

2006	Harris	Ketchum	Lund	Pope	Dawes	Fuller	Taylor
Meeting Date							
January 9	P	P	P	P	P	P	P
January 10 (Special)	P	P	P	P	P	P	P
January 23	P	P	P	P	P	P	P
February 6 (Special)	P	P	P	P	P	P	P
February 13	P	P	P	P	P	P	P
February 27	P	P	P	P	P	P	P
March 13	P	P	P	P	P	P	P
March 27	P	P	A (ex)	P	P	P	P
April 5 (Special)	P	P	A (ex)	P	P	P	P
April 10	P	P	P	P	P	A (ex)	P
April 24	P	P	P	A (ex)	P	P	P
April 27 (Special)	P	P	P	A (ex)	P	P	P
May 5 (Special)	P	P	P	P	P	P	P
May 8	P	P	P	P	P	P	P
May 22	P	P	A(ex)	P	P	P	P
June 5 (Special)	P	P	P	P	P	P	P
June 12	P	P	P	P	P	P	P
June 26	P	P	P	P	P	P	P
July 10	P	P	P	P	P	A(ex)	P
July 17 (Special)	P	P	P	P	P	P	P
July 24	P	P	P	P	P	P	P
August 7 (Special)	P	P	P	P	P	P	A(ex)
August 14	P	P	A(ex)	P	P	P	P
August 28	A(ex)	P	P	P	P	A(ex)	P
September 11	P	P	A(ex)	P	P	P	P
September 25	P	P	P	P	P	P	P
October 9	P	P	P	A(ex)	P	A(ex)	P
October 12 (Special)	P	P	P	P	P	P	P
October 19 (Special)	P	P	P	P	P	P	A(ex)
October 23	P	P	P	P	P	P	P
October 26 (Special)	A(ex)	P	P	P	P	P	P
November 13	P	P	P	P	P	A(ex)	P
November 16 (Special)	P	P	P	A(ex)	P	A(ex)	A(ex)
November 27	P	P	P	P	P	P	P
December 11	P	P	P	P	P	P	P

P = Present

P (ph) – Present (Telephonically)

A = Absent

A(ex) = Absent (excused)

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The Chehalis city council met in regular session on Monday, January 9, 2006, in the Chehalis city hall. Mayor Pro tem Tony Ketchum called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Jerry Boes, Interim City Manager; Bill Hillier, City Attorney; Bill Kolden, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Interim Fire Chief; Rob Gebhart, Interim Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Patrick Wiltzius, Wastewater Superintendent; Lilly Wall, Recreation Manager; and Andy Sennes, Property Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

1. **Swearing-in of Newly Elected and Re-elected Council Members.** Judge Buzzard administered the oaths of office for Chad Taylor, At-large Position No. 2, Dennis Dawes, At-large Position No. 1, and Robin Fuller, At-large Position No. 3. Mayor Pro tem Ketchum congratulated the newly sworn-in council members.

2. **Election of Mayor and Mayor Pro Tem for 2006-2007.** Councilor Lund moved to appoint Tony Ketchum as mayor. Councilor Pope seconded the motion. Councilor Dawes moved that the nominations be closed. Councilor Harris seconded the motion. Councilor Ketchum was elected unanimously.

Councilor Lund moved to appoint Chad Taylor as mayor pro tem. Councilor Dawes seconded the motion. Councilor Harris moved that the nominations be closed. Councilor Dawes seconded the motion. Chad Taylor was elected unanimously.

3. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:

a. Minutes of the regular meeting of December 12, 2005;

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Citizen Business.** Leo Closner (1520 SW Snively Avenue) came forward to ask if it would be possible to have an automatic payment taken out of his personal bank account to pay his utility bill. He noted his city bill was the only utility, out of eight, that wasn't directly taken from his personal bank account. Jim Larson stated he would have to look into the matter and get back to Mr. Closner.

5. **New Business.**

a. **Next Step of the Proposed Annexation of the Chehalis Industrial Park Area.** Jerry Boes reported that staff submitted the petitions for annexation to the Lewis County Assessor back in December. On January 4 the city received notice that the petitions were determined to be sufficient. He stated the next step was to hold a public hearing to take input on the proposed annexation, and after the public hearing, council could entertain an ordinance authorizing the annexation. Mayor Ketchum asked Bill Hillier who should be allowed to speak at the public hearing. Mr. Hillier stated it would be up to the council and mayor. He noted it was appropriate to let everyone speak, with a limited amount of time.

Councilor Pope moved to set a public hearing on January 23, 2006 at 6:05 p.m. to accept comment on the proposed "Industrial Park" annexation. The motion was seconded by Councilor Lund and carried unanimously.

6. **Staff Reports.**

a. **Employee Service Awards.** Mr. Boes presented Court Administrator Becky Fox with a certificate for 25 years of service. He also reported that Police Officer Troy Thornburg would be receiving an award for 15 years of service.

b. **Introduction of Interim Human Resources Director.** Mr. Boes introduced interim Human Resources Director Bill Kolden to the council. Mr. Kolden stated he was glad to be working for the city of Chehalis. He passed out information on the two firms, Waldron & Company and Prothman Company, who would be making presentations to council on the city manager search process on Tuesday at 5:00 p.m. He noted that five firms were contacted to solicit proposals. Four indicated interest in submitting proposals, but two subsequently withdrew, one being Express Personnel. He noted there was a fifth firm, which chose not to submit any proposal. Mayor Ketchum welcomed Mr. Kolden.

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c. **Solid Waste Billing Changes.** Jim Larson reported the city currently had a procedure in place for customers with extra garbage for pickup. He noted customers had to come to city hall to buy tags to attach to any extra garbage bag or can they set out for pickup. Mr. Larson stated he spoke with Dan Schooler, regional manager for Waste Connections, who told him the city could change to the more common practice of having the driver keep a log of the addresses putting out extra garbage, and then send that information to city hall to be billed out, without any change in the contract. Mr. Larson noted it would add a little extra work for staff, but felt that was better customer service.

Councilor Dawes asked if there was going to be any kind of notification to the public. Mr. Larson stated they could have some kind of notification printed on the utility bills, put out a press release to the media, and also put an article in the next "Chehalin" notifying customers of the change. He noted the change wouldn't be done immediately, but in a month or so. Councilor Fuller asked if a customer would be billed for extra garbage if the lid on their can was not completely closed. Mr. Larson stated he didn't believe a customer would be charged for extra garbage, as long as the truck could pick up the can without the driver having to get out to manually put it in. Mayor Ketchum asked if the garbage company ever found that the system falsely charged customers, or if customers abused the system. Mr. Larson stated they had run across that problem, but typically the garbage company gave customers the benefit of the doubt. If it becomes a pattern they probably wouldn't be so willing to drop the charges. Mayor Ketchum asked what the extra burden would be on staff. Mr. Larson stated staff would have to manually adjust utility bills.

Mr. Larson stated, at a later point, he would like to discuss possibly getting out of the billing business for garbage and allow Waste Connections to do their own billing, noting it would free up staff time to provide other services. He also would like to send a survey out in the "Chehalin" asking customers if they would prefer having their utility bill come out on a monthly basis rather than every other month.

d. **Traffic Revisions at the Intersection of NW Louisiana Avenue and NW Airport Road.** Tim Grochowski reported that he and Chief Miller proposed to temporarily make the intersection of NW Louisiana Avenue and NW Airport Road a four-way stop. He stated the signs staff would be installing would be made of a high intensity material that could be seen from about a mile away when light reflected off of them. Mr. Grochowski noted they were currently installing electrical conduit in the ground from the State Patrol office to that intersection to install a streetlight on the city's right-of-way. He reported they had to fill out a request form with the FAA in order to install the streetlight because it was within 500-feet of the airport runway.

Mr. Grochowski noted after a month staff would remove the STOP signs on NW Louisiana Avenue, north and southbound, creating a through street. He stated the STOP signs on NW Airport Road and NW West Street would remain making them secondary streets. He indicated staff would be putting in rumble strips on West Street and also on Airport Road in the area of the new STOP signs. He believed traffic would adhere to the new change, and it would help ease the traffic flow at that intersection. Mr. Grochowski noted staff was also looking at possibly installing a roundabout at that intersection in the future.

Councilor Taylor asked what the progress was on the roundabout over by Home Depot. Mr. Grochowski reported that particular area was still under construction and was not an accepted city street. Mayor Ketchum noted the area was poorly marked and asked Mr. Grochowski to look into the matter and report back to council.

Councilor Dawes commented on the issue of coming down from West Street to Louisiana, stating it was a pretty quick corner and asked if staff would be installing any "STOP" ahead signs. Mr. Grochowski reported staff would be putting in traffic advisory signs, "STOP" ahead signs, and rumble strips. They were also trying to come up with some kind of a lane marker to help the traveling public through the intersection.

e. **Lewis County Convention and Visitors Bureau Vacancies.** Mr. Boes reported the city had placed an advertisement in *The Chronicle* on Friday requesting applications for the three vacancies on the new Lewis County Convention and Visitors Bureau (CVB) board. A deadline of January 18 had been set for applications to be turned in. Mr. Boes hoped to bring those applications to the council meeting on January 23 to make the appointments.

f. **Quarterly Report on 2004-05 Council Goals.** Mr. Boes indicated the report was on the last quarter of the 2004-05 goals set by the city council. He updated council on the high and moderate priorities, and the 2004-05 objectives already underway. Councilor Harris asked if the city had any disgruntled citizens because of the parking change during the Christmas parade. David Hartz, owner of Book-n-Brush stated he thought it was an excellent move not to have parking on the street during the parade. He felt from a safety prospective it eliminated kids from darting in and out from parked vehicles, and it also allowed

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there to be a solid line of people on both sides of street during the parade.

