

**City of Cosmopolis  
Workshop Minutes  
September 21, 2016**

Mayor Frank Chestnut presided

Councilmembers Present: Jim Ancich, Debbi Moran, Jonathan Fischer, Carl Sperring and Kyle Pauley

Staff Present: Finance Director Cheryl Turner, Public Works Director Darrin Raines, Fire Chief Jerry Schreck and Attorney Stephen Hyde

Mayor Chestnut introduced Cliff Higley, Comptroller and Jim Smith, General Manager of Cosmo Specialty Fibers. He told Council that he had received a request for an extension of the .001487% B&O tax from Cosmo.

Mr. Smith spoke to Council about the 47% increase to B&O which would be about \$100,000. They feel it would be too much of an increase. He said that Cosmo values their partnership with the City. Mr. Higley said the company would have to find cuts else were to pay the increased B&O.

Councilmember Pauley asked about where they were in producing acetate. Mr. Smith said it is not available now but they are still working on producing it.

Councilmember Sperring asked where the acetate competition is. Mr. Smith said Brazil, Africa and a few other places. Councilmember Sperring said the City was also losing money on utility taxes. Mr. Smith said the PUD changed the mid C rate and so the price of electricity has gone down.

Councilmember Ancich said the City has been good to Cosmo and gave them a reduction on B&O for 6 years to help them get on their feet. Mr. Higley assured Council they would not be leaving.

Councilmember Moran told Mr. Higley and Mr. Smith that if the City didn't survive they would have a harder time dealing with Aberdeen.

Councilmember Fischer said when they look at the budget maybe they could stair step the B&O increase over a few years.

Mayor Chestnut said the City has deferred a lot to Cosmo. Because of those deferments the Dept. heads have had to work very hard to reduce expenditures.

---

Finance Director

Attest

---

Mayor