

**KETTLE FALLS CITY COUNCIL MEETING**  
**AUGUST 1, 2023**

**CALL TO ORDER**

Mayor Jesse Garrett called the meeting to order at 7:00 p.m.

**ROLL CALL**

Chris Shurrum, Jesse Garrett, John Ridlington, Dale Drake and Michael Weatherman.

**STAFF**

Staff - Dave Willey, Larry Kulesza, Brandon Hoover, Phil Adams and Raena Hallam.

Guests - Terry Lee, Greg Young, Mark Burrows, Joe and Jodi Owens.

**ANNOUNCEMENTS AND MAIL RECEIVED**

**COUNCIL MEMBER RESIGNATION**

Mayor Jesse Garrett announced he has accepted Council Member Wayne Wardlow's resignation City Council.

**PUBLIC COMMENT**

**SMALL HOMES/DUPLEXES**

Mr. Terry Lee stated the City of Chewelah and City of Colville allow for smaller square footage homes. He brought with him copies of their ordinances for City Council. Mr. Lee asked the City Council to review and consider allowing smaller homes/duplexes for affordable housing. He further stated he will be attending the Planning Commission meeting.

**CONSENT AGENDA**

**JULY, 2023 VOUCHERS AND PAYROLL**

Council Member John Ridlington made a motion to approve the Consent Agenda. Council Member Chris Shurrum seconded the motion. Motion carried by all. Council Member Chris Shurrum - yes, Council Member John Ridlington - yes, Council Member Dale Drake - yes and Council Member Michael Weatherman - yes.

**STAFF REPORTS**

**FIRE DEPARTMENT**

Fire Chief Phil Adams reported the department responded to 2 calls. He stated the ratings bureau has done their assessment, but he hasn't heard back from them yet.

**PUBLIC WORKS**

Public Works Superintendent Dave Willey reported the department placed a dry well in front of the fire hall and will place another on Oak Street.

Public Works Superintendent Dave Willey stated Stevens County started chip sealing Evergreen to the four way stop, Oak Street, 7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> avenues. Stevens County is also doing Josephine.

**POLICE DEPARTMENT**

Police Officer Brandon Hoover reported about 80 calls including a stolen vehicle. He further stated he took the new car for a quote to have a radio installed.

**PLANNING COMMISSION**

Planning Assistant Larry Kulesza stated he is hoping for more communication since the Planning Commission Chair is now giving the Planning Commission report. Larry explained he billed the City for attendance at Planning Commission and City Council meetings and feels he has been laid off without notice. He thought the Mayor and City Council should know.

**COMMITTEE REPORTS**

**KETTLE FALLS SWIMMING POOL**

Council Member John Ridlington stated the swimming pool project is moving along.

**ORV's , GOLF CARTS**

Council Member Dale Drake reported he witnessed a 12 year old kid a John Deer while looking for work around time. Dale stated he doesn't have a drivers license or insurance.

Council Member Dale Drake further stated he contacted Mayor Garrett about the issue and was supposed to receive a call back. That was 10 days ago.

