



City of Longview

1525 Broadway
Longview, WA 98632
www.ci.longview.wa.us

Minutes - Final - Not Approved

City Council

Mayor Don Jensen
Council Member Ken Botero
Council Member Chet Makinster
Council Member Mary Jane Melink
Council Member Steve Moon
Council Member Scott Vydra
Mayor Pro Tem Michael Wallin

Thursday, November 17, 2016

7:00 PM

2nd Floor, City Hall

Special Meeting

NOTICE IS HEREBY GIVEN, in accordance with RCW Chapter 42.30, that the City Council of the City of Longview, Washington, will conduct a special meeting in the Longview City Hall Training Room, 1525 Broadway, Longview, on Thursday, November 17, at 7:00 p.m. The topics of discussion follow. Final disposition shall be taken on no other matter.

The City Hall is accessible for persons with disabilities. Special equipment to assist the hearing impaired is also available. Please contact the City Executive Offices at 360.442.5004 48 hours in advance if you require special accommodations to attend the meeting.

1. CALL TO ORDER

Mayor Jensen called the meeting to order at 7:01 p.m.

2. INVOCATION*/FLAG SALUTE

3. ROLL CALL

Present: 7 - Mayor Don Jensen, Council Member Botero, Council Member Makinster, Council Member Melink, Council Member Moon, Mayor Pro Tem Wallin and Council Member Vydra

STAFF PRESENT

City Manager David Campbell; City Attorney James McNamara, and Deputy City Clerk Sarah Corral.

Also present: Kurt Sacha, Assistant City Manager/Finance Director; John Brickey, Community Development Director; Steve Langdon, Community Development; Jeff Cameron, Public Works Director; Todd Dodgin, Information Technology Director; Jim Duscha, Police Chief; Phil Jurmu, Fire Chief; Jennifer Wills, Recreation Director; and

Chris Skaugset, Librarian.

4. APPROVAL OF MINUTES

[16-4616](#)

**APPROVAL OF MINUTES FROM COUNCIL MEETING ON
NOVEMBER 3, 2016**

Attachments: [Council Minutes 11-03-16](#)

A motion was made by Council Member Steve Moon, seconded by Council Member Scott Vydra, to approve the council meeting minutes from November 3, 2016. The motion passed unanimously.

5. CHANGES TO THE AGENDA

City Manager Campbell proposed the following changes to the agenda:

1) Resolution No. 2220, approving a new interlocal cooperation agreement concerning the SW WA Regional Airport, is to be moved to the December 8th, 2016 council meeting.

2) Due to failure of timely publishing of the public hearing notice, the scheduled hearing will be held instead on Tuesday, November 29th, 2016 at 6:00 p.m. Subsequently, Ordinance No. 3332 regarding ad valorem taxes and Resolution No. 2197 regarding property tax levies, are also postponed to the November 29th, 2016 meeting at 6:00 p.m.

A motion was made by Council Member Makinster, seconded by Council Member Botero, to set a public hearing regarding on Tuesday, November 29th, 2016 at 6:00 p.m. The motion passed unanimously.

A motion was made by Council Member Wallin, seconded by Council Member Vydra, to accept the changes to the agenda. The motion passed unanimously.

6. PRESENTATIONS & AWARDS

[16-4598](#)

EXTRA MILE DAY - NOVEMBER 17, 2016 HONORING BILL KASCH

Attachments: [Extra-Mile Award - Bill Kasch.pdf](#)

Bill Kasch thanked city council and staff "from his heart", and expressed his deep gratitude to be a resident of Longview. A friend of Mr. Kasch also thanked council and staff for their recognition, and called him the "jewel of Longview".

7. CONSTITUENTS' COMMENTS (Thirty Minutes)

Bill Josh, Longview resident, thanked Bill Kasch for being such an outstanding member of society. He also spoke in regards to emergency shelters, and thanked council and members of the ad hoc committee for their attention to the issues, and hopes for continued civil discourse.

Paul Yeoman, Director of Pathways 20/20, distributed a flier regarding the "Healthy Communities by Design" workshop to be held on Wednesday, November 30, 2016

from 1:00-2:30 p.m. at the Cowlitz PUD auditorium, and urged council members to attend.