Councilor Harris asked Mr. Larson how much GASB 34 applied to the city. Mr. Larson stated, because of our population, the city could choose not to implement GASB 34, but didn't think that was a good idea, noting the alternative cash base financial statements were not very meaningful. He felt they didn't tell anything at all about the financial position of the city. He reported the city had an interim step that the auditors allowed the city to pursue, but it had a limited timeframe. He stated GASB 34 was an attempt to have governmental financial statements look more like business financial statements. It also incorporated a lot of other things that were not on our current financial statements such as the value of our streets and sidewalks. Mayor Ketchum asked if it also had something to do with applying for and receiving grants. Mr. Larson was unsure since he didn't work directly with grants.

g. **Council Committee Assignments.** Mr. Boes passed out the council committee assignment sheets and asked council to look them over and sign up for the committees they would like to be appointed to. He asked that the council return the sheets to him before the next meeting so staff could compile the information.

7. **Council Reports.**

a. **Present Plaque to Fred Rider.** Mayor Ketchum asked Fred Rider and his wife Laura to come forward for the presentation. Mrs. Rider was presented with flowers and a plaque was presented to Mr. Rider thanking him for his leadership, and years of dedicated service. Mr. Rider stated when he decided to run for city council he had a couple of goals in mind. The first was to change the direction of the council, and the second was to change some of the faces on the council. Mr. Rider stated he felt he had succeeded in doing that. He noted he had a lot of help from staff and really enjoyed his time serving the community as a councilman and mayor. He stated the city had made some great changes and felt they would continue to move forward under the leadership of the new council.

b. **Airport Board Appointments.** Mayor Ketchum asked if staff could contact all three applicants to see if they could attend the meeting on January 10. He thought it would be a good idea for council to meet the individuals so the council could talk to, and interview them. Mr. Boes stated he would call to see if they were available.

c. **Recess Meeting.** At 6:50 p.m. Councilor Harris moved that the council go into recess and continue the meeting on Tuesday, January 10, at 5:00 p.m. The motion was seconded by Councilor Taylor and carried unanimously.

At 5:05 p.m., Tuesday, January 10, 2005, Mayor Ketchum called the meeting back to order.

8. **Firm Presentations by Waldron & Company and Prothman Company.** Bill Kolden introduced the two firms who would be making presentations to council on their proposals for the city manager recruitment process. Each firm was allocated one-half hour each with an additional fifteen minutes at the end of each presentation, for follow-up questions from council.

9. **New Business.**

a. **Interlocal Agreement for Development Permitting in the Urban Growth Area.** Bob Nacht addressed council to explain the interlocal agreement proposed between the city and Lewis County. Mr. Nacht reported the agreement had been negotiated over the last several months, with some of the issue in the agreement, over the last several years. Mr. Nacht reported staff was comfortable with the "compromises" made to get an agreement that was suitable for both parties. He reported Lewis County had a number of issues they wanted addressed within the interlocal agreement, while the city of had a number of issues that we were not willing to address within the agreement. Mr. Nacht reported those issues were hammered out between the entities. He noted in the long run the issues presented in the agreement were the result of years of negotiations for specific purposes relevant to both party's interests, and felt there was appropriate compromise on all of the issues that were brought to the table. Mr. Nacht reported Lewis County intended to present the same interlocal agreement at their meeting on January 23. He noted the commissioners were actively involved with the process and were believed to be comfortable with it, and were intending to sign it.

Mayor Ketchum asked if staff was completely comfortable with the agreement. Mr. Nacht stated they were. He noted years ago the state legislature gave the city growth management, which resulted in Lewis County designating urban growth areas (UGA). He reported UGAs were a unique animal because they couldn't be regulated to rural standards, noting they had to be regulated by urban standards. Mr. Nacht added the county, in order to accomplish that, adopted by reference the city's

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development regulations for application in the Chehalis UGA. He reported the county wouldn't have a clue as to what was in that book because the city wrote it, which made the county dependant on the city to interpret it for them. Mr. Nacht stated it was cumbersome to try and tell the county how to read the rulebook. He explained the interlocal agreement would get the county off the hook of having to do anything. From the city's perspective we would now get paid to do the review process and the permitting. He noted there were a number of property owners in the UGA that were anxiously awaiting the agreement to be ratified because they would prefer to deal with the urban regulatory process that the city had established over the years. He stated it would serve both the public and the city's interests.

Councilor Harris noted there were some concerns with Fire District No. 6 on the issue of matching up to what the city had suggested in regards to the curbs, gutters, and sidewalks. He asked if the interlocal agreement had been in place back then, would the city have had teeth for compliance for those types of issues. Mr. Nacht stated the teeth would come from the rulebook that was in place when the application for the development permit was made. He stated he would have to go back and see what the rule was, whenever that was done. Mr. Nacht stated currently Lewis County was exclusively responsible for the administration of the rulebook in the UGA, so the city really wouldn't have anything to say about it. He noted the provisions of the new agreement would allow the city to have "exclusive" regulatory control of the permitting process, adding there would be no county standards involved, or any interpretation of the standards by the county involved in the process.

Councilor Taylor stated the roads in the county were an issue and the agreement stated the city would negotiate, in good faith, to take care of them. He asked Mr. Nacht to explain what that meant. Mr. Nacht stated what it meant was the negotiating team was unable to come up with a cut and dry answer to the question of, what would happen to county roads if an annexation occurred. Mr. Nacht explained that the city didn't want to get into that business because tax codes change, county budgets change, and city policies change. He added, who would know what would be in place to determine the decisions at the time an annexation might occur. Mr. Nacht stated the county had an interest in protecting its investment in the roadway systems, and the agreement stated the city and the county need to negotiate in good faith, at such time an annexation occurred, to address the specific impact that the county would suffer financially if the city decided to move forward with annexation. Mr. Nacht explained that the city would not determine how much money the city would give the county, but would sit down and talk about the issue and try to come to an agreement. He noted a lot of the issues envisioned with annexation would more than likely be taken care of by the boundary review board.

Joanne Schwartz stated one of the areas they really worked hard on, with the county, was the issue of nuisance abatement. She reported they wanted the city to be responsible for all nuisance abatement within the UGA, but noted the city was not willing to take that on. Ms. Schwartz stated the city would be responsible for code enforcement for permits, but not the general abatement of nuisances. Councilor Harris reported the county couldn't determine who was supposed to be responsible for nuisance abatement because no one wanted it. Councilor Pope thanked staff for sticking to their guns on the nuisance abatement issue.

Councilor Dawes moved that the council authorize and direct the city manager to sign the interlocal agreement with an effective date of February 1, 2006. The motion was seconded by Councilor Pope and carried unanimously.

At 6:36 p.m. Mayor Ketchum adjourned for a five-minute recess. The meeting was called back to order at 6:43 p.m.

10. **Interview Airport Board Applicants.** Mr. Boes stated William Jones and Dr. McCord were available to answer any questions council might have of them. He noted Fred Rider would be there shortly to answer any questions, and that Rick Hamilton withdrew his name from consideration of the appointment. Mayor Ketchum had each candidate come forward to introduce himself and tell council why they wanted to be on the airport board. Mayor Ketchum thanked the three candidates for their time and announced staff would get back to them with their decision.

11. **Executive session.** Mayor Ketchum announced the council would convene into executive session at 7:04 p.m. pursuant to RCW 42.30.110(1)(g) – public employment and RCW 42.30.110(1)(g) – evaluate qualifications for appointments to the Chehalis-Centralia airport governing board. Mayor Ketchum stated a decision would be announced after the executive session. The regular meeting was called back to order at 7:54 p.m.

Councilor Dawes moved that the council authorize the interim city manager to enter into/or conduct negotiations with the Prothman Company for securing the services for advertising for recruitment for a city manager. The motion was seconded by Councilor Taylor and carried unanimously.

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Councilor Pope moved that the council extend Frank DeVaul's term to a six-year term on the Chehalis-Centralia airport board. The motion was seconded by Councilor Taylor and carried unanimously.

Councilor Pope moved that the council reopen and extend the application period for candidates for the airport board. The motion was seconded by Councilor Fuller. Councilor Dawes asked if that was not to exclude the three applicants, but to solicit more applications. Mayor Ketchum stated that was correct. The motion carried unanimously.

There being no further business to come before the council, the meeting was adjourned at 7:57 p.m.

Mayor

Attest:

City Clerk

January 23, 2006

The Chehalis city council met in regular session on Monday, January 23, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the special meeting to order at 5:30 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Jerry Boes, Interim City Manager; Mark Scheibmeir, Asst. City Attorney; Bill Kolden, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Interim Fire Chief; Rob Gebhart, Interim Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Mansoor Ghorbani, City Engineer; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Marilyn Riebe, Grants Administrator; Patrick Wiltzius, Wastewater Superintendent; and Andy Sennes, Property Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

1. **City Manager Search – Prothman Company.** Jerry Boes introduced Greg Prothman of Prothman Company who gave an overview of how his company would go out and recruit candidates to fill the position of the new city manager. Mr. Prothman presented council with a timeline for the city manager search that included all the tasks he intended on completing, from the kickoff meetings to the final interviews. Mr. Prothman asked council how far and wide council wanted them to cast the net for the candidates. The options included:

- International
- National
- The eleven western states
- The west coast
- Locally

Mr. Prothman reported that Chehalis had a nighttime population of seven thousand, but a daytime population of twenty thousand or greater, with an infrastructure, in terms of employees, that was geared to meet the larger population during the day. Mr. Prothman recommended that council go with the eleven western states for the direct mail campaign, along with using the Internet and other advertising that they would normally do. It was the consensus of the council to go with the eleven western states.

Mr. Prothman reported the salary range for the position would most likely be in the \$80,000 range. Councilor Fuller asked if the \$80,000 included compensation and benefits. Mr. Prothman stated it would be purely salary, adding any additional benefits would be on top of the \$80,000. He stated the total cost of compensation would probably be between \$120,000 to \$130,000 for the whole package.