**NEW BUSINESS**

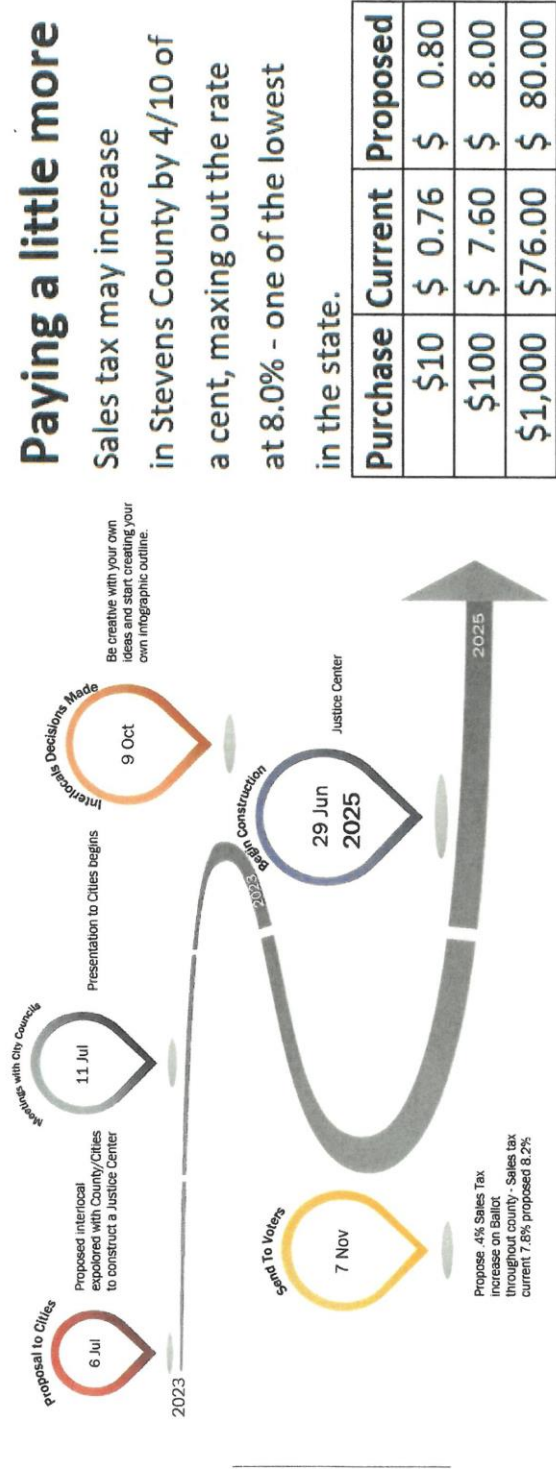
**STEVENS COUNTY CRIMINAL JUSTICE CENTER**

Stevens County Commissioners Greg Young and Mark Burrows gave a presentation to City Council regarding the future Criminal Justice Center:

Proposed 0.4% CJT					
Collected in County		Collected in Cities			
60% County	40% Cities	15% County	85% Cities		
1,118,673.09	745,782.06				STEVENS COUNTY
	12,415.58	4,480.66	25,390.38		1.66% CITY 6
	11,294.28	4,075.99	23,097.28		1.51% CITY 5
	1,690.20	609.98	3,456.54		0.23% CITY 4
	67,459.38	24,345.41	137,957.32		9.05% KETTLE FALLS
	532,865.11	192,305.63	1,089,731.92		71.45% CITY1
	120,057.51	43,327.54	245,522.73		16.10% CITY 2
1,118,673.09	745,782.06	269,145.21	1,525,156.17		
1,387,818.30	County				
2,270,938.23	Cities				
3,658,756.52	Total est 0.4% w/2022 base				

- Funds listed based on 0.4% (0.04 cents on \$10.00 purchase). The estimated amount is based on last year's sales tax revenue.
- 0.3% of above will be presented to the cities. 0.1 % directly to Stevens County.
- The interlocal agreement with the city and Stevens County provides for direct transfer of this portion to Stevens County from the city. No-negative affect on city budget.
- County wide vote to approve tax increase is required. Otherwise, non-starter.