Bob Gregory, former Longview City Manager, expressed his appreciation for Bill Kasch's contributions to Longview.

[7.A](#)

FOLLOW-UP TO PAST CONSTITUENTS' COMMENTS

8. PUBLIC HEARINGS

[16-4614](#)

PROPOSED REVENUE SOURCES FOR THE 2017 GENERAL FUND BUDGET

COUNCIL INITIATIVE ADDRESSED:

Continue effective financial management.

CITY ATTORNEY REVIEW: Required

SUMMARY STATEMENT:

RCW 84.55.120 requires cities that collect regular property tax levies to hold a public hearing on the revenue sources for the following year's current expense budget. The hearing must include consideration of possible increases in the property tax revenues and shall be held prior to the time that the City levies the taxes or makes the request to have the taxes levied. Staff has prepared a presentation of the General Fund's revenue sources that includes the ad valorem tax levy rate for the 2017 General Fund Budget for Council's consideration.

RECOMMENDED ACTION:

Conduct the public hearing.

STAFF CONTACT:

Kurt Sacha, Finance Director and Assistant City Manager

Attachments: [2017 Revenue Sources \(2015 1117\)](#)

Postponed to November 29, 2016 Special Council Meeting.

9. BOARD & COMMISSION RECOMMENDATIONS

[PC 2015-4
11/17/16](#)

UPDATE OF WIRELESS FACILITIES CODE

COUNCIL STRATEGIC INITIATIVE ADDRESSED:

Preserve and enhance neighborhoods.

CITY ATTORNEY REVIEW: N/A

SUMMARY STATEMENT:

At the urging of the Washington Cities Insurance Authority, the City decided to undergo an update of the city's municipal code regarding wireless facilities. The existing wireless facility code (Chapter 16.75 Wireless Communications) is outdated. The Planning Commission held a series of workshops to develop draft code updates. At their May 2016 regular meeting, the Planning Commission held a public hearing on the draft codes. Following the public hearing, the Planning Commission voted unanimously to recommend approval of the code update.

The recommendation was put on the city council May 26 agenda. A few days before the council meeting, representatives for AT&T contacted the City and said they had substantial comments on the draft codes. The City Council felt, since the Planning Commission developed the draft code, it was best that the Planning Commission address AT&T's concerns. Thus, the city council passed a motion to send the draft wireless code back to the Planning Commission.

Since then, the Planning Commission has held another series of workshops, this time with AT&T representatives attending and actively participating. On October 5, the Planning Commission held a public hearing. AT&T representative spoke at the hearing. At their November 2 meeting, the Planning Commission voted unanimously to recommend approval of the draft code update.

Under the proposal, the existing Chapter 16.75 will be repealed and then replaced with a new Chapter 16.75 titled "Wireless Communication Facilities." This chapter would regulate the siting of new wireless communication facilities. In addition, a new chapter will be created; Chapter 16.80 titled "Eligible Wireless Facilities Modifications." This chapter will regulate modification to existing facilities such as adding antennas to an existing cell phone tower. The newest version of Chapter 16.80 is much shorter than the original version given to the Council. Also included is draft changes to the zoning code that provide references to Chapter 16.75.

The new wireless facilities chapters will be applicable citywide.

RECOMMENDED ACTION:

Motion to accept the Planning Commission recommendation and direct the City Attorney to prepare an ordinance for Council review and approval.

STAFF CONTACT:

Steve Langdon, Planning Manager

Attachments: [Draft Wireless facilities code-new facilities](#)
 [Draft LMC Chapter 16.80 existing facilities](#)
 [LMC reference changes for Chapter 16.75](#)
 [Staff report to Planning Commission](#)

A motion was made by Council Member Vydra, seconded by Council Member Botero, that this matter be approved. The motion passed unanimously.

10. ORDINANCES & RESOLUTIONS

[16-4608](#)

ORDINANCE NO. 3331: AMENDING THE 2015-2016 BIENNIEL BUDGET (FIRST READING)

COUNCIL INITIATIVE ADDRESSED:

Continued effective financial management.