Mr. Prothman stated he and Merlin MacReynold had the opportunity to meet with council and department directors to get feedback about the skills and abilities they would like to see in a new city manager. Mr. MacReynold put together a summary of what was said and noted some of the issues that would be facing the new city manager in the next year. He stated the profile was a very informative tool for anyone who might be looking to apply. Some of the key things they heard during the interviews were the need for:

- A good communicator
- Someone with high integrity
- Someone with strong operational experience
- Someone who thought and behaved strategically
- Someone who would treat everyone fairly
- Someone who could be used as a resource
- Someone who would be a part of the community

Mr. MacReynold reported on some of the issues the city was and would be facing in the near future such as: annexation, growth, aging facility and infrastructure issues, operational challenges because of growth in the community, and growth of commercial and industrial development taking place.

Mr. MacReynold stated once they had the profile developed they would bring it back to council and staff to look at and give them any feedback to see if they got it right. Mayor Ketchum asked if Mr. MacReynold noted any transportation issues on his list. Mr. MacReynold didn't, but he would add it.

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Mr. Prothman thanked council for their time and added they would be happy to talk with anyone one-on-one if any questions came up.

Mayor Ketchum closed the work session at 5:55 p.m. and announced they would take a five-minute recess. Mayor Ketchum opened the regular meeting at 6:03 p.m.

2. Proclamation.

a. **Meth Watch Program.** Mayor Ketchum presented Phil Small from the Chehalis Rotary Club with a proclamation declaring the city of Chehalis a "Meth Watch Member."

3. Public Hearing.

a. **Proposed Annexation of the Industrial Park Area.** Mayor Ketchum closed the regular meeting at 6:06 p.m. and opened the public hearing. Jerry Boes turned the meeting over to Mark Scheibmeir to make the opening comments.

Mr. Scheibmeir noted there were a number of different reasons why a city would consider annexation, large or small. Some of those reasons being:

- Annexation preserves a growing urban area as a unified whole
- It would maximize the use of existing resources within the city so that local government could operate at a lower expense, and in turn tax payers would see a lesser cost for the operation of municipal government
- It would properly recognize areas that had long been unofficially recognized as being part of the city
- It would provide comprehensive land use and traffic planning (a problem Centralia is presently faced with)
- It would provide better response time for various emergency needs
- It would provide one-stop shopping for government services so that a landowner need only deal with one government agency instead of a half a dozen different governments, with any particular issue
- It would give annexed residents a voice in municipal government

Mr. Scheibmeir reported experts had long recognized land use that was "urban" should actually be municipal land use, and that urban growth without comprehensive municipal planning only became urban sprawl. He added that it actually guaranteed to a city some measure of responsible control over its future. Mr. Scheibmeir reported all of that had been recognized in the growth management act (GMA) and in fact GMA encouraged urban development inside city limits rather than outside city limits. He stated according to GMA, it was appropriate that urban government services be provided by cities. He noted in recognition of that goal both Lewis County and the City of Chehalis had in their comprehensive planning accepted the annexation of the industrial park as proper.

Mr. Scheibmeir stated the particular issue before them was, why was it a good idea for anyone who owned property within that area. He stated:

- It would have an immediate reduction in both water and sewer fees for every land owner within that area
- It would lower their property taxes
- It would provide much faster response time for emergencies, particularly police related emergencies
- It would give each citizen living within that area the right to vote for their city representatives
- For the first time they would have a voice in determination of the water-sewer rates, and other land use decisions affecting their property
- It would provide comprehensive planning for all government services affecting the land owners
- It could lower their fire rating, resulting in reduced fire insurance costs
- It would provide integrated land use in traffic planning for the entire area

Mr. Scheibmeir stated those were a few of the benefits to those lying within the area if the city chose to annex. He noted it was in fact more beneficial to the landowners within that area than it was for the city. He stated that annexation for the city was a much more problematic issue. He noted there were significant costs associated with annexation, not all of which had been fully determined. Mr. Scheibmeir stated while it was a tremendous benefit to those residing within the area, the city still had the difficult task of determining whether financially and fiscally it could adequately support the growth that was proposed by the

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annexation.

Mr. Scheibmeir reviewed what was before the city council and what was up for public comment. He stated what had begun in August 2005 was a request by more than ten percent of the affected landowners, to commence with the process of annexation. He noted it was not the first consideration of annexation for the area, adding it had been on-going for decades. He reported the city had approved the initial ten percent requests and sent it back for petition by more than sixty percent of the assessed value of the area supporting annexation, which the city had received. He noted it was not an adequate indicator of the total support it was simply where the city stopped requesting petitions, because adequacy had been achieved. He reported the city had an additional request for annexation, in return for utility services, from another thirty percent of the landowners within the area. He stated when those petitions were combined with agreements for annexation, ninety percent of the landownership of the area had requested annexation. Mr. Scheibmeir noted through the process the city would need to determine if it would be in the "total" best interest of the city.

Mayor Ketchum opened up the meeting for public comment. He asked that the public limit their time to three minutes. Mayor Ketchum asked anyone being annexed by the city to come forward and speak at that time.

Mr. Ralph Debow (1497 Rush Road) stated he couldn't understand why the people who are being annexed didn't have a vote in the matter. He didn't feel their costs were going to go down, when they were told their utility taxes were going to go up about \$200 per year. He noted they currently had good fire protection from Napavine and from Fire District No. 6. Mr. Debow stated they didn't need the city patrolling their roads since they already had the county and state providing that service. Mr. Debow stated he was not in favor of being annexed, but realized the council was running the city, and they would do whatever they pleased regardless of how anyone else felt about it.

Mr. Chuck Ziegert (189 Wallace Road) stated he was not in favor of annexation. He reported he had talked with Fire District No. 6 and it was his understanding that if they city annexed Fire District No. 6 would be shut down. He didn't see how that would benefit the area, adding it would dramatically increase the distance from a fire department to his home, and would dramatically increase the time to respond to a medical emergency. Mr. Ziegert asked how the city determined that their taxes and sewer rates would be lower. Mayor Ketchum explained how the city rates were calculated for inside the city, and outside the city limits. Mayor Ketchum also noted the city's property tax rates were lower than what they were in the county.

Mr. Ziegert stated he never received the notice that was given to the landowners about the annexation. Mr. Scheibmeir noted the city had sent out information brochures to the affected area, but technically there was no requirement of the city to do so. Mr. Scheibmeir knew the city had taken a number of steps in writing letters, placing notices in *The Chronicle*, and other public resources from time to time. Jim Larson noted early on in the process the city sent out notifications regarding annexation to not all, but many. Mr. Ziegert asked if it was such a cost to the city, how could they afford to reduce their taxes. Councilor Harris stated very often when annexation takes place it's done so that infrastructure can be supplied to the annexed area, such as water and sewer. He stated the citizens of the city had already paid for that infrastructure and it was already in the area of the proposed annexation.

Mr. Larson came back to report the reason why Mr. Ziegert didn't receive any notification was because he lived outside the proposed area of annexation. Mr. Ziegert reported he had received a notice three day's prior. Mr. Larson stated Mr. Ziegert's property was in the city's UGA, but not in the area of the proposed annexation.

Mrs. Ziegert came forward to say if the annexation closed down Fire District No.6 it would have a definite affect on them and their taxes. Mayor Ketchum stated there was no intention of shutting down Fire District No. 6. He indicated the city would be meeting with the two fire districts to negotiate on Thursday.

Mayor Ketchum announced they would now take comments from anyone living in the city of Chehalis regarding annexation.

Mr. Debow came forward again wanting to know why the city didn't take better care of their streets in Chehalis. Mayor Ketchum stated the city had a six-year schedule for the streets, but first had to produce the funds to fix them.

Mayor Ketchum opened up the floor to anyone else wishing to speak on the annexation.

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James Martin (374 SW 15th Street) came forward to say he was in favor of annexation if it was good for the city, but only if the city would work with the entities they were affecting, mainly Fire Districts No. 5 and 6. He thought Chehalis should use the city of Centralia as a model for how to deal with fire districts, noting the neighboring districts and city were working together to better the services to their city. He stated he had friends that lived right on the boundary of Fire District No. 6 and the city, and he was also a member of Fire District No. 6. He didn't see why the city and the districts couldn't work out agreements to lessen the impact of annexation. Mr. Martin stated he would like to see an automatic mutual aid agreement, or contract so the south part of the city would get better fire protection, adding it might help the city with some of the overtime they were currently paying out to its department. He believed it would be a win-win situation.

Brian Snure (612 S 227th St, Des Moines WA) an attorney for the law firm of Snure, Regeimbal & Burke stated he was attending the meeting on behalf of Lewis County Fire District No. 6. He wanted to emphasize that the district wanted to work with the city. He noted they had a meeting scheduled on Thursday and were optimistic that they could work out some of the issues. Mr. Snure reported that the Board of Commissioners were taking the position that the annexation should not and really could not reduce the level of services in the district. He stated the issue they were facing was the district covered a total of 140 square miles, and the annexation covered around 2.4 miles, or 1.7 percent of the area that fire district No. 6 had to cover. The effect of the annexation would remove 33 to 55 percent of the districts annual budget. Mr. Snure stated the district would be facing a situation where they would be required to serve 98 percent of their district with only a little over half of the budget they are currently using to cover that area. Mr. Snure added that kind of budget cut would make it extremely difficult for them to continue providing their current level of service, and hoped to work with the city to mitigate those impacts. He stated urban areas were what they were and the city would probably annex the area, but that was not what was being disputed. Mr. Snure stated what concerned the district was the impact and the way in which the annexation was occurring, adding the district would like to address those impacts before they happen, not after. Mr. Snure asked that the city council delay taking any action on the annexation until the city and the district had an opportunity to address the issues through contracts or whatever means necessary. He noted if the two parties couldn't work the issues out before the annexation, at some point the district would have to make a decision whether to step back and let it happen, or whether to oppose the city in the annexation.

