

Pastor Nick Buhler, Kelso First Assembly of God 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 Futcher. Councilmembers in attendance were: Karnofski, McDaniel, Futcher, Myers, Slater, and Wheeler.

Minutes: Upon motion by Councilmember Wheeler, seconded by Councilmember Myers, 'Approve the Minutes of the 1/2/08 Regular Meeting,' motion carried, all voting yes.

COUNCIL BUSINESS:

Set Public Hearing to Allocate 2008 HOME Funding: It was the consensus of the Council to set the Public Hearing date for Tuesday, April 15, 2008.

Approve Contribution of Stormwater NPDES Appeal Funds: City Manager Paul Brachvogel gave a brief explanation of the NPDES appeal. He said various cities have been asked to contribute; however, he recommended not contributing because there is no direct benefit to Kelso. Upon motion by Councilmember Wheeler, seconded by Councilmember McDaniel, 'Move to accept Paul's recommendation not to participate in this NPDES appeal.' Discussion followed. Motion carried, all voting yes.

APPOINTMENT: With Council's consensus, Mayor Futcher appointed Rick Winsman to the Lodging Tax Advisory Committee.

PROCLAMATION:

Mayor Futcher read a Proclamation announcing the resignation of its lifelong resident and long-time mayor, Don Gregory, from the Kelso City Council as of December 31, 2007. Mayor Futcher proclaimed the sincerest appreciation for Don's years of dedication, sacrifice and devotion to the City of Kelso. Don was unable to attend the meeting so Mayor Futcher will deliver the plaque to him at a later date.

PRESENTATION:

Todd Nicholson of Nicholson's Enterprises has requested an extension for up to six months on the Fairway Vista project. His plan is to secure funding in ninety days. He said the financial institutions are tightening their requirements due to the numerous mortgage foreclosures and Cowlitz Bank has requested a third commercial appraisal on the South River Road property he wants to purchase from the City. If he is unable to get the loan from Cowlitz Bank, he would like to have an additional three months to secure other financing. He has offered to pay \$50,000 nonrefundable earnest money for the additional ninety days and a total of \$150,000 for the remaining three months.

Before Council discussion began, City Manager Brachvogel asked if any Councilmembers had a personal financial interest in the outcome of this debate. Councilmember Karnofski said he works for Cowlitz Bank and Councilmember Slater stated he is a Cowlitz Bank stockholder; however, neither Councilmember felt he had a personal financial interest in the transaction.

Council discussion followed.

Butch Henry, the realtor who represents the City of Kelso on this transaction, spoke from the audience. If additional time is granted, he recommends the Council should consider a per diem and nonrefundable money.

Finance Director/City Clerk Brian Butterfield suggested putting language in the addendum/amendment to use the Portland Consumer Price Index or the Washington State Investment Pool, whichever is greater, to set the per diem rate. Discussion followed. Upon motion by Councilmember Wheeler, seconded by Councilmember McDaniel, **'Approve the extension on the Fairway Vista project for up to an additional six months with stipulations that additional nonrefundable earnest money will be paid monthly and an interest per diem rate will be charged,'** motion carried, all voting yes.

CONSENT AGENDA:

Auditing of Accounts: \$1,401,100.38

Liquor License Renewal: Kelso AM/PM, 1700 Allen Street East

Upon motion by Councilmember Wheeler, seconded by Councilmember McDaniel, **'Approve the Consent Agenda and the Auditing of Accounts for \$1,401,100.38,'** motion carried, all voting yes.