**Justice Center Timeline**



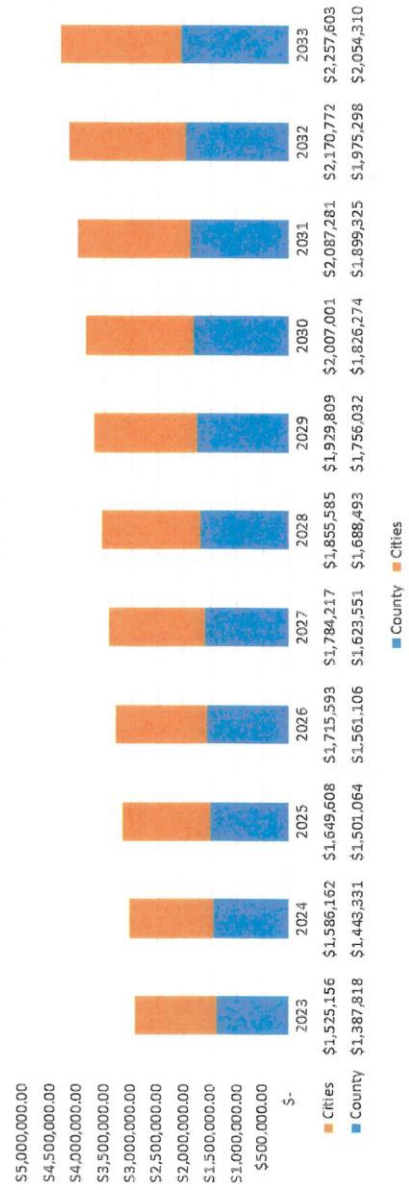
**Paying a little more**

Sales tax may increase in Stevens County by 4/10 of a cent, maxing out the rate at 8.0% - one of the lowest in the state.

Purchase	Current	Proposed
\$10	\$ 0.76	\$ 0.80
\$100	\$ 7.60	\$ 8.00
\$1,000	\$76.00	\$ 80.00

**Sales Tax Collections – Projection 10 Years**

Projected 4/10 Sales Tax Increase for Justice Center



**EXAMPLE Jail Loan Amortization**

Enter values	
Loan amount	\$ 85,000,000
Annual interest rate	1.50 %
Loan period in years	30
Number of payments per year	1
Start date of loan	1/1/2023
Optional extra payments	\$ -

Loan summary	
Scheduled payment	\$ 3,539,331.00
Scheduled number of payments	30
Actual number of payments	30
Total early payments	\$ -
Total interest	\$ 21,179,930.07