Dennis Geiger (3851 Jackson Highway) stated he lived just outside the district, but had parents and neighbors who lived adjacent to the area. He stated he attended the meeting at the park a while back, and still had a lot questions that nobody had any answers for. Those included:

- If the city were going to build a new fire station, what would the cost be and how much would it cost to man it
- How was the city going to pay for three new police officers
- How was the city going to pay for new equipment
- How much of the revenue generated was going to be lost by the county
- If the city didn't have to raise taxes the first year, what would happen the second year
- How much of the area would be zoned industrial
- How many property owners were involved in the annexation
- Was it 60 percent of the value of the property, or 60 percent of the property owners needed
- How many people got to vote on the annexation
- 60 percent of the property was owned by whom

Mr. Geiger felt everything was established when the city voted to put the power plant in, adding if the city wanted to annex the area, the power plant would say yes. Councilor Pope stated it was a fact that everyone who received services from the city that lived outside the city had to sign the same paper, it wasn't just the power plant.

Steven Hensen (Commissioner of Fire District No. 5) reported about 5 percent of their wealth would disappear with annexation, which was only about \$20,000 at today's rate. His concern was, in what was an agricultural area with the exception of the two industrial sites, that number was projected to grow in coming years. He stated it would be an adjustment to their budget, which would also mean an adjustment of services. Mr. Hensen stated Fire District No.5 would stand with Fire District No. 6 saying it would be an adjustment of services. He stated the district would like to work with the city and not against it.

Anna Szlagy (189 Wallace Road) asked why the city didn't just take the industrial park and leave the rest of them alone. Mayor Ketchum stated it had to do with boundaries. Mr. Scheibmeir explained that it must be contiguous, meaning it could not leap over certain properties to reach other properties. He noted the city was also mandated to round the boundaries in a practical way. He stated the city did consider a number of residential areas that it excluded when it could. Mayor Ketchum

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noted the city was asked by the county to take in even more property, but chose not to. Mr. Scheibmeir stated the county was a player in the process and expressed their desires, adding the city listened to their desires and tried to act accordingly. Ms. Szlagy stated if she had a medical emergency, she didn't want to wait for someone from the city to respond. She felt that the humanistic part of it was being lost, and it was only the money speaking.

Mayor Ketchum closed the public hearing at 6:48 p.m. and reopened the regular meeting.

4. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:

a. Minutes of the regular meeting of January 9 and 10, 2006; and

b. Claim Vouchers No. 80920-81043 in the amount of \$1,763,450.47 dated January 13, 2006; and Claim Vouchers No. 81044-81045 in the amount of \$16,789.23 dated January 13, 2006;

The motion was seconded by Councilor Pope. Councilor Fuller asked that the minutes be corrected to reflect his first name as "Robin." The motion, as corrected, carried unanimously.

5. **Citizen Business.**

a. **Meeker Marker Projects and Oregon Trial Days.** Karen Johnson, Assistant Director and Edna Fund Co-Chair of the Lewis County Historical Museum came before council in hopes of gaining approval to install an Oregon Trail marker at the foot of the hill below City Hall. The two representatives quizzed council on various details about Ezra Meeker who was a well-known pioneer who came west across the Oregon Trail in 1852. Ms. Johnson and Ms. Fund reported the Meeker Society was very excited about the chance to unveil the markers, as part of their celebration of the 100th anniversary of Meeker's Journey. They reported they planned to unveil markers at Claquato and Chehalis, and hold a covered wagon parade, with a barbecue or chuckwagon dinner following. They also hoped to bring Bullwhackin Kass, an old world oxen exhibit, to the area in April to help with the installation and dedication ceremony for the Meeker markers. Ms. Fund invited council to take part in the event and also asked for permission to use one of the city parks for the celebration. Councilor Lund asked if they had collected any money for the marker yet. Ms. Johnson stated they had collected a little bit here and there and would later be meeting with other groups to ask for funding. Councilor Harris asked if they could respond to their request for funding at the next meeting on February 13. Councilor Lund asked why they needed to wait, noting time was of the essence. Councilor Pope asked if they were committing the city to any funding. Ms. Fund stated they would appreciate the city to say they were in favor of it, and deliberate at the next meeting a dollar amount. It was the consensus of the council to:

- Allow the Meeker Society to install the marker
- Have officials available on April 29
- Have city workers assist in marker siting and parade route
- Provide a Proclamation
- Approve the use of city park for the beginning and ending site of a parade and barbeque
- Approve the use of city reader boards to post announcements of the celebration.

Mr. Boes stated staff would need to look to see if there were any scheduling conflicts. Ms. Schwartz stated she would check to see if the VR Lee building at Recreation Park was available, and if so she would put their name down. Councilor Fuller asked if there were any more expenses other than the markers. Ms. Johnson stated there would be more, guessing they would come in under \$10,000. Those costs included:

- \$2000 for the use of Bullwhackin Kass
- Associated costs for advertising, printed programs
- Funding for the schools to purchase Oregon Trail workbooks
- Lodging for some of the participants who would be donating their time

Councilor Lund moved to approve everything but a dollar amount. The motion was seconded by Councilor Harris and carried unanimously. Councilor Lund donated \$100 towards the marker and challenged other city staff to meet his donation.

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6. **New Business.**

a. **Ordinance No. 802-B, First Reading – Providing for Annexation of the Chehalis Industrial Park.** Mr. Boes stated the ordinance would provide for annexation of the Chehalis Industrial Park. Mayor Ketchum asked if it would hurt to delay the decision for two weeks, or until they met with the fire districts in February. Mr. Scheibmeir noted time was of the essence in certain respects. He reminded council there would be no final action since it was only the first reading, and not the final reading. He noted there were some external deadlines that the city was dealing with primarily with the county. Mr. Scheibmeir noted the recognition of any annexation action effectively had to take place before the end of February for recognition in the following tax year, otherwise there would be a full years delay in the affect of what the city does. He noted if the city were going to do anything in a timely way, the city would have to meet the county's deadline.

Councilor Pope asked if it would preclude the city from negotiating with the fire districts if they passed the ordinance on first reading. Mayor Ketchum stated it would not. Mr. Larson stated the city was looking at an effective date of the annexation of January 2007 adding nothing would preclude the city from negotiation through that time.

Councilor Dawes asked if someone lived in the area under consideration of annexation and paid a dollar towards the EMS levy on a ten year levy, would that mean from the date of the annexation that they would no longer be paying that levy, since they would now be paying a city levy for EMS services. Mr. Scheibmeir stated that was the position that the state municipal research agency had given the city, as well as the city's own separate bond council. He noted the bond council for the fire district had taken the opposite position as to whether or not the fee would be exonerated from the annexed properties, or not, but the city had agreed to work in cooperation to come up with a mutual way to approach the attorney generals office for an opinion.

Councilor Dawes asked Mr. Scheibmeir when referring to the county in his report if was he talking about Lewis County Fire District No. 6, or the county. Mr. Scheibmeir stated he was talking about the property tax. Councilor Dawes restated his question to ask if Mr. Scheibmeir was talking about Fire District No. 6, or the county when he referred to the city agreeing to send it to binding arbitration. Mr. Scheibmeir stated the county spoke on behalf of the fire district, adding the Lewis County Treasurers office had the lead on the process.

Councilor Dawes stated regardless of what the city does, there was always a chance that it could go before the Boundary Review Board (BRB). Mr. Scheibmeir stated yes, noting the process had a couple different triggering events. Mr. Scheibmeir gave a few examples of who was able to request the matter go before a BRB. He stated it could be an entities junior taxing district affected by the outcome of annexation, a separate party would be the county, and then there were certain percentages of landowners, either affected inside or outside, that could request the matter to go before the BRB. He felt if would be difficult for the landowners to make the request because of the percentage numbers and the diversity of ownership would make the process a challenge.

Councilor Fuller asked how long it would postpone annexation if they were to delay action. Mr. Scheibmeir stated it would postpone the impact of the tax transfer by one year, so instead of a 2007 allocation of taxes to the city, it would be a 2008 allocation. He noted it had to do with the county reporting it to the state, and the state responding. Councilor Fuller asked it they needed to take final action by the end of February. Mr. Scheibmeir stated yes.

Councilor Fuller asked why the city had stopped contacting people, to sign annexation agreements, after the 60 percent was reached. Mr. Scheibmeir stated the city did not solicit further petitioning parties because it was an expense to city's staff and time that wasn't legally required, once they achieved the 60 percent. He noted since that time others have indicated their support, but to go out and seek more would have been legal overkill at that point.

Jim Larson asked to explain some pertinent information from an earlier asked question about revenues. He stated if the city were to make the annexation effective January 1, 2007, the city would not receive any of the fire districts levy's until 2008.

Councilor Fuller asked if Fire District No. 6 was ever asked to sign an annexation agreement. Mr. Scheibmeir noted they had signed two utility service annexation agreements agreeing to annexation, but they were not asked specifically, nor was the Port of Chehalis, or Community Partners asked to sign. Mr. Scheibmeir stated they could have certainly done so, but again it became a cost versus benefit question, when they had already achieved what was necessary

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Councilor Fuller indicated he was for annexation, but was bothered by some of Mr. Scheibmeir's comments in his summary. Councilor Fuller noted through the summary Mr. Scheibmeir used words such as: it's estimated; it's expected; perhaps; not yet known; ultimately may require; analysis is problematic; it was believed; they allege; it is hoped; and somewhat affected. Councilor Fuller also felt there were some pretty heavy roadblocks in the negotiation process that could have and should have been going on for years. Mr. Scheibmeir stated the negotiation had been on-going for years, and were continuing to go on, but had the appearance of not being resolved. Mr. Scheibmeir noted that was not for lack of energy spent on the process in the years past. He felt it would be unfair to characterize the city as either having not done so, or being indifferent to that. Councilor Fuller stated he wasn't trying to paint that kind of picture, what he was saying was there seemed to be some major problems to work out before they would have any agreement signed, before they moved forward with annexation.

