

Pastor Mike Speegle, 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, Myers, Lefebvre, McDaniel, Schimmel, Archer, and Roberson.

Minutes: Upon motion by Councilmember Roberson, seconded by Councilmember Schimmel, 'Approve the Minutes of the 12/20/11 Regular Meeting,' motion carried, all voting yes.

OATH OF OFFICE:

Finance Director/City Clerk Brian Butterfield swore in the following individuals to the Kelso City Council:

Kim Lefebvre, Council Position 3
David Futcher, Council Position 4
Gary Schimmel, Council Position 6
Dan Myers, Council Position 7

ELECTION OF MAYOR:

Mr. Butterfield opened the floor for nominations for Mayor. Councilmember Roberson nominated David Futcher for Mayor. Mr. Butterfield asked if there were other nominations. Hearing none, Mr. Butterfield closed the nominations. * Councilmember Myers commented that at the next Mayor Election, two years from now, he would like to have a rotation process considered instead of an election process. Mr. Butterfield asked all those in favor of David Futcher as Mayor to raise their hand. Councilmembers: Futcher, Schimmel, McDaniel, Roberson, Archer, and Lefebvre voted yes. David Futcher won the election with 6 votes. Mr. Butterfield congratulated David Futcher as Mayor for the third term.

ELECTION OF DEPUTY MAYOR:

Mr. Butterfield opened the floor for nominations for Deputy Mayor. Councilmember McDaniel nominated Gary Schimmel for Deputy Mayor. Councilmember Schimmel nominated Todd McDaniel for Deputy Mayor. Mr. Butterfield asked if there were other nominations. Hearing none, Mr. Butterfield closed the nominations. Mr. Butterfield asked all those in favor of Gary Schimmel as Deputy Mayor to raise their hand. Councilmembers: Archer, Lefebvre, and Myers voted yes. Mr. Butterfield asked all those in favor of Todd McDaniel for Deputy Mayor to raise their hand. Councilmembers: Schimmel, McDaniel, Futcher, and Roberson voted yes. Todd McDaniel won the election with 4 votes. Mr. Butterfield congratulated Todd McDaniel as Deputy Mayor.

* Councilmember Myers comment was clarified in the 1/17/12 Regular Council Meeting minutes.

MOTION ITEMS:

Ordinance (1st Reading) – Amending KMC 5.05.120: 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 TAX RATES FOR WATER SEWER AND GARBAGE PROVIDERS.' Councilmember Schimmel asked how this will affect the water/sewer budget and how much revenue will be gained. Mr. Butterfield said based on the budgeted revenues for 2012, this 2% tax increase will result in approximately \$175,000. Councilmember Schimmel asked if this will eventually increase the cost to the rate payer. Public Works Director David Sypher said the Water/Sewer Department should be able to adsorb the increase if it were on a short term basis like one year. If it were long term, the Water/Sewer Department would probably need to cover it by the way of a rate increase or by further reduction in the cost to operate the department. Lengthy discussion followed.

Rick Von Rock, 400 North 7th, spoke from the audience in favor of paying a higher water/sewer rate, if needed, to maintain the quality of service.

With the consensus of the council, Mayor Fatcher said that this proposed amendment of the KMC 5.05.120 would be more favorable if it included a one year sunset clause. Councilmembers: Myers, McDaniel, Archer, Lefebvre, Roberson, and Fatcher voted yes. Councilmember Schimmel voted no. Motion carried, 6 to 1.

WALK-ON:

Storm Drainage Improvement Maintenance Agreement and Restrictive Covenant with H&H Kelso 8 LLC: Upon motion by Councilmember Roberson, seconded by Councilmember Myers, 'Approve the Walk-On Agreement.' Mr. Sypher explained that this agreement is a win for the City. H&H Kelso 8 LLC is the developer of the parcel where Jack in the Box will be located. The developer is proposing to install a bioretention swale (rain garden) that will be on both the private parcel and the City right of way. This joint rain garden will be used to treat stormwater runoff for water quality purposes as part of their stormwater mitigation for re-development. There is no financial impact to the City. Councilmember Myers asked who is responsible if the rain garden needed to be dug up to restore the right of way back to its original state prior to the installation of the rain garden. City Attorney Janean Parker said if it has anything to do with the maintenance of the stormwater system, the land owner would be ultimately responsible. Motion carried, all voting yes.

Continuation of the Motion Items:

Ordinance (1st Reading) – Penalty on Delinquent City Utility Accounts: The Deputy 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 IMPOSING A PENALTY ON DELINQUENT CITY UTILITY ACCOUNTS.' Councilmember Myers asked when this will go into effect and when does the penalty start applying to the utility account. Mr. Butterfield said this has been in effect for the 14 years that I have worked here. This is a housekeeping measure to codify the practice. Once the account is final and becomes inactive, there is a certain amount of time allowed for the final balance to be paid. Once the account becomes delinquent, the monthly 1% penalty starts to accrue on the balance. Discussion followed. Motion carried, all voting yes.

Ordinance (2nd Reading) – Suspension of Right of Way and Frontage

Improvements Along Talley Way: City Attorney Janean Parker stated that this is to be tabled until the next council meeting.

MANAGER'S REPORT:

Dennis Richards: 1) Happy New Year. 2) Wilco has signed a lease agreement so we know they are coming. 3) I would like to thank the staff for being so helpful in working with Jack in the Box and Randco. It is important that we let it be known that we are a business friendly city. Councilmember Archer asked about the flag being lowered to half staff for the soldier from Longview that was recently killed in Afghanistan. Mr. Richards explained that we are notified from the state when the Governor declares the American Flag to be lowered to half staff. The Governor also designates the amount of time the flag is lowered. Discussion followed.