Lender name: Stevens County Treasurer

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	1/1/2024	\$ 85,000,000.00	\$ 3,539,331.00	\$ -	\$ 3,539,331.00	\$ 2,264,331.00	1,275,000.00	\$ 82,735,669.00	\$ 1,275,000.00
2	1/1/2025	82,735,669.00	3,539,331.00	-	3,539,331.00	2,298,295.97	1,241,035.03	80,437,373.03	2,516,035.03
3	1/1/2026	80,437,373.03	3,539,331.00	-	3,539,331.00	2,332,770.41	1,206,560.60	78,104,602.62	3,722,595.63
4	1/1/2027	78,104,602.62	3,539,331.00	-	3,539,331.00	2,367,761.96	1,171,569.04	75,736,840.66	4,894,164.67
5	1/1/2028	75,736,840.66	3,539,331.00	-	3,539,331.00	2,403,278.39	1,136,052.61	73,333,562.27	6,030,217.28
6	1/1/2029	73,333,562.27	3,539,331.00	-	3,539,331.00	2,439,327.57	1,100,003.43	70,894,234.70	7,130,220.71
7	1/1/2030	70,894,234.70	3,539,331.00	-	3,539,331.00	2,475,917.48	1,063,413.52	68,418,317.22	8,193,634.23
8	1/1/2031	68,418,317.22	3,539,331.00	-	3,539,331.00	2,513,056.24	1,026,274.76	65,905,260.97	9,219,908.99
9	1/1/2032	65,905,260.97	3,539,331.00	-	3,539,331.00	2,550,752.09	988,578.91	63,354,508.89	10,208,487.91
10	1/1/2033	63,354,508.89	3,539,331.00	-	3,539,331.00	2,589,013.37	950,317.63	60,765,495.52	11,158,805.54
11	1/1/2034	60,765,495.52	3,539,331.00	-	3,539,331.00	2,627,848.57	911,482.43	58,137,646.95	12,070,287.97
12	1/1/2035	58,137,646.95	3,539,331.00	-	3,539,331.00	2,667,266.30	872,064.70	55,470,380.65	12,942,352.68
13	1/1/2036	55,470,380.65	3,539,331.00	-	3,539,331.00	2,707,275.29	832,055.71	52,763,105.36	13,774,408.39
14	1/1/2037	52,763,105.36	3,539,331.00	-	3,539,331.00	2,747,884.42	791,446.58	50,015,220.94	14,565,854.97
15	1/1/2038	50,015,220.94	3,539,331.00	-	3,539,331.00	2,789,102.69	750,228.31	47,226,118.25	15,316,083.28
16	1/1/2039	47,226,118.25	3,539,331.00	-	3,539,331.00	2,830,939.23	708,391.77	44,395,179.02	16,024,475.06
17	1/1/2040	44,395,179.02	3,539,331.00	-	3,539,331.00	2,873,403.32	665,927.69	41,521,775.70	16,690,402.74
18	1/1/2041	41,521,775.70	3,539,331.00	-	3,539,331.00	2,916,504.37	622,826.64	38,605,271.34	17,313,229.38
19	1/1/2042	38,605,271.34	3,539,331.00	-	3,539,331.00	2,960,251.93	579,079.07	35,645,019.40	17,892,308.45
20	1/1/2043	35,645,019.40	3,539,331.00	-	3,539,331.00	3,004,655.71	534,675.29	32,640,363.69	18,426,983.74
21	1/1/2044	32,640,363.69	3,539,331.00	-	3,539,331.00	3,049,725.55	489,605.46	29,590,638.15	18,916,589.19
22	1/1/2045	29,590,638.15	3,539,331.00	-	3,539,331.00	3,095,471.43	443,859.57	26,495,166.72	19,360,448.76
23	1/1/2046	26,495,166.72	3,539,331.00	-	3,539,331.00	3,141,903.50	397,427.50	23,353,263.21	19,757,876.27
24	1/1/2047	23,353,263.21	3,539,331.00	-	3,539,331.00	3,189,032.05	350,298.95	20,164,231.16	20,108,175.21
25	1/1/2048	20,164,231.16	3,539,331.00	-	3,539,331.00	3,236,867.53	302,463.47	16,927,363.63	20,410,638.68
26	1/1/2049	16,927,363.63	3,539,331.00	-	3,539,331.00	3,285,420.55	253,910.45	13,641,943.08	20,664,549.14
27	1/1/2050	13,641,943.08	3,539,331.00	-	3,539,331.00	3,334,701.86	204,629.15	10,307,241.22	20,869,178.28
28	1/1/2051	10,307,241.22	3,539,331.00	-	3,539,331.00	3,384,722.38	154,608.62	6,922,518.84	21,023,786.90
29	1/1/2052	6,922,518.84	3,539,331.00	-	3,539,331.00	3,434,493.22	103,837.78	3,487,025.62	21,127,624.68
30	1/1/2053	3,487,025.62	3,539,331.00	-	3,487,025.62	3,434,720.23	52,305.38	0.00	21,179,930.07

**INTERLOCAL AGREEMENT BETWEEN THE CITY OF CHEWELAH, CITY OF COLVILLE, CITY OF KETTLE FALLS, TOWN OF MARCUS, TOWN OF NORTHPORT, TOWN OF SPRINGDALE, AND STEVENS COUNTY REGARDING SALES TAX UNDER RCW 82.14.450**

This Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2023, between the City of Chewelah, a Washington municipal corporation, the City of Colville, a Washington municipal corporation, the City of Kettle Falls, a Washington municipal corporation, the Town of Marcus, a Washington municipal corporation, the Town of Northport, a Washington municipal corporation, the Town of Springdale, a Washington municipal corporation, and Stevens County, a political subdivision of the state of Washington, hereinafter referred to as "County," pursuant to the authority granted by RCW 35A.11.010 as to the Cities and RCW 36.32.120 as to the County. Chewelah, Colville, Kettle Falls, Northport, Marcus, and Springdale may be referred to collectively herein as "Cities," or individually as "City." Individually, Cities and County may be referred to herein as "Party," and collectively as "Parties."