Councilor Pope stated there had been several times over the last fifteen-years when annexation had come up. He noted in looking at all of the factors of what had been considered in the past, and now, it appeared that the time was right to move forward with annexation. He stated the fire district had known all that time that the city had planned on annexing. He noted attempts were made to meet with the district, but they could not come to any kind of conclusion. He agreed they needed to work out issues with the district and felt they could still do that, and it would be appropriate to do so. Councilor Pope stated their intentions were good and they only want to see the best for the community. He felt a solution could be worked out to resolve the issues between the city and Districts No. 5 and 6.

Mr. Guiger came forward to say it seemed like it all had to do with Fire District No. 6. He asked why council wasn't taking into consideration the other 40 percent that was involved. Mayor Ketchum stated their attitude was the city got the percentage needed to meet what the law stated so they stopped asking, so as not to waste any more time and money. He stated it had nothing to do with the city being out for itself or anyone else. Fred Rider spoke saying the city was actually at 80 percent of the assessed value of the annexation until the power plant requested their reduction.

Councilor Dawes moved that the council pass Ordinance No. 802-B on first reading. The motion was seconded by Councilor Pope. Councilor Harris asked if a visual map would accompany the official petition. Mr. Scheibmeir stated it already accompanied the actual petition and the county had a larger version available. Councilor Dawes stated while he supported the ordinance he also supported the idea of working with the fire districts to resolve the issues at hand. He felt it was council's job to do what was in the best interest of the citizens they were elected by, but included in that was that they needed to work with their neighbors. Councilor Lund stated he would be voting against the motion because he didn't believe the city had been working with Fire District No. 6 like they should have been. The motion carried 4 to 3. Councilors Fuller, Lund, and Mayor Ketchum voted against the motion.

b. **Utility Extensions to Service the "Barnes" Property.** Mr. Boes stated the request was before council to approve design funds for the utility extensions for the "Barnes" property. Bob Nacht came forward to remind council that last year the city entered into a purchase and sales agreement with Pehnic Investments for a portion of the "Barnes" property. He noted in the agreement there was a provision that the appraisal for the property, for the purpose of establishing the sale price, would be based on the ultimate build-out of NW Louisiana Avenue extension. Mr. Nacht noted it included a five-lane road, curbs, gutters, sidewalks, elevation, and all utilities. He stated the appraisal price was based on the eventuality of the build-out. Mr. Nacht noted currently the city had progressed towards that build-out, referring to the sub-base for the extension of NW Louisiana Avenue. He reported the next step in the process would be the extension of water and sewer utilities, either to a point to service the "Barnes" property, or possibly a point to service the entire area, depending on how expensive or non-expensive the bids come in.

Mr. Nacht stated in the process the city has had to segregate the filling activity and the utility activity from the overall project. The city had contracted with DCI Engineers who was the contracted engineer for the city's project, as well as other activities going on at the airport, and had amended the contract with them to provide for the segregation of the filling activity and the utility from the overall project. Mr. Nacht reported the cost of that activity was \$10,000, a negotiated price, and in his opinion a good price. He asked that council authorize the \$10,000 to allow them to move forward with the entire project. Following the utility extension, the developer of Twin City Town Center had been obligated through SEPA mitigation to construct a two-lane road to the dike at the north end of the airport. Mr. Nacht reported the contract the city had with the purchase and sale of the property provided that the frontage improvements and utilities shall be in place by June 1. Councilor Fuller asked if that was normally a city cost, or the developers. Mr. Nacht noted it was a city project so the costs belonged to the city.

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Councilor Taylor moved that the council authorize an amendment to the existing contract with DCI Engineers in the amount of \$10,000 for design engineering and bid package services for the Louisiana Avenue fill project. The motion was seconded by Councilor Lund and carried unanimously.

c. **Easements for Chehalis Regional Water Reclamation Facility.** Patrick Wiltzius stated the city has had to obtain numerous easements for the wastewater treatment/poplar tree plantation. The city had obtained all but one and had been negotiating with WestFarm Foods, also know as Darigold, to get the last easement. Over the last year staff had been negotiating with Darigold and had come up with a trade.

Mr. Wiltzius noted Darigold was on a similar timeframe as the city, to remove their discharge from the river. Mr. Wiltzius reported Darigold would be boring under the river and going to their property on the Westside of the river. In exchange for them coming across city property, the city would be able to go across their property. Mr. Wiltzius presented a map showing where the locations of the exchange would take place.

Councilor Pope asked if they would be shipping any waste to the poplar tree plantation. Mr. Wiltzius stated no. Councilor Fuller inquired about item no.10 of the agreement asking if there was a termination. Mr. Wiltzius stated they would be in perpetuity unless the project goes away. He noted if the grantor requested for the pipes to be removed, they would need to be removed. Mr. Wiltzius didn't know how they could breach the easement, as long as it was installed the way it was suppose to be.

Councilor Dawes moved that the council approve the easement between the city of Chehalis and WestFarm Foods as proposed, and authorize the city attorney to prepare and execute the necessary legal documents. The motion was seconded by Councilor Lund and carried unanimously.

d. **Project/Construction Manager for the Roundabout and Airport Road Extension.** Mr. Boes reported that staff was requesting that the council give them authorization to put out a request for proposals for a project manager. Mr. Boes stated it was due to the increased load on staff and the complexity of both construction projects. Mr. Boes reported that staff would like to bring a proposal back to the council sometime in February. He noted the position would be funded through grant monies received for the projects. Mayor Ketchum thought it was a good idea since the project keeps growing and the city was having a difficult time keeping up with it, and because it was grant funded it wouldn't hold the city to any funding. Councilor Fuller asked if the person they hired would become a permanent employee. Mr. Boes stated no, it would be a contract employee for a certain length of time. Councilor Dawes noted his understanding was that the amount of money involved would be there to be paid toward city staff time if the city were doing the management of the project in-house, as opposed to going to a contractor. Mayor Ketchum noted the money would come from the TIB funding and was part of the whole project scenario. Councilor Lund asked if they weren't charging the money to the TIB Funding for that part of the project, what would happen to the money then? He asked why the city had a city engineer if they couldn't do the work. Mr. Nacht stated one of the issues they were dealing with was that the projects had grown a mind of their own. He stated each day there are State and Federal requirements that the city becomes aware of, as part of the grants. He noted there were acquisition issues, encumbrance issues, and other issues that need to be taken care of on a daily basis. Mr. Nacht stated the city engineer, the public works director, community development manager, community services director, and the interim city manager are spending an inordinate amount of time trying to make sure things don't get too far out of hand. He explained that the city currently has \$110.7 million dollars worth of projects that the city was suppose to be doing either currently in 2006 or over the next five years in the six-year street program. He noted those were all things the city engineer was suppose to be taking care of. He noted staff was getting to the point that they were getting bogged down.

Mr. Nacht stated the grant money would pay for the individual the city hires to do the projects. He noted city staff was currently charging its time to the grant, and would essentially be a wash, as far as the money goes.

Councilor Lund moved that the council authorize staff to seek requests for proposals to hire a project/construction manager for the roundabout and Airport Road extension projects. The motion was seconded by Councilor Pope and carried unanimously.

7. **Staff Reports.**

a. **2005 Fourth Quarter Budget Status Report.** Jim Larson reported that the city's fourth quarter status report included discussion of specific line items. Mr. Larson noted the general fund revenues came in ahead of what the city originally

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budgeted for, and also came in higher than what they estimated mid-year for the beginning fund balances. Mr. Larson stated the expenditures also came in under budget in the general fund.

Councilor Harris felt the conservative numbers they were using to estimate to what actually happened were the reasons it was as successful as it was. Mr. Larson stated city management certainly managed to keep costs down, adding just because they have budget left, they didn't feel like they had to spend it.

Mr. Larson summarized the financial picture of the city in relation to the budget and to the year-end estimate they used for the 2006 budget. Mr. Larson stated the bottom line was the city had about \$268,000 more in the general fund than what they budgeted for. He reported about \$50,000 of that would be rolled into the 2006 budget for items that were purchased at the end of the year and delivered after the first of the year, and the implementation of the project accounting system. Mr. Larson reported if the city did nothing with the remaining \$200,000 that money would go into reserves, adding healthy reserves were always a good thing to have. He stated it also offered council the opportunity to fund items that may have been a high priority for them that staff had not done because of funding. One example he mentioned in his report was holiday decorations.

Mr. Larson reported he also provided information on all the other funds, within the agenda packet. He noted all of the city funds were healthy and doing well.

Councilor Lund asked how hard it would be to put that money into the sewer fund and give the citizens a discount on their sewer rates. Mr. Larson stated that was an option council could consider. Councilor Harris stated if it was only going to save someone .50 cents to a \$1 dollar on their bill one time, they might reconsider doing it. Councilor Harris added at the same time he wanted to do anything to take money off the top so if they could, at the end of five years, not increase the rates as much. Mr. Larson reported in terms of reducing the rate increases, \$200,000 wouldn't have a much impact, but every little bit helped. Councilor Taylor asked if they could talk about the issue some other time and maybe get into more detail about what they could do. Mayor Ketchum asked that they pool their suggestions and get them back to him.

Mr. Larson reported on the request made by the citizen at the last meeting, asking the city to deduct his utility payment from his personal bank account. Mr. Larson stated he learned that was something they can do, but there would be a certain amount of expense. He stated once he had some figures he would weigh the benefits of doing it now, or doing it later. He stated he contacted Mr. Clossner to inform him that the city would be moving forward with his request, but it may not be until after staff converts to the new utility system. Councilor Fuller asked if that included credit card and Internet payments. Mr. Larson stated credit card and email payments were not things the city could do with the present system, but would be able to with the new system. Councilor Dawes noted the city should be able to take Internet payment. Mr. Larson stated there was nothing stopping Mr. Clossner, or anyone from contacting their own bank to have them pay their bill.

