustainable water quality and environmental infrastructure. He spoke about Low Impact Development (LID), which emphasizes conservation. Pervious concrete is one LID technique that provides a durable, smooth surface for development without increasing runoff and discharging pollutants downstream. Ecology, knowing that many of the jurisdictions had low impact development, put out grants to develop that technology. The Cities of Longview and Kelso have jointly applied for and received a competitive Stormwater Retrofit and Low Impact Development Grant. The local contractors are not used to working with pervious concrete. Motion carried, all voting yes.

STAFF REPORTS:

Janean Parker: No report

David Sypher: No report

Cindy Donaldson: 1) I have visited and handed out about 2,000 fliers to school children to promote our summer reading program. Sign-ups started Monday and we already have 50 kids. 2) Friday and Saturday we will hold our book sale at the library. 3) The Hornbeck family is holding a garage sale to benefit the library. The sale, which starts tomorrow and will go through Saturday, will be held at our former location on Academy.

Andrew Hamilton: 1) In answer to one of Rod Wright's questions earlier, the police department has been looking at doing some things differently. Last year we lost three officers, but the workload didn't change. For the last couple of months, we have had two officers on sick leave and one will be deployed with the military for the month of September. We are looking at all of our options and we are currently on task with our budget. 2) A resolution should have been brought to Council tonight to surplus vehicles which would allow us to sell those vehicles and use the money to replace a couple of vehicles. 3) If we have to cut officers at budget time, services will be diminished.

Brian Butterfield: 1) Also in answer to Rod's questions, we cut some people in the Finance Department, but the workload is the same. We have combined some duties and nobody has received a raise in the Finance Department since 2009. 2) Carol Bradbury has announced her retirement and her last day will be July 13th. I will miss her. Mayor Fatcher congratulated Carol and thanked her for her service.

Carol Bradbury: This has been a very difficult decision!

COUNCIL REPORTS:

James Webb: No report

Dan Myers: Spoke about helping to start two initiative campaigns in Kelso over the last two decades. Only 10 percent of the voters from the last general election are required to get something on the ballot.

Todd McDaniel: There will be a Fourth of July run at Tam O'Shanter Park beginning at 8:30. The money will benefit cystic fibrosis.

John Karnofski: No report

Gary Schimmel: No report

David Fatcher: No report

There being no further business, Mayor Fatcher adjourned the meeting at 9:15 p.m.



MAYOR



CITY CLERK