MOTION ITEMS:

Ordinance No. 08-3663 – Approving a Change to the Comprehensive Plan Land Use Map: The Deputy City Clerk read the proposed ordinance by title only. Upon motion by Councilmember McDaniel, seconded by Councilmember Myers, **'Adopt Ordinance No. 08-3663, 'AN ORDINANCE OF THE CITY OF KELSO APPROVING A CHANGE TO THE COMPREHENSIVE PLAN LAND USE MAP CHANGING EIGHT TAX PARCELS ON THE NORTH SIDE OF NORTH KELSO AVENUE AND FOUR PARCELS ON THE SOUTH SIDE OF NORTH KELSO AVENUE FROM LOW DENSITY RESIDENTIAL TO RETAIL, OFFICE, COMMERCIAL AS MORE PARTICULARLY DESCRIBED HEREIN.'** Discussion followed concerning the parcels that are connected to the Huntington Junior High School property. Community Development Director Michael Kerins stated the Kelso School District will be notified on any land use proposal for that property. Ping Chen, the developer for this proposed project, said he stays in contact with school officials. Motion carried, all voting yes.

Resolution No. 08-959 – Amending Park & Facility Fees: The Deputy City Clerk read the proposed resolution by title only. Upon motion by Councilmember McDaniel, seconded by Councilmember Wheeler, ‘Adopt Resolution No. 08-959, ‘A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KELSO AMENDING RESOLUTION NO. 95-723, ADOPTED IN JUNE, 1995, ESTABLISHING RATES FOR THE USE OF KELSO PARKS AND RECREATION FACILITIES,’ motion carried, all voting yes.

Resolution No. 08-960 – Approval of Emergency Repair to the Kelso Telemetry System: The Deputy City Clerk read the proposed resolution by title only. Upon motion by Councilmember Myers, seconded by Councilmember Karnofski, ‘Adopt Resolution No. 08-960, ‘A RESOLUTION OF THE CITY OF KELSO FINDING SPECIFIC EMERGENCIES AND APPROVING CONTRACTS FOR CERTAIN EMERGENCY REPAIR WORK WITHOUT FORMAL BIDDING,’ motion carried, all voting yes.

Ordinance (1st Reading) – Lease Office Space at the Depot to Maverick Petroleum: The Deputy City Clerk read the proposed ordinance by title only. Upon motion by Councilmember McDaniel, seconded by Councilmember Wheeler, ‘Pass on 1st Reading, ‘AN ORDINANCE OF THE CITY OF KELSO AUTHORIZING THE LEASE OF OFFICE SPACE AT THE KELSO TRAIN DEPOT TO MAVERICK PETROLEUM, LLC., AS MORE PARTICULARLY DESCRIBED HEREIN,’ motion carried, all voting yes.

Resolution, Adopting Cowlitz County Solid Waste Management Plan: *This resolution is on the agenda for informational purposes only. The resolution will be considered at the February 19th Council Meeting.* Public Works Director David Sypher gave a brief explanation of the resolution. Each city must pass a similar resolution and then it goes to the Department of Ecology for approval. He stated the final draft of the 2007 Cowlitz County Solid Waste Management Plan is on the Cowlitz County web site for review. Discussion followed.

Addendum, Lease Office Space at the Depot to Maverick Petroleum: Upon motion by Councilmember McDaniel, seconded by Councilmember Karnofski, ‘Approve the addendum, extension to lease office space at the Depot to Maverick Petroleum, LLC.,’ motion carried, all voting yes.

Agreement for Professional Service with Debra Burchett, Lawyer: Upon motion by Councilmember Myers, seconded by Councilmember Wheeler, ‘Approve the agreement for professional service with Debra Burchett in the amount of \$70,000 per year.’ A short discussion followed. Motion carried, all voting yes.

Resolution No. 08-961 – Establishing a Public Hearing Date for the Tichael Properties Annexation: The Deputy City Clerk read the proposed resolution by title only. Upon motion by Councilmember Wheeler, seconded by Councilmember

Karnofski, 'Adopt Resolution No. 08-961, 'A RESOLUTION RELATING TO APPROVAL OF AN ANNEXATION PURSUANT TO RCW 35A.14.120 ACCEPTING THE CERTIFIED PETITION SUPPORTING ANNEXATION OF THE 6.39 ACRE TICHAEI PROPERTIES ANNEXATION ESTABLISHING A DATE FOR A PUBLIC HEARING, AND PROVIDING FOR PUBLIC NOTICE.' The Public Hearing was set for Tuesday, February 5, 2008. Council discussion followed. Motion carried, all voting yes.