8. Council Reports.

a. **2006-07 Council/Staff Committee Assignments.** Mayor Ketchum briefly went over the list and announced the assignments.

b. **2006-07 Goal Setting Workshop.** Mayor Ketchum reported the council would need to make a decision as to whether or not they wanted to set the goal setting workshop date now, or wait until the new city manager was appointed. He also asked if they wanted to make it a goal setting/team building session with Michael Pendleton. It was the consensus of the council to wait and have a goal setting/team building session after the new city manager was hired.

c. **Interview Lewis County Convention and Visitors Bureau Applicants.** Mayor Ketchum stated Rowen Guenther and Fred Rider were present to interview, and the other two applicants Richard DeVaney and Natalie Ketchum, sent letters of interest since they were unable to attend the meeting. Council interviewed the two candidates who were present.

9. **Executive Session.** Mayor Ketchum closed the regular meeting at 8:09 p.m. and announced that council would convene into executive session pursuant to RCW 42.30.110(1)(g) – evaluate qualifications for appointments to the Lewis County Convention and Visitors Bureau, and there would be a decision following the executive session. Following the conclusion of the executive session, the regular meeting was reopened at 8:18 p.m.

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Councilor Taylor moved that the council appoint Fred Rider to a one-year term, Rowen Guenther to a three-year term, and Terry Harris to a two-year term, as representatives of the city of Chehalis, to the Lewis County Convention and Visitors Bureau Board of Directors, effective February 1, 2006. The motion was seconded by Councilor Dawes and carried unanimously.

10. **Council Reports Continued.**

a. **Meeting Reminders.** Mr. Boes reminded council about the AWC Legislative Action Conference on January 25 and 26, and the EDC banquet on Thursday at 6:00 p.m. at the Aerie in Centralia.

b. **Les Schwab Container Issue.** Councilor Dawes stated he had received a call last week regarding the issue with Les Schwab. He understood that nothing had been done yet, but both parties were trying to work things out. Councilor Dawes hoped that someone was working on it, and that it wasn't just a done deal. Joanne Schwartz stated the matter went to the hearings examiner for a public hearing. She reported they made some modifications at the request of Les Schwab, but it was not to the satisfaction of the citizens challenging the matter. Councilor Dawes asked if the hearings examiner's decision could be appealed. Ms. Schwartz stated it could be appealed to Superior Court. She noted a number of people were having discussions with the Regional Manager from Les Schwab. Councilor Taylor stated they, as a council, could not get involved and there was really nothing the city could do about it. Ms. Schwartz noted city staff had talked with some concerned citizens at other meetings, and added it really was out of the city's hands.

There being no further business to come before the council, the meeting was adjourned at 8:21 p.m.

Mayor

Attest:

City Clerk

February 6, 2006

The Chehalis city council met in special session on Monday, February 6, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the special meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Jerry Boes, Interim City Manager; Mark Scheibmeir, Asst. City Attorney; Bill Kolden, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager.

1. **Resolution No. 1-2006, First Reading – Declaring State of Emergency.** Jerry Boes reported due to some of the damage the city received during the recent flooding event, the city needed to declare a state of emergency. Joanne Schwartz reported that the resolution would allow the city to bypass the normal bidding process for repair of any damage received as a result of the flooding, to any of our facilities. She reported that the wastewater treatment plant had received substantial damage to one of its settling basins. She stated the resolution would allow the city to move forward without going through the whole bidding process for the one area of repair. Councilor Dawes asked if that was the only project they were looking at. Ms. Schwartz reported the city had about \$18,000 worth of damage to Alexander and Stan Hedwall Parks. Mayor Ketchum asked if the damage had been evaluated so they would know how much the repairs were going to cost. Tim Grochowski reported they run about \$100,000, and needed to be repaired within 120 days.

Councilor Fuller asked what allowed the city to go through the process of declaring an emergency, and forgo the bidding process. Ms. Schwartz stated there was an RCW, which allowed agencies to bypass the normal bid process because of mitigating circumstances. Councilor Fuller asked if there would be any federal or state monies that would cover the repair. Ms. Schwartz stated if they continued to have more flooding and extensive damage there could be a federal disaster declaration for the state of Washington, at which point the city could possibly receive FEMA money. Councilor Fuller asked what the checks and balances were, and who would oversee the project. Mr. Grochowski stated the city had an engineer coming in to take a look at it who would give them an estimate. Bill Kolden came forward to say that the engineer estimated the repair work to be in the \$75,000 to \$100,000 range. He reported the same basin was damaged during the 1996-97 flooding, and the latest repairs would be on the sidewalk. Mr. Kolden reported the insurance adjustor came down to take a look at it and the city filed a claim to see if some of it would be covered by insurance.

Mr. Grochowski reported that Patrick Wiltzius would have city staff go in, tear it apart and get it ready for the contractor to come in to do the repairs. He added they would try to keep the costs down as much as they could. Ms. Schwartz asked that council suspend the rules and adopt the resolution on first and final reading.

Councilor Pope moved that the council suspend the rules requiring a second reading of a resolution. The motion was seconded by Councilor Dawes. Councilor Taylor asked if they should list the wastewater treatment plant basin in the resolution. Ms. Schwartz stated the only other damage they had was the two parks and they wouldn't use the resolution for that, adding if they had more work to do they would come back to council. The motion carried unanimously.

Councilor Pope moved that the council adopt Resolution No. 1-2006 on first and final reading. The motion was seconded by Councilor Dawes and carried unanimously.

2. **Executive Session.** Mayor Ketchum closed the regular meeting at 5:10 p.m. and announced that council would convene into executive session pursuant to RCW 42.30.110(1)(b), right-of-way acquisition – roundabouts; RCW 42.30.110(1)(i), potential litigation – wastewater treatment plant; RCW 42.30.110(1)(i), potential litigation – Fire District No. 6; RCW 42.30.110(1)(g), public employment review – city manager vacancy; and RCW 42.30.110(1)(g), Public employment review – fire department vacancies. Mayor Ketchum announced there would be no decision following the executive session. Following the conclusion of the executive session, the regular meeting was reopened at 7:10 p.m.

There being no further business to come before the council, the meeting was adjourned at 7.10 p.m.

Mayor

Attest:

City Clerk

February 13, 2006

The Chehalis city council met in regular session on Monday, February 13, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Jerry Boes, Interim City Manager; Bill Hillier, City Attorney; Bill Kolden, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Interim Fire Chief; Rob Gebhart, Interim Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Marilyn Riebe, Grants Administrator; Patrick Wiltzius, Wastewater Superintendent; and Andy Sennes, Property Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

1. **Introductions / Presentations.**

a. **Timberland Regional Library Community Services Manager.** Community Librarian Corine Aiken introduced Mike Wessells as the new manager of community services for the region. Mr. Wessells reported he was appointed to the new position created for 2006. He stated he would be working with all of the communities to help make the best use of library facilities.

2. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of January 23, 2006;
- b. Claim Vouchers No. 81046-81214 in the amount of \$517,020.18 dated January 31, 2006; and Payroll Vouchers No. 25860-26013 in the amount of \$550,461.04 dated January 31, 2006;
- c. Confirm the re-appointment of Brain Zylstra to the Chehalis Library Board for a new four-year term through 2010;
and
- d. Accept the Airport Road Extension Fill Project as complete and release retainage in the amount of \$58,876.74 to Dulin Construction Inc.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Citizen Business.**

a. **Parked Vehicles.** Tara Meyer (112 SW 11th Street) came before council with concerns about vehicles being parked for long periods of time, adding they were licensed, but not driven. She asked how many vehicles a property owner could have parked at their home. Mayor Ketchum stated he thought as long as it was a licensed, registered, and legal vehicle they could have as many as they wanted. Chief Miller agreed. Bill Hillier noted if they were parking legally on the public right-of-way there was nothing that restricted them from being there. Joanne Schwartz reported that staff was aware of the issue, noting Community Services Officer Don Chambers and Parking Enforcement Officer Linda Bailey checked out the area and found there were no violations.

b. **Les Schwab Container Issue.** Robert Braun (82 NE North Street) came to request that the city take a look at possibly changing the regulations for permitting conditional use permits. Mr. Braun gave a brief history of the area he lived in. He also talked about the decision of the Hearings examiner, and the location that Les Schwab was looking to put steel shipping containers. He stated he spent a good amount of money refurbishing his home, and felt by allowing Les Schwab to locate the containers just below his home, it could potentially lower his property value. Mr. Braun stated while Les Schwab was good to its customers, they were not good neighbors.

Councilor Pope asked if the area Les Schwab wanted to put the containers was zoned commercial or residential. Bob Nacht stated the lot was zoned residential. Mayor Ketchum reported that council didn't know too much about it, and asked that staff get back to them, in two weeks, with information on the situation. He asked them to report what the process involved, and to let them know what council could, or could not do to make the process better. Mr. Nacht stated they would report back in two weeks.

c. **Roundabout Project.** Heidi Pehl (141 NE Summit Road) talked briefly on the roundabout project. She stated as a citizen, a taxpayer, and a business owner that was impacted by the roundabouts on Chamber Way, she would encourage the

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city council to go forward with the roundabout project, and find a way to get the project completed that year. She stated if there was anything they could do, as a business that would help the process, they would be happy to provide any support that they could. Ms. Pehl felt it was in the best interest of the city to move forward with the project.

d. **National Avenue Speed Limit.** Melissa Ming (399 Tune Road) asked why the speed limit was only 20 mph coming up to the mint plant and through town. Mayor Ketchum reported long ago he pushed for the lower speed limit because the mint plant had a lot of large trucks and cars going in and out of the parking lot. He added they lowered the speed limit to get people in and out safely.