CITY ATTORNEY REVIEW: Required

SUMMARY STATEMENT:

The subject ordinance has been prepared to amend the 2015-2016 biennial budget to authorize expenditures unforeseen at the time the 2015-2016 biennial budget was adopted. This amendment affects the Public Safety Fund in the 2015-2016 biennial budget. Budget amendment ordinances require two reading before Council. This evening's reading of Ordinance No. 3331 represents the first reading.

Expenditure required: \$300,000.00

Amount budgeted: \$0

Appropriation required: \$300,000.00

RECOMMENDED ACTION:

First reading only. No action required.

STAFF CONTACT:

Kurt Sacha, Finance Director and Assistant City Manager

David Campbell, City Manager

Attachments: [Ordinance 3331](#)

First reading only: no action was taken.

[16-4611](#)

ORDINANCE NO. 3332: SETTING THE AD VALOREM TAX LEVY RATE FOR 2017

COUNCIL INITIATIVE ADDRESSED:

Continue effective financial management.

CITY ATTORNEY REVIEW: Required

SUMMARY STATEMENT:

The attached ordinance fixes the estimated amount to be raised by ad valorem taxes for the 2017 Budget. For 2017, the requested ad valorem tax rate is \$3.352751 per \$1,000 of assessed value. The \$3.35 per \$1,000 represents a \$0.04 decrease from the \$3.39 ad valorem tax rate levied in 2016. Based on the preliminary assessed value of \$2,717,132,232 provided by the Cowlitz County Assessor's office, the estimate for 2017 taxes payable is \$9,109,870. The attached Ordinance sets the 2017 ad valorem tax levy at 0.953% above the 2016 ad valorem tax levy. An ordinance setting the 2017 levy must be in the hands of the County Commissioners by November 30, 2016; if not, the maximum amount that can be levied is the same as that in 2016.

RECOMMENDED ACTION:

Motion to adopt Ordinance No. 3332.

STAFF CONTACT:

Kurt Sacha, Finance Director and Assistant City Manager

Attachments: [Ordinance No 3332](#)

Postponed to November 29, 2016 Special Council Meeting.

[16-4601](#)

**RESOLUTION NO. 2196: ADOPTING PARKS AND RECREATION
UPDATED DONATION/GIFT/MEMORIAL ACCEPTANCE POLICY,
PROCEDURE, AND GUIDELINES****COUNCIL INITIATIVE ADDRESSED:**

Address Quality of Place Issues

CITY ATTORNEY REVIEW: Required**SUMMARY STATEMENT:**

On October 27, the new Parks and Recreation Donation/Gift/Memorial Acceptance Policy was presented to Council for recommendation to draft a resolution for approval. One of the deliverables in the 2016 work plan is to review and update parks and recreation commemorative donation program policies. It falls under the initiative to address quality of place issues and strategy to construct recreation facilities that are currently not available or are in need of improvement because updating the commemorative donation program policy is one avenue to allow for a broader scope of future opportunities within the parks and recreation system.

The purpose of updating the Donation, Gift, and Memorial Acceptance Policy is to establish policies and procedures for considering

proposals, accepting, and receiving gifts and donations along with applicable recognition requests. Donations are important to the vitality of the City of Longview and its mission to preserve, enhance and strengthen the quality of life in the community. The update provides a more comprehensive policy that provides additional structure and guidelines for potential donors, city staff, and the Parks and Recreation Advisory Board.

The Parks and Recreation Advisory Board worked with staff during the drafting process by providing comment and input. The Board made a motion to recommend approval of the updated Donation/Gift/Memorial Acceptance Policy, Procedure, and Guidelines at their regular meeting on October 17.

RECOMMENDED ACTION:

Motion to approve Resolution 2196 adopting the Parks and Recreation Updated Donation/Gift/Memorial Acceptance Policy, Procedure, and Guidelines

STAFF CONTACT:

Jennifer Wills, Director of Parks and Recreation

Attachments: [Resolution 2196 P&R Donation/Gift/Memorial Acceptance](#)
[Donation, Gift, Memorial Acceptance Policy & Procedure](#)
[Donation, Gift, Memorial Acceptance Guidelines](#)

A motion was made by Council Member Botero, seconded by Council Member Vydra, that this matter be adopted. The motion passed.