STAFF REPORTS:

Janean Parker: No Report.

David Sypher: 1) We have been notified that we will be receiving a \$50,000 Stormwater Grant and \$125,000 grant for some street improvements. 2) I want to give a big thank you to the guys for their work in putting up the holiday decorations. Being short staffed, with no street crew, they worked very hard at getting that done. 3) A special thank you to Van McKay for personally orchestrating the downtown streetlight project. He had the forethought of installing plug-ins on the poles so we could attach decorative lights. It was a well thought out project. He also put the Jack in the Box Stormwater Agreement together in about 8 hours when he had about 10 other things that needed to go out the door at the same time. 4) Everyone is working on inventory right now. So you will not see much of the crew's presence on the street. 5) We have been very busy with a lot of calls on downed trees and keeping debris from plugging up the basins at our pump stations. 6) We appreciate all the good wishes for the New Year. Councilmember Myers thanked Mr. Sypher for the street sweeping that was recently done in his neighborhood. It was a pleasant surprise. Mayor Fatcher asked about a \$24,000 Community Development Block Grant for a Ground Water Study that he recently heard about. Mr.

Sypher said that we received that grant about eight months ago. Unless there was one released he was not informed of, it is probably the one we already received.

Nancy Malone: 1) Happy New Year everyone. 2) 2011 has been a crazy year for the Community Development Department. I hope this year will mellow out a little bit. I have some code enforcement issues I have been struggling with; hopefully they will be resolved by next week. 3) I am anxious to receive Wilco's building permit application. We have a good team to get the process expedited once we receive it. 4) Thank you to Mr. Sypher and his team for their hard work and help with Jack in the Box. Now I am anxious to get started on Wilco. 5) I have a very good staff and I hope I am doing a good job.

Cindy Donaldson: 1) Happy New Year from the Library. 2) Our Book Discussion Group begins on Jan 9th. Story Time began on Dec 17th and will continue through April, 2012. 3) We too, have had a really crazy year and I hope it continues to be really busy.

Andrew Hamilton: 1) We normally deal with "crazy" on a monthly basis. 2) It has been a trying time for the police department. Some people were not aware of the recent lay off of two police officers from our department until it was published in the Daily News. It was not an easy task to let go of a couple of quality people. 3) New Years Eve was a busy night for patrol. 4) As an agency, we are working through the process of filling out separation notices. We have to evaluate what it is like to operate with 4 officers less than what we had two years ago. We will be working on evaluations on a case by case basis throughout the year. 5) Officer Marthaller has asked to stay on as a reserve officer in Kelso. I have granted him that so you may see him in uniform at times. We will try to continue to give the quality of service we have always given. Mayor Fatcher said it is very impressive that Mr. Marthaller will work for free in his spare time just to continue to serve the City of Kelso.

Brian Butterfield: 1) I hope everyone had a good holiday season. 2) We will be spending the next two months tying up all the adjustments we will make in our books and we will keep you apprised to how we actually did in the budget. At this point, it looks like we did a little better with what we had budgeted. We still have the 13th month of claims to process, so we will see how it looks after that. We will then go into the financial statements. That will take us through the middle of April. The state auditors will be here in April through the end of June and then it will be budget time again.

COUNCIL REPORTS:

Kim Lefebvre: Happy New Year to everyone and I hope Ms. Malone has another crazy year.

Rick Roberson: 1) I attended my first Cowlitz Economics Development Council meeting. They are primarily focusing on jobs. We need to be more into marketing our

retail spaces to attract businesses. 2) I like hearing that the City of Kelso is positive to stepping up and helping the businesses in our city. 3) Happy New Year to everyone.

Todd McDaniel: At the last Community Transit Authority Board meeting, we voted to change the name from CUBS to 'River Cities Transit.' We will be going over new designs and logos at the next meeting. The CTA has ordered three new buses. There is an 18 month turn around so it will be a while until we see them. Councilmember Roberson asked if the money for the name change came from a grant. Councilmember McDaniel said the money came from the .2% ridership increase.

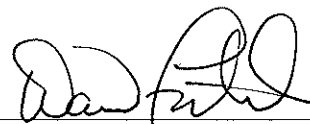
Dan Myers: 1) I saw a notice for an AWC Webinar on 'Establishing a Metrics for Economic Development Commissions'. I would like to see something like this be put into place. It would help people to create specific goals and give them the ability to measure their progress. I will forward the information to Councilmember Roberson. 2) Happy New Year to everyone. 3) I am working on the centennial celebration coming up on February 11th at the train depot. We are working on a newspaper idea like the one Kelso had 100 years ago. There was an article in that old newspaper about the celebration of the 'Kelso Train Depot Grand Opening.' It had a lot of names in it so it should be very interesting. The subscription rate was \$1 per year. I am contacting local businesses to see if they would like to sponsor the newspaper idea.

Gary Archer: No Report

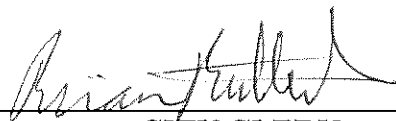
Gary Schimmel: No Report

David Futcher: 1) I would like to thank the Council for the opportunity to serve as Mayor again for the next two years.

There being no further business, Mayor Futcher adjourned the meeting at 8:08 p.m.



MAYOR



CITY CLERK