Resolution No. 08-962 – Declaring Real Property as Surplus (1115 S. Pacific): The Deputy City Clerk read the proposed resolution by title only. Upon motion by Councilmember McDaniel, seconded by Councilmember Karnofski, 'Adopt Resolution No. 08-962, 'A RESOLUTION OF THE CITY OF KELSO, WASHINGTON DECLARING CERTAIN REAL PROPERTY (BARE LAND) AS SURPLUS AND DIRECTING ITS SALE.' City Manager Brachvogel stated currently there is no buyer for this property. Motion carried, all voting yes.

Approve Tam O'Shanter Parking Lot "A" Improvements Close Out (Project No. 790601): Upon motion by Councilmember McDaniel, seconded by Councilmember Karnofski, 'Approve the Tam O'Shanter Parking Lot "A" improvements close out,' motion carried, all voting yes.

Approve Lodging Tax Advisory Committee's Funding Recommendations: The following organizations are requesting additional funding over and above what has been budgeted into the 2008 budget in regards to Stadium Funds:

\$ 700 to the Visitor's Center	Capital Improvement-Center Reception desk.
\$5,000 C.C. Historical Museum	To match what has been budgeted in previous years prior to 2007.
\$4,000 C.C. Tourism Bureau	Contribution for publishing the new 'Lure Brochure.'

Councilmember McDaniel, who is a member of the Lodging Tax Advisory Committee, gave an explanation of the requests. Upon motion by Councilmember McDaniel, seconded by Councilmember Karnofski, 'Move to approve the three expenditures.' Discussion followed. Motion carried, all voting yes.

Adoption of Water Efficiency Plan: Upon motion by Councilmember Karnofski, seconded by Councilmember McDaniel, 'Move to adopt the Water Use Efficiency Plan.' Public Works Director David Sypher said the three key elements are water use efficiency planning, creating a leakage standard, and goal-setting and performance reporting. Discussion followed. Motion carried, all voting yes.

Upon motion by Councilmember McDaniel, seconded by Councilmember Karnofski, 'Adopt the 2005 Water Master Plan,' motion carried, all voting yes.

Extension of Listing Agreement on the South River Road Parcel #24068011 and 243700100: Mayor Fatcher said the listing for the South River Road property has expired and the new agreement, which is under the same terms, is good until December 31, 2008. Upon motion by Councilmember Wheeler, seconded by Councilmember Myers, 'Move to extend the agreement for the listing of the South River Road Parcel,' motion carried, all voting yes.

MANAGER'S REPORT:

Paul Brachvogel: 1) An executive session will be needed to talk about litigation. 2) The staff is gearing up for an off-site meeting to set goals, possibly on Saturday, March 1st. Councilmembers should receive an agenda in a few weeks. 3) In the near future, a motion item will be needed for a commercial listing of the property on 1115 S. Pacific. 4) The City web site provides information for anyone wanting to fill out an application to be on an advisory group to come up with some ideas concerning the Aldercrest and DNR property. 5) The consulting for the downtown revitalization group is complete and an executive summary should be available soon. 6) I will be on vacation next week. 7) Pathways 20/20 offered to give me a free trip to Washington, D.C. on February 6-9 to attend a national seminar on economic growth called "Smart Growth." 8) DOT is working hard on safety issues concerning the exchange at SR432. The department is working hard making sure a development on the Segale property can happen. 9) Don't forget the joint Council Meeting with the Longview City Council to discuss branding on Thursday, January 17, beginning at 7:00 p.m.

STAFF REPORTS:

David Sypher: 1) Council members recently approved two positions in the Engineering Department. Stephanie Helem has been hired to run the front desk and Van McKay will be the senior engineer. Stephanie and Van will both begin work on January 23rd. 2) Shelly Timm, Administrative Assistant, is updating information on the web site to show the projects that are in process. 3) The crews are doing a great job.