WHEREAS, the County jail and courthouse require additional capacity in order to incarcerate and adjudicate the combined volume of city and county inmates expected over the course of the next thirty; and

WHEREAS, County intends to construct, own, and operate a new Justice Center which includes a jail consisting of approximately \_\_\_\_\_ beds at an estimated cost of between \$90,000,000 and \$120,000,000; and

WHEREAS, County intends to present to the voters an authorizing proposition in an election during 2023 or 2024 to provide for an increase in sales tax pursuant to RCW 82.14.450 for the purpose of financing construction of the justice center including a jail through the use of limited tax general obligation bonds, hereinafter referred to as "Bonds"; and

WHEREAS, under RCW 82.14.020(1) "City" means a city or town; and

WHEREAS, Cities do not collect sales tax as authorized by RCW 82.14.450; and

WHEREAS, Cities use the Stevens County jail to hold inmates who commit crimes within the Cities; and

WHEREAS, RCW 82.14.450(6) states:

Money received by a county under subsection (1) of this section must be shared between the county and the cities as follows: 60 percent must be retained by the county and 40 percent must be distributed on a per capita basis to cities in the county.

WHEREAS, Cities and County desire to direct all tax monies received, should the voters approve the authorizing proposition, to the construction of the new justice center including a jail.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, Cities and County agree as follows:

**1. SALES TAX MEASURE.** The County intends to place a Sale Tax Measure as authorized by RCW 82.14.450 on the ballot on the November 7, 2023, general election for the purpose of financing construction of a Justice Center, including a new jail, at an estimated cost of \$90,000,000 to \$120,000,000. In the event the Sale Tax Measure fails to pass at the November 7, 2023, general election, the Sale Tax Measure will be placed on the ballot for the

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For my information:

Primary is the first Tuesday of August before a General Election.

General Election is the first Tuesday after the first Monday in November.

Special Elections may be the second Tuesday in February, the fourth Tuesday in April.

In the event that the Sale Tax Measure fails to pass at either election, this Agreement shall be immediately null and void without further action by the parties. In the event the Sales Tax Measure passes at either election, this Agreement will become fully effective and immediately binding on the parties on the date the election is certified by the Stevens County Auditor (the "Effective Date"), consistent with its terms, without further action or consent by the parties hereto.

**2. PURPOSE.** The purpose of this Agreement is to provide for the transfer of tax revenue under RCW 82.14.450 due to the Cities to the County for the purpose of financing the construction of the new justice center, including a new jail.

**3. TRANSFER OF TAX REVENUE TO COUNTY.** If the voters approve the authorizing proposition, each City shall remit to County its per capita portion of 40 percent of the money received from sales and use tax under RCW 82.14.450(6) to pay the cost of construction of the new justice center including a jail. Cities shall remit said funds to County within 30 days of receipt.

**4. DURATION/TERM.** This Agreement shall become effective on the Effective Date and shall continue through the life of the Bonds, which shall not be more than 30 years in duration from the date of their issuance.

**5. RESTRICTION OF TERMINATION.** This Agreement may not be terminated until the Bonds issued for the purpose of financing the construction of the justice center (including a jail) have been fully paid.

**6. THE MANNER OF FINANCING.** Each City shall remit to County the amount of revenue it receives pursuant to RCW 82.14.450(6) for the purpose of financing the construction of a justice center including a jail within 30 days of receipt which shall be used by County to retire the debt evidenced by the Bonds.

**7. SEPARATE PROPERTY.** During the course of this Agreement, any property created shall be the property of County. Upon conclusion of this Agreement, all such property shall remain in the possession of County.

**8. AMENDMENTS.** This Agreement may be amended at any time by written agreement of the parties. Such requests will only be approved if the proposed change(s) is (are) consistent with and/or achieve(s) the Purpose described above.