[16-4612](#)

RESOLUTION NO. 2197: AUTHORIZING THE AD VALOREM TAX LEVY FOR 2017

COUNCIL INITIATIVE ADDRESSED:

Continue effective financial management.

CITY ATTORNEY REVIEW: Required

SUMMARY STATEMENT:

RCW Chapter 84.55 limits ad valorem taxes to 100% of the previous year's levy, plus the value of new construction and improvements; this is called a "limit factor". In order to exceed the "limit factor", the law requires cities to adopt a Resolution authorizing any increase in the ad valorem tax levy to a "limit factor" established by the city, which cannot exceed the lesser of one percent or inflation, as defined by the Implicit Price Deflator (IPD). This Resolution complies with the language of RCW Chapter 84.55 in that it represents an increase in the levy amount that is the lesser of one percent or an amount equal to inflation as measured by the implicit price deflator over the highest allowable

levy since 1985. This Resolution authorizes a levy for 2017 in an amount equal to inflation as measured by the implicit price deflator which is 100.953% of the 2016 levy. Such a Resolution must follow a public hearing regarding revenue sources. The public hearing for the 2017 General Fund Revenue Sources was held on November 17, 2016.

RECOMMENDED ACTION:

Motion to adopt Resolution No. 2197.

STAFF CONTACT:

Kurt Sacha, Finance Director and Assistant City Manager

Attachments: [RESOLUTION NO 2197](#)

Postponed to November 29, 2016 Special Council Meeting.

[16-4609](#)

RESOLUTION NO. 2199: AUTHORIZING AN INTERFUND LOAN FROM THE CAPITAL PROJECTS FUND TO THE MINT VALLEY GOLF FUND.**COUNCIL INITIATIVE ADDRESSED:**

Continued effective financial management.

CITY ATTORNEY REVIEW: Required

SUMMARY STATEMENT:

Resolution No. 2199 has been prepared to provide for an interfund loan from the Capital Projects Fund to the Mint Valley Golf Fund. This interfund loan is for the purpose of constructing a golf cart storage facility at Mint Valley Golf Course.

The repayment of the \$165,000.00 loan to the Capital Projects Fund shall come from the rental of golf cart storage spaces inside the golf cart storage facility located at Mint Valley Golf Course. The total construction cost of the golf cart storage facility was \$216,270. In addition to the \$165,000.00 financing provided for in "Exhibit A" attached, Resolution No. 2199 provides for the repayment of any subsidy over and above the \$165,000.00 following the 15-year amortization period.

At the Council workshop on May 7, 2015, Council unanimously approved a motion to provide for the financing of a golf cart storage facility as outlined in the attached "Exhibit A" and following the 15-year amortization period, any outstanding balance shall continue to be paid down from revenues generated by the Mint Valley Golf Fund resulting in no out-of-pocket costs for the Capital Projects Fund.

This interfund loan from the Capital Projects Fund to the Mint Valley Golf Fund shall be repaid on or before December 31, 2019 with a minimum of \$10,000.00 to be applied toward the principal annually.

For information purposes, the Washington State Treasurer's Local Government Investment Pool interest rate as of October 2016 was 0.4739%.

RECOMMENDED ACTION:

Motion to adopt Resolution No. 2199

STAFF CONTACT:

Kurt Sacha, Finance Director and Assistant City Manager
David Campbell, City Manager

Attachments: [AMORT-15 YEAR - GOLF CART STORAGE \(Exhibit A\)](#)
[Resolution No. 2199](#)

A motion was made by Council Member Vydra, seconded by Council Member Botero, that this matter be approved. The motion passed unanimously.

[16-4615](#)

RESOLUTION NO. 2220: APPROVING A NEW INTERLOCAL COOPERATION AGREEMENT CONCERNING THE SOUTHWEST WASHINGTON REGIONAL AIRPORT

COUNCIL INITIATIVE ADDRESSED:

Improve transportation systems.

CITY ATTORNEY REVIEW: Required

SUMMARY STATEMENT:

The current Southwest Washington Regional Interlocal Cooperation Agreement expires in early 2017. The attached resolution authorizes the city manager to execute a proposed extension of the agreement (also attached) that would terminate at the end of 2018. The two-year term and most of the other amendments to the agreement have been proposed by the Port of Longview as a condition of them remaining a party to the agreement along with the cities of Longview and Kelso and Cowlitz County.