Ms. Ming asked, which was safer, roundabouts or stoplights. Mayor Ketchum stated it depended on whom she talked to. Councilor Harris noted statistically roundabouts had more accidents, but the injuries were fewer due to the lower speed.

e. **Roundabout Project.** Tom Nicholas (103 Macronovic Road) reported all anyone had to do was drive through the intersections in the area of the proposed roundabouts to see the need. He stated whatever council could do to get the roundabouts in would be greatly appreciated.

4. **Unfinished Business.**

a. **Ordinance No. 802-B, Second Reading – Providing for Annexation of the Chehalis Industrial Park.** Bill Hillier stated council had been working with Mark Scheibmeir on the project and reported that Mr. Scheibmeir had received a letter that afternoon from the Counsel for District No. 6, in response to some concerns that were shared at a recent meeting. Mr. Hillier noted they had put together a formal proposal to bring back to the council to try to resolve some of the issues they felt needed to be addressed. Mr. Hillier stated they requested the city council continue the matter for two weeks until after they met to ratify their proposal.

Councilor Harris moved to table Ordinance No. 802-B for two weeks. The motion was seconded by Councilor Taylor and carried unanimously.

Mr. Dennis Geiger (3851 Jackson Highway) came forward to say he had talked with others living in the area of the proposed annexation. He noted some of their questions included:

- Why did the boundaries change from the meeting at the park to the last council meeting?
- How much of the 60 percent vote needed was landowners, and how much the Port?
- In regard to the landowners who had wells and/or septic tanks, was there an ordinance requiring them to abolish those once they were annexed into the city limits?

Mr. Boes reported some of the boundaries were changed at the request of the Port District, to include a portion south of Bishop Road. In response to the second question, Mr. Boes reported whoever had signed a document stating they would support annexation, those were the ones they went to first. In response to question number three, Mr. Hillier stated the current ordinance read if they were within 200 feet of an existing utility and their current system failed, or if they wanted to make any changes to their current system, they would have to go on city utilities.

Mr. Geiger asked why they couldn't wait one more year to talk to the rest of the people involved and give everyone their answers. Mayor Ketchum stated the city had been going through the process for many years, which included open meetings for the public to attend. He noted if they had concerns they should have come to the city when they started the process and not at the end. Mr. Geiger stated that was probably true. Mayor Ketchum advised Mr. Geiger that if there were people with concerns to have them call staff and they would be directed to someone to try to give them answers.

Mr. Geiger stated there was concern that the city was only annexing for the money. Mayor Ketchum stated it was more that the business district wanted the city to annex that area because it was saving them money.

b. **Meeker Marker Funding.** Councilor Pope asked what the rule was on the gifting of public funds. Mr. Hillier stated because it was a promotion of tourism it would fall within the ability to pull money from the Community Development Block Grant Fund (CDBG). Councilor Lund made a motion to budget \$2,000 for the marker and \$750 for the installation of the marker to be paid out of the CDBG fund. Councilor Taylor seconded the motion.

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Councilor Harris amended the motion to say the city would match funding over and above what was received to date, dollar for dollar up to \$3,175 from here to the date of termination of solicitations. The motion was seconded by Councilor Pope and carried unanimously. The main motion, as amended, carried unanimously.

5. **New Business.**

a. **Fire Department Vacancies.** Councilor Pope stated he understood the person Mr. Boes was going to appoint would be retiring in one year, and that it would probably be his highest position held. He asked if that meant his retirement would be based on that one Year. Councilor Dawes stated under LEOFF 1, if you held a position for twelve months that was what your salary would be based on, adding if you reverted back to a lower or different salary, then they would average that in. Councilor Pope asked what the cost was going to be to the city if a person was in that position for only one year. Councilor Dawes stated the cost shouldn't be anything more than what the city was currently paying since he was already at that salary, in the interim capacity.

Councilor Taylor moved that the council grant the Interim City Manager authorization to fill the vacant positions within the Fire Department. Councilor Dawes seconded the motion. Councilor Harris noted one of the issues he agreed with was they were looking at possibly allowing the new city manager to make that appointment. He stated since they were looking at appointing someone who was probably going to retire in one year it would allow the new city manager, within a few months after they get here, to actually start the process to hire a new fire chief themselves. Councilor Lund stated he didn't think it was a good idea to be pushing someone to retire in one year, adding they should be able to stay as long as they want. Councilor Dawes called for the question. The motion carried unanimously.

b. **Chehalis-Centralia Airport Project – FFA Grant Offer.** Mr. Boes reported that the Chehalis-Centralia Airport had received an FAA grant offer that needed to be approved by both the city of Chehalis and Lewis County. Airport Manager Fritz Guenther reported that the grant was a combination of several years of work to fund the FAA portion of the contract they already had. He stated they had not issued notice to proceed on the FAA portions of the contract because they couldn't do so until the new federal fiscal year. Mr. Guenther reported they had recently received notification that the money was available. He reported they actually applied for the money a couple of years ago and knew it was coming, it was just part of the process.

Councilor Harris asked if by signing the agreement would it release the grant funds. Mr. Guenther noted it was telling the city and the county, as sponsors, the money was there and by signing the contract they agreed to accept it. Mr. Guenther reported the county signed the contract earlier that morning.

Councilor Dawes moved that the city manager be authorized to sign the agreement in the amount of \$817,557 for the SW development project at the Chehalis-Centralia Airport. The motion was seconded by Councilor Lund and carried unanimously.

c. **Capital Facilities Committee Recommendation for Timberland Library.** David Zylstra, Chairman of the Capital Facilities Committee, reported the committee spent about fourteen hours putting a report together for council, which would be given to them sometime in March. He noted one issue that needed to be presented to the council, before the committee completed the report, involved the Timberland Library. Mr. Zylstra stated they had a very generous benefactor who came forward wanting to donate \$1 million dollars towards the cost of the new library. He asked that council agree in concept to the idea of locating the new library on the existing city hall and library campus, to reassure the benefactor and the library that the location would be held constant.

Mayor Ketchum asked if was going to be a new building, or a remodel. Mr. Zylstra stated it would be a new building, probably located on the city hall side of the hill. He reported the building would be about 8,000 square feet, but no firm plans had been made yet.

Councilor Dawes noted he had a chance to talk with the community librarian and thought it sounded like a very worthwhile project and supported keeping the library on the hill. Councilor Dawes asked if the library was rebuilt would the city have the same working relationship as they do now, where the city would have ownership of the building to maintain it, and Timberland would handle the library portion. Mr. Zylstra stated that was correct. Councilor Pope noted he too wanted it to stay on the hill.

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Councilor Pope made a motion that the City Council agree to locate the new Timberland Library on the existing city campus. The motion was seconded by Councilor Lund. Councilor Fuller asked if the million dollars was committed, or could it go away for some reason. Mr. Zylstra stated it was his understanding that it was committed. Councilor Fuller asked how much more funding was needed for the Library. Mr. Zylstra stated roughly \$1.2 million. Corine Aiken came forward stating while they had to raise funds to build the building, they also had to furnish it, adding they had raised a little less than \$200,000. Ms. Aiken noted that she felt the donation could possibly go away if the project were to take too long. Councilor Lund asked if the city had also donated \$100,000. Ms. Aiken stated they had, which was not part of the \$200,000. Councilor Harris noted if they built a single story building, there wouldn't be as much ADA money applicable for it. Ms. Aiken noted the committee was talking about possibly putting in a daylight basement. The motion carried unanimously.

d. **Ballfield Light Pole Replacement at Stan Hedwall Park.** Mr. Boes reported during a recent windstorm one of the large light poles at Stan Hedwall Park was blown over. Andy Sennes reported they were currently working with the insurance company, adding they would be getting reimbursed through Washington Cities Insurance Authority for the one pole. Mr. Sennes did some inspections on the other poles at the ballfields and reported after having them cored they found they had two more poles at the Babe Ruth Complex, and two more at the Little League Complex that were rotten on the inside and would need to be replaced. Mr. Sennes reported they approached the Babe Ruth and Little League Associations, but because of the success of their program last year, along with the new batting cage, funding was real tight for them right now. Mr. Sennes asked that the city use public facility funds to replace the lights at this time. He reported that the Little League Association committed to donate \$5,000 in 2006, and another \$5,000 in 2007 towards the project. Mr. Sennes reported that the Babe Ruth Association had just changed leadership, but were very supportive of the project. He noted they would like to do something similar to what Little League was doing, but first wanted to be able to look at their financing.

Councilor Harris asked how many poles needed to be replaced. Mr. Sennes reported at total of five, which included the blown down pole. Councilor Harris asked if there was a possibility of a utility company donating the poles to the city. Bill Hillier noted the PUD was a public entity and the gifting of public funds was frowned upon, unless there was an avenue for them to do it, but added they could certainly be approached. Councilor Harris thought they might have some used pole they had removed from another area, to be discarded. Mr. Sennes reported they were also looking at replacing the lights at the same time, which would be a part of the total cost. Councilor Fuller asked how long it would take to accomplish the job, if the money were available right now. Mr. Sennes reported because of the location of the poles at the Little League complex they would be able to get those done quickly. He reported the two poles behind home plate at the Babe Ruth complex could be done quickly, as well, however the one pole by the scoreboard would require a little more time because they would need to wait for the water table to go down. Councilor Fuller wondered if they would have time to go out and look for other monies, or if they should make it happen now. Councilor Harris stated they could do both.

Councilor Lund stated due to the fact that it was for the kids of the community, and the ballfields brought in a lot of tourism dollars he moved that the council approve \$41,000 from the Public Facility Reserve Fund to replace the rotten ballfield lights at the Babe Ruth and Little League baseball complexes. Councilor Harris seconded the motion. Mr. Sennes stated they would try to partner with others as best they could. The motion carried unanimously.