**9. HOLD HARMLESS & INDEMNITY AGREEMENT**

A. The County shall indemnify and hold harmless the other parties to this Agreement, their appointed and elected officials, agents, and employees from any and all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by any reason of or arising out of any intentional or negligent act of omission of the County, its officers, agents, and employees, or any of them relating to or arising out of the performance of service pursuant to this Agreement. In the even that any such claim, action, loss, or damages is brought against the other parties to this Agreement, the County shall defend the same at its sole cost and expense, including attorney fees.

B. Each City party to this Agreement shall indemnify and hold harmless County, its appointed and elected officials, agents, and employees from and against all claims, actions, suits, liability, loss, costs, expenses, and damages of any nature whatsoever, by any reason of or arising out of any intentional or negligent act of omission of the indemnifying City, its officers, agents, and employees, or any of them relating to or arising out of the performance of service pursuant to this Agreement. In the even that any such claims, action, loss, or damages is brought against the County, the indemnifying City shall defend the same at its sole cost and expense, including attorney fees.

**10. VENUE AND CHOICE OF LAW.** In the event any litigation should arise concerning the construction, interpretation, or enforcement of any of the terms of this Agreement, the venue of such litigation shall be in the Superior Court of the State of Washington in and for the County of Stevens. This Agreement shall be governed by the laws of the State of Washington.

**11. NO THIRD-PARTY BENEFICIARIES.** This Agreement is not intended to benefit any person, entity, or municipality not a party to this Agreement, and no other person, entity, or municipality shall be entitled to be treated as beneficiary of this Agreement. This Agreement is not intended to nor does it create any third party beneficiary or other rights in any third person or party, including, but not limited to any agent, contractor, subcontractor, consultant, volunteer, or other representative of any party. No agent, employee, contractor, subcontractor, consultant, volunteer, or other representative of any other party hereto shall be deemed an agent, employee, contractor, subcontractor, consultant, volunteer, or other representative of any other party hereto.



**12. SEVERABILITY.** If any section, subsection, sentence, clause, or phrase of this Agreement is for any reason found to be unconstitutional or otherwise invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions.

**13. COMPLIANCE WITH LAWS.** The parties to this Agreement shall comply with all applicable federal, state, and local laws, rules, and regulations in carrying out the terms and conditions of this Agreement. The parties shall obtain and comply with any and all necessary permits, approvals, consents, and notice from or to all applicable jurisdictions prior to commencing any work or action related to this Agreement.

**14. CAPTIONS AND COUNTERPARTS.** The captions in this Agreement are for convenience and reference only and do not define, limit, or describe the scope or intent of this Agreement. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute one Agreement.

**15. NO SEPARATE LEGAL ENTITY.** This Agreement establishes a cooperative undertaking, and it is not the intention of the parties to create a new or separate legal entity by this Agreement. This Agreement does not establish or create a joint venture or partnership between the parties, and no party shall be responsible for the liabilities and debts of the other parties hereto.

**16. INTEGRATED AGREEMENT.** This is an integrated agreement. None of the parties has relied on any representation other than those expressly set forth herein in entering this Agreement.

**17. NEUTRAL AUTHORSHIP.** Each of the terms and conditions of this Agreement have been reviewed and negotiated and represents the combined work product of the parties hereto, and this Agreement shall not be interpreted for or against any party hereto. The parties represent that they have had a full and fair opportunity to seek legal advice with respect to the terms of this Agreement and have either done so or have voluntarily chosen not to do so. The parties represent and warrant that they and their authorized representatives executing this Agreement have fully read this Agreement, that they understand its meaning and effect, and that they enter into this Agreement with full knowledge of its terms.

**18. FURTHER ACTS.** The parties agree to take such further actions and to execute documents as in their reasonable judgment may be necessary or desirable in order to carry out the terms of and complete the transactions contemplated by this Agreement.

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*This space intentionally is blank.*

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**19. ENTIRE AGREEMENT.** This written Agreement represents the entire Agreement between the parties and supersedes any prior oral statements, discussions, or understandings between the parties.