The other proposed amendments include:

- *changing from a five-member board to a four-member board, with one member for each party to the agreement and elimination of the 'at large' member; and

- *fixed annual dollar contributions for management, operation, repairs, and improvements as identified from each of the parties in place of financial contributions based on percentages.

The council reviewed the proposed new agreement on November 3 and directed the city attorney to prepare a resolution approving it.

FINANCIAL IMPACT:

The annual budgetary contributions specified for the City of Longview have been included in the City's preliminary 2017-2018 biennial budget.

RECOMMENDED ACTION:

Motion to adopt Resolution No. 2220.

STAFF CONTACT:

Chet Makinster, City Councilor and Member of the Airport Board
Joe Phillips, Economic Development Coordinator and Member of the Airport Board
Dave Campbell, City Manager
Steve Taylor, Kelso City Manager

Attachments: [Resolution for SW Washington Regional Airport Amended Interlocal Agreement](#)
[SWRA ILA - Amended - FINAL - Clean 10242016](#)

Postponed to December 8, 2016 Regular Council Meeting.

11. MAYOR'S REPORT AND COUNCILMEMBERS' REPORTS[11. A](#)**MAYOR'S REPORT**[11. B](#)**COUNCILMEMBERS' REPORTS**

Council Member Vydra said the last Ad Hoc committee meeting regarding homeless shelters in Longview was well attended. The next scheduled meeting is Monday, November 28, 2016.

Council Member Botero shared that AWC has sent out notices regarding the high school scholarship program.

Council Member Moon said the Project Longview meeting held on December 7th was well-attended. The next meeting is scheduled for Monday, December 5th at 6:00 p.m.

Council Member Makinster reported that the Airport Board met and voted to approve the budget; it will go forward to councils and commission for review and approval.

Council Member Wallin met with council members to review applications for the expiring boards and commission appointments, which will be taken to vote at one of the December council meetings. The sub-committee on streets will meet on Monday, November 21st at 5:00 p.m. regarding the Transportation Benefit District.

12. CONSENT CALENDAR

A motion was made by Council Member Vydra, seconded by Council Member

Makinster, to approve the consent calendar in its entirety. The motion passed unanimously.

[16-4599](#)

APPROVAL OF CLAIMS

Based upon the authentication and certification of claims and demands against the city, prepared and signed by the City's auditing officer, and in full reliance thereon, it is moved and seconded as shown in the minutes of this meeting that the following vouchers/warrants are approved for payment:

FIRST HALF NOVEMBER 2016 ACCOUNTS PAYABLE: \$1,254,396.86

SECOND HALF OCTOBER 2016 PAYROLL:

\$ 66,228.93 checks no. 206755-206772
\$ 656,041.87 direct deposits
\$ 841,108.06 wire transfers
\$1,563,378.86 Total

STAFF CONTACT:

Sarah Corral, Deputy City Clerk
John Baldwin, Fiscal Analyst
Jackie Rodgers, Human Resources Specialist

[16-4600](#)

LIABILITY CLAIMS/LAWSUITS

The claim(s)/lawsuit(s) listed below was/were received by the City. Where applicable, the claim(s)/lawsuit(s) have been/are being researched and/or reviewed by Washington Cities Insurance Authority (WCIA). The claim(s)/lawsuit(s) status is/are as follows:

NEW:

F. Stratton, DOI: 10/10/2016. Claimant alleges cost of damages due to flooding of residence as a result of break in city sewer lines.

S. Villalobos, DOI: 10/20/2016. Claimant alleges cost of damages due to a city fire engine, when turning a corner, hit the back corner of her parked vehicle.

STAFF CONTACT:

Kaylee Cody, City Clerk
Brian Loos, Risk & Safety Manager

[16-4603](#)

BID REVIEW - STORM WATER SHOP - SHOP HEATERS & ELECTRICAL UPGRADES

COUNCIL STRATEGIC INITIATIVE ADDRESSED:

Provide sustainable water quality & environmental infrastructure

SUMMARY STATEMENT:

This project includes updating the electrical service and installing natural gas radiant tube heaters at the Stormwater Shop building to keep equipment

above freezing temperature.