Michael Kerins: 1) Tomorrow evening I will meet with the Downtown Revitalization Committee to review their report and discuss their recommendations. 2) I think it's great that City Manager Brachvogel will be attending the "Smart Growth" seminar in Washington, D.C. The information he receives will be a real benefit to Kelso.

Geraldine de Rooy: We were a part of an effort to apprehend some of the graffiti artists that have been targeting our community. Things should be looking better at the library and the train depot.

Wayne Nelson: Oral boards for entry-level positions were held last week and an eligibility list will be given to the Civil Service Commission.

Brian Butterfield: 1) The Final Budget is done. 2) We probably won't need to go into reserves for 2007. We were budgeted to go into reserves in the excess of \$100,000.

COMMITTEE/BOARD ASSIGNMENTS:

911 Board – Assigned Joe Wheeler
Airport Authority – Assigned Joe Wheeler
CAP Board – Assigned ~~Joe Wheeler~~ Todd McDaniel
Cascadia Mayor's Council – Assigned David Futcher
City Audit Committee – Assigned Dan Myers and Joe Wheeler
Cowlitz Transit Authority Board – Assigned John Karnofski and Todd McDaniel
Cowlitz Economic Development Council Executive Board – Assigned Paul Brachvogel
Cowlitz-Wahkiakum Council of Governments – Assigned John Karnofski
Disability Board – Assigned David Futcher
Emergency Management Advisory Board – Assigned Paul Brachvogel
Fire Pension Board – Assigned David Futcher
Library Board Advisory – Assigned John Karnofski
Lodging Tax Advisory Committee – Assigned Todd McDaniel
Mayor's Association – Assigned David Futcher
Public Health Advisory Committee – Vacant
CEDC – Assigned David Futcher
Planning Commission – Assigned Mike Kerins
Sewer Operating Board – Assigned David Sypher, Alan Slater, and Dan Myers
Solid Waste Technical (COG) – Assigned Alan Slater and Dan Myers
Transportation (LKRATS) - Metropolitan Planning Organization – Assigned Alan Slater and Joe Wheeler
Transportation – SW Washington Regional Transportation Planning Organization – Assigned Alan Slater and Joe Wheeler
Washington Cities Insurance Authority (WCIA) – Assigned Paul Brachvogel and Brian Butterfield

COUNCIL REPORTS:

Alan Slater: No report

John Karnofski: No report

Dan Myers: No report

Todd McDaniel: The CAP fundraiser dinner will be February 8 at the Expo center. The theme will be "A Night at the Oscars." Some people will be dressing up as movie stars.

Joe Wheeler: 1) The Airport Board is working on a plan for yearly rate increases.
2) We are hoping to get bids for corporate and T-hangar construction.

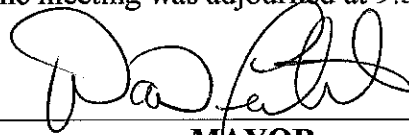
David Futcher: President Bush has proclaimed January to be National Crime Stoppers Month. Mayor Futcher read the proclamation.

EXECUTIVE SESSION:

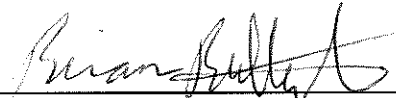
The Council convened into Executive Session at 9:10 p.m. to discuss litigation. At 9:20 p.m. the Council reconvened into Regular Session.

Mayor Futcher called the meeting back to order to talk about how to conduct the January 29th meeting to appoint the new Councilmember to fill the vacant position. Discussion followed. It was the consensus of the Council to have each candidate tell about himself/herself. A list of questions will be made up ahead of time and each Councilmember will ask a question from the list. Applications are due January 25.

Upon motion by Councilmember McDaniel, seconded by Councilmember Slater, 'Move to Adjourn,' motion carried, all voting yes. The meeting was adjourned at 9:38 p.m.



MAYOR



CITY CLERK