**IN WITNESS WHEREOF**, the parties have signed this Agreement as of this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**City of Chewelah:**

\_\_\_\_\_  
M. Gregory McCunn, Mayor

Approved as to form:

\_\_\_\_\_  
McGrane & Schuerman  
City Attorneys

Attest: \_\_\_\_\_  
Jordan Roberts, City Clerk/Treasurer

**Stevens County:**

\_\_\_\_\_  
Mark Burrows, Chairman

\_\_\_\_\_  
Wes McCart, Vice-Chair

\_\_\_\_\_  
Greg Young, Commissioner

Attest: \_\_\_\_\_  
Jonnie R. Brown, Clerk of the Board

**City of Colville:**

\_\_\_\_\_  
Jack Smith, Mayor

Approved as to form:

\_\_\_\_\_  
McGrane & Schuerman  
City Attorneys

Attest: \_\_\_\_\_  
Holly Pannell, MMC  
Administrative Services & Human Resources  
Director/City Clerk

**City of Kettle Falls:**

\_\_\_\_\_  
Jessie Garrett, Mayor

Approved as to form:

\_\_\_\_\_  
McGrane & Schuerman  
City Attorneys

Attest: \_\_\_\_\_  
Raena Hallam, City Clerk/Treasurer

**Town of Marcus:**

\_\_\_\_\_  
Fran Bolt, Mayor

Approved as to form:

\_\_\_\_\_  
Town Attorney

Attest: \_\_\_\_\_

**Town of Northport:**

\_\_\_\_\_  
Karene Balcom, Mayor

Approved as to form:

\_\_\_\_\_  
Town Attorney

Attest: \_\_\_\_\_

**Town of Springdale:**

\_\_\_\_\_  
Stefany Smith, Mayor

Approved as to form:

\_\_\_\_\_  
Town Attorney

Attest: \_\_\_\_\_

Stevens County Commissioner Greg Young explained they are requesting the City Council to authorize the city's share (.04%) of a sales tax ballot measure to be used by Stevens County to construct the Criminal Justice Center.

After discussion,

Council Member Dale Drake made a motion to voice support and authorize the Mayor to sign the proposed agreement for the Stevens County Criminal Justice Center after review of the City Attorney. Council Member John Ridlington seconded the motion. Motion carried by all. Council Member Chris Shurrum - yes, Council Member John Ridlington - yes, Council Member Dale Drake - yes and Council Member Michael Weatherman - yes.

**ORDINANCE NO. 1817 - AN ORDINANCE OF THE CITY OF KETTLE FALLS, WASHINGTON, PROVIDING FOR THE ADOPTION OF A SHORELINE MASTER PROGRAM (SMP)**

Clerk/Treasurer Raena Hallam stated a Public Hearing will be held at the next City Council meeting to discuss the Shoreline Master Program Update. She stated Planning Commission will be reviewing later this week.

Council Member John Ridlington made a motion to introduce Ordinance No. 1817. Council Member Michael Weatherman seconded the motion. Motion carried by all. Council Member Chris Shurrum - yes, Council Member John Ridlington - yes, Council Member Dale Drake - yes and Council Member Michael Weatherman - yes.

**OLD BUSINESS**

**WATER RATE STUDY**

Mayor Garrett reported files were sent to be reviewed and passed back to the Utilities Committee.

**FIRE HYDRANTS**

Council Member Dale Drake stated the fire hydrants the kids painted look very nice. Dale suggested sending a thank you letter. Mayor Garrett agreed.

**PUBLIC COMMENT**

As there was no Public Comment, City Council moved on to Adjournment.

**ADJOURNMENT**

Mayor Jesse Garrett adjourned the meeting at 8:11 p.m.

Approved:

\_\_\_\_\_  
Jesse Garrett, Mayor

Attest: \_\_\_\_\_  
Raena L. Hallam, Clerk/Treasurer