On November 9, 2016, four bids were received as follows:

\$57,178.44 - L.P. & H. Mechanical Company, Longview, WA
\$73,393.56 - Pacific Tech Construction, Inc., Kelso, WA
\$85,827.60 - Capital Heating & Cooling, Lacey, WA
Non Responsive - Masters Electric, Longview, WA

\$60,000.00 - Engineer's Estimate

Three bids received were determined to be regular and responsive. The bid submitted by Masters Electric was incomplete and deemed to be non-responsive.

FINANCIAL SUMMARY:

This project is funded by the Stormwater Fund.

RECOMMENDED ACTION:

Motion to reject the Masters Electric bid as non-responsive and accept the low bid and award a contract to L.P. & H. Mechanical in the amount of \$57,178.44.

STAFF CONTACT:

Chris St.Onge, Project Engineer

[16-4604](#)

BID REVIEW - SCHOOL ZONE SAFETY PROJECT

COUNCIL STRATEGIC INITIATIVE ADDRESSED:

Improve transportation systems

SUMMARY STATEMENT:

This project upgrades school zones with flashing beacons and speed feedback signs at Mt. Solo Middle School, the Broadway School, and St. Rose School; and installs rapid rectangular flashing lights at the crosswalk on Beech Street at 20th Avenue.

On November 2, 2016, four bids were received as follows:

\$144,848.00 - Northeast Electric, LLC, Woodland, WA
\$196,659.00 - West Coast Signal Inc., Renton, WA
\$204,750.00 - Mill Plain Electric, Inc., Vancouver, WA
\$212,571.00 - Transportation Systems, Inc., Sumner, WA

\$245,000.00 - Engineer's Estimate

All bids received were determined to be regular and responsive.

FINANCIAL SUMMARY:

This project is funded by a State Safe Routes To School Grant, with local match funding through the Public Safety Fund.

RECOMMENDED ACTION:

Motion to accept the low bid and award a contract to Northeast Electric, LLC in the amount of \$144,848.00

STAFF CONTACT:

Manuel Abarca, Traffic Engineer

13. CITY MANAGER'S REPORT

[16-4607](#)

APPROVE PROFESSIONAL SERVICES CONTRACT WITH FCS GROUP FOR UTILITY AND FLEET FINANCIAL COST OF SERVICE ANALYSIS**COUNCIL INITIATIVE ADDRESSED:**

Continue effective financial management

CITY ATTORNEY REVIEW: REQUIRED**SUMMARY STATEMENT:**

Over the past several years, a variety of regulations and other factors have changed regarding utility budgets and rates, and labor and equipment reimbursement for state and federal grants. These changes require the City to update financial analysis tools, utility rates and charges, and billing rates for reimbursable work performed by City staff.

The financial analysis needed generally includes the following areas:

Utility Rates and Charges: A cost of service analysis was last completed in 2009 to facilitate changing to predominately consumption based billing for water and sewer customers. Since that time, the City implemented the consumption based billing, built a new water treatment plant, allowed new wheeling interties with Beacon Hill Water & Sewer District, and abandoned the West Longview Lagoons Sewer Treatment Plant. In order to remain compliant with regulations governing utility charges, the City needs to update its cost of service analyses and utility rate models, and its water wheeling charges.

Billing Rates for Reimbursement: The City uses billing rates to be reimbursed by funding sources for staff and equipment costs for a variety of activities. These activities include engineering and field crew work for grant funded and utility projects, and disaster response. Several years ago, the federal Office of Management and Budget published 2 CFR Part 200, adopting updated Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards, effective December 26, 2014. These requirements have now been incorporated into most funding agencies' regulations and guidelines, and we have begun having reimbursements rejected because they do not comply with 2 CFR Part 200, especially on FHWA funded projects. State auditor staff spent a notable amount of time during recent audits advising staff about these requirements. In addition, some funding sources have long had varying rules regarding allowable expenses, and we have previously had some reimbursements rejected by

FEMA for disaster recovery efforts.

Fleet Billing and Depreciation Rates: The Fleet Department bills other City departments for its services and calculates those costs into equipment rental rates. These equipment rental rates are used to obtain reimbursement from funding agencies for equipment used in grant funded activities. These costs are subject to the same requirements as other reimbursable billing rates, and we have begun having equipment reimbursements rejected as well. Additionally, we have recently determined we have not been funding vehicle replacement depreciation accounts sufficiently to replace the vehicle.

The regulations and guidelines regarding eligible expenses frequently vary between funding sources, with some allowing a particular expense and others disallowing that same expense. Some of the factors that must be addressed for each employee or piece of equipment include the following:

Labor Billing Rates

Base Wage
Overtime Wage
Fringe Benefits (breakout)
Direct/Indirect
Overhead

Equipment Billing Rates

Equipment Rates w/Depreciation
Equipment Rates w/o Depreciation
Standby Rates
Overhead

Fleet Shop Rates

Base Wage
Overtime Wage
Fringe Benefits (breakout)
Direct/Indirect
Material/Supplies
Overhead

To ensure the financial analysis, recommendations, and analysis tools are appropriate, accurate, legal, and meet grant requirements, staff recommends retaining a consultant to perform the analysis. The firm FCS Group has prepared the City's utility cost of service analysis since 1991, and prepared the utility rate models used by staff to evaluate revenue requirements and recommend utility rates. FCS Group also has the expertise to evaluate billing rates and provide tools for staff to update reimbursable billing rates annually. Staff recommends retaining FCS Group to perform this work. The proposed scopes of work are attached for your review.

FINANCIAL SUMMARY:

The total cost of the contract is \$114,790, which will be paid by the Water, Sewer, and Equipment Rental Funds.

RECOMMENDED ACTION:

Motion authorizing an agreement with FCS Group in the amount of \$114,790.

STAFF CONTACT:

Jeff Cameron, Public Works Director

Attachments: [FCSG Water & Sewer Cost of Service Rate Analysis Proposal](#)
[FCSG Billing Rate and Fleet Fund Study Analysis Proposal](#)

A motion was made by Council Member Chet Makinster, seconded by Council Member Scott Vydra, that this matter be approved. The motion passed unanimously.

[16-4613](#)

GENERAL FUND REVIEW - 3RD QUARTER 2016**COUNCIL INITIATIVE ADDRESSED:**

Continue effective financial management

STAFF CONTACT:

Kurt Sacha, Finance Director and Assistant City Manager

Attachments: [2016 Q3 General Fund Review Council \(2016 1117\)](#)

[16-4610](#)

PROPOSED FINANCIAL MANAGEMENT POLICIES**COUNCIL INITIATIVE ADDRESSED:**

Continue effective financial management

CITY ATTORNEY REVIEW: Required

SUMMARY STATEMENT:

Adequate reserve levels are a necessary component of the City's overall financial management strategy and a key factor in external agencies' measurement of the City's financial strength. Because a fiscal sound city government is in the best interests of citizens of the City of Longview, the attached Financial Management Policy is being recommended as the guiding management principles which are to be applied in the management of the City's finances.

RECOMMENDED ACTION:

Direct City Attorney to prepare Financial Management Policies Resolution for Council's consideration.

STAFF CONTACT:

Kurt Sacha, Finance Director and Assistant City Manager

Attachments: [Financial Management Policies-\(F\)](#)

A motion was made by Council Member Moon, seconded by Council Member

Vydra, that this matter be approved. The motion passed unanimously.

14. **MISCELLANEOUS**

[16-4602](#)

WASHINGTON STATE LIQUOR AND CANNABIS BOARD REQUESTS

Attachments: [LL Renewals 11-6](#)

Council Member Moon asked to be excused from the workshop scheduled for December 1st.

15. **ADJOURNMENT**

The meeting was adjourned at 8:28 p.m. The next scheduled meeting of the Council is December 8, 2016.

*Sarah E. Corral Deputy
City Clerk*

*Approved: _____
Mayor*

*** Any invocation that may be offered at the Council meeting shall be the voluntary offering of a private citizen, to and for the benefit of the Council. The views or beliefs expressed by the invocation speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the religious beliefs or views of this, or any other speaker.**