6. **Staff Reports.**

a. **Employee Service Awards.** Mayor Ketchum presented Interim City Manager Jerry Boes a certificate for 30 years of service with the city. Jerry Boes then presented certificates to Firefighter Pete McChord and Interim Fire Chief William Nacht, both with 35 years of service to the community.

b. **Capital Facilities Committee Minutes.** Chief Miller noted the minutes were attached as a venue for getting the information out to the council and the media.

7. **Council Reports.**

a. **Museum Board.** Councilor Dawes reported he attended a retreat for the Museum Board. He reported they changed their meeting day from the fourth Monday of the month to the third Tuesday of the month, starting at 5:15 p.m.

b. **Various Meetings Attended.** Councilor Lund reported he attended the SW Regional Transportation meeting in Portland, and an EDC Board meeting. He also attended the Port meeting were they re-elected Mark Giffey as President.

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c. **Interview Chehalis/Centralia Airport Board of Director Applicants.** Mayor Ketchum asked both Bud Hatfield and Dan Foster to come forward, introduce themselves and tell council why they would like to be appointed to the Airport Board.

8. **Executive Session.** Mayor Ketchum announced the council would take a five-minute recess and would convene into executive session at 7:30 p.m. pursuant to RCW 42.30.110(1)(g) – evaluate qualifications for appointments to the Chehalis/Centralia Airport Board of Directors; RCW 42.30.140.(4) – collective bargaining; and RCW 42.30.110(1)(i) – potential litigation. Mayor Ketchum stated two decisions would be announced after the executive session. The regular meeting was called back to order at 9:07 p.m.

Councilor Dawes moved that the council appoint Daniel Foster to a two-year term and Dr. John McCord to a four-year term as representatives of the city of Chehalis on the Chehalis-Centralia Airport Board of Directors effective immediately. The motion was seconded by Councilor Pope and carried unanimously.

Councilor Harris moved to authorize the city's negotiating team to move forward with negotiations based upon the discussion during executive session. The motion was seconded by Councilor Taylor and carried unanimously.

There being no further business to come before the council, the meeting was adjourned at 9:10 p.m.

Mayor

Attest:

City Clerk

February 27, 2006

The Chehalis city council met in regular session on Monday, February 27, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 5:30 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Jerry Boes, Interim City Manager; Bill Hillier, City Attorney; Mark Scheibmeir, Asst. City Attorney; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; and Bill Nacht, Fire Chief.

1. **Executive Session.** Mayor Ketchum announced staff and council would be in executive session pursuant to RCW 42.30.110(1)(i) – potential litigation, and there could be a decision following the conclusion of the executive session. At 6:07 p.m. Mayor Ketchum reopened the regular meeting and announced there would be a five-minute recess. Mayor Ketchum called the regular meeting to order at 6:12 p.m. Additional staff present included: Bill Kolden, Human Resources Director; Rob Gebhart, Interim Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

2. **Swearing-in of New Fire Chief.** Judge Steve Buzzard came forward to swear-in Bill Nacht as the New Fire Chief.

3. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the special meeting of February 6, 2006, and the regular meeting of February 13, 2006;
- b. Claim Vouchers No. 81215-81407 in the amount of \$1,293,813.25 dated February 15, 2006;
- c. Award bid of slip-in sand spreader to J&K Associates of Kirkland, Washington in the amount of \$12,274.61;
- d. Authorize the Interim City Manager to sign general construction agreement No. 4783; reciprocating agreement for overhead charges; non-discrimination agreement; and local agency haul road/detour agreement for the Chamber Way roundabout project; and
- e. Award bid for one 2006 2 x 4 pickup, and one 2006 4 X 4 pickup truck to Uhlmann Motors Inc. in the amount of \$33,883.68.

The motion was seconded by Councilor Pope and carried unanimously.

4. **Citizen Business - Permit Review Task Force.** Greg Lund (278 Brockway Road), representing The Chamber, presented the council with a handout that outlined a proposal for an external review of the permitting process. Mr. Lund noted the report would give council a good background on the permit task force. He reported The Chamber had identified improvement of the permitting processes as one aspect of their 2004-2005 strategic plan. They formed a task force made up of individuals and business owners throughout the area such as surveyors, environmental people, banker's, well drillers, and others that worked in the arena of permitting. He noted they tried to derive something consistent throughout all jurisdictions that would be predictable, and had some reasonable timeframes, knowing there were differences in each and every agency. Through the task force and the help of a consultant they were able to focus on a need of economic growth and development in the community.

Mr. Lund stated he was before council to ask for a \$5,000 contribution from the city of Chehalis, in addition to some staff time, and documentation related to the permitting process. Mr. Lund stated the project would be done in four phases with a proposed timeline of February 2006 to June 2006. The first phase of the project would focus on gathering information about the permitting systems based on the criteria for excellence. The second phase would involve the sharing of data, and identify areas for improvement. The third would be to select priority issues and develop action plans, and the fourth would be to implement the changes.

Mr. Lund stated they had financial participation from the Chamber of Commerce, the Lewis County Association of Realtors, the Master Builders Association, the Port of Centralia, and rural landowners, adding that the city of Centralia had expressed a strong desire of engaging in the same process.

Mr. Lund reported the group started meeting about two months ago and had since changed their focus, based upon the needs and desires of the different entities. He noted the county was asked to help out on the project, and chose not to financially, but would allow some staff time, since they were looking at going through an internal review of the same thing.

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Councilor Dawes asked if they were just trying to find a common approach so wherever a customer goes he, or she would have a similar experience. Mr. Lund stated yes and no, noting the goal was to try to mirror that approach as close as possible, but stated there were a lot of differences between Chehalis, Centralia, and the county. He added it wasn't their goal to make it a one-stop-shopping process, but to have their fingerprints on the process, and to have it be done in the spirit of cooperation.

Mayor Ketchum noted it was like a blueprint. He stated everyone would have the same information to give out so anyone calling, or stopping in would get the same answer, no matter who they were dealing with. Councilor Dawes noted he understood the frustration of dealing with agencies, and trying to get through the process.

Councilor Fuller asked what the changes would be in phase four, and who would be implementing them. Mr. Lund stated it would depend on the building blocks of all the other phases. He didn't know exactly what the changes would be, but once they got to that point, and everyone agreed, they would try to implement them. He hoped some of the changes would include assistance in making flow charts, and public information materials that would be available to the public. Kelly Johnston of Smith Johnston Consulting noted the report to be delivered in June 2006 would come from the information gathered during phase one, and the following phases would be done in collaboration, ideally. Ms. Johnston reported what they heard from representatives of government agencies was they wanted to get the information from customers of the process first before moving forward with any kind of changes.

Councilor Taylor asked if the Port of Chehalis was involved. Mr. Lund stated the Port of Chehalis didn't believe there was a need, and didn't perceive there to be a problem. He added from their standpoint, he would probably see that, as well.

Councilor Dawes asked how involved staff had been, and if they had any initial thoughts. Ms. Schwartz reported staff had not been involved, adding it was her understanding that Dave Campbell and former Mayor Rider had several meetings with the group. Mr. Nacht reported he had one conversation with Mr. Lund at one time about the concept, but had not been involved. Tim Grochowski reported the public works department had no involvement with the process either. Mr. Lund stated they chose to first talk with administration to get their input, but definitely wanted to work with the whole entity. Councilor Dawes stated his initial perspective, based on what the city was going through, was that it was an opportune time to take advantage of the process, and partner in with some other groups. Mayor Ketchum asked if council would like two weeks to think about it. Councilor Harris stated he would like staff to have an opportunity to look at the proposal to make sure the city didn't have a similar process like it already in place. Councilor Lund disagreed with turning it over to staff because of what had happened in regard to the roundabouts. Councilor Pope stated the city had an excellent staff. Councilor Lund stated he was entitled to his opinion.

Councilor Fuller asked how much staff time would be necessary. Ms. Johnston reported they would need between 20 and 30 hours.

Councilor Dawes asked that staff do an analysis to look at the proposal, as well as our own process, and bring back a report to the council in two weeks. It was the consensus of council to have staff bring back an analysis in two weeks.

5. Citizens Business - Concept Proposal to Establish Millett Field Local Improvement District (LID). Dale Pullin came forward to propose the concept of taking the current Millett Field and turn it into a stormwater retention pond. He noted it could also be utilized for expanded recreational opportunities. Mr. Pullin reported on the flooding issues and believed his proposal could be a solution to that problem. He noted he looked at the Yauger Park in Olympia, which was utilized as a stormwater runoff area. Mr. Pullin also talked with some of the neighbors and some city staff who thought it was conceptually a good idea. He reported he would like to improve the area and also prevent further damage to property. Mr. Pullin noted he was seeking support of the council to move forward, which could include assistance by the city to formalize an LID. He noted there could also be some engineering costs to look at the concept of managing the floodwater. He presented council with signatures he had collected in support of the proposal. Councilor Fuller asked if the signatures were from business owners and/or homeowners. Mr. Pullin reported they were homeowners, businesses, and commuters that used the area. Mayor Ketchum noted that most of them were not homeowners in that area. Mr. Pullin provided council with two more pages of homeowners who lived in the area. Mayor Ketchum asked Mr. Pullin if he realized that the area he built his business on used to be the catch basin for floodwaters in that area. Mr. Pullin stated he did know that. Mayor Ketchum indicated he had a problem with Mr. Pullin's request because people continued to fill the area in, and now they were asking the area residents to pay to resolve the flood issue. Mr. Pullin believed the citizens wanted that.

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Councilor Dawes asked Bill Hillier if LIDs were normally formed by neighborhoods and if the costs normally associated with the LID were assessed to the property owner, in the form of property tax. Mr. Hillier stated yes. He noted what Mr. Pullin was referring to, in Centralia, was a flood control district. Mr. Hillier reported an LID would have to be formed by ten percent of the property owners in the area, then brought to the city as a project. They would need to have it engineered with a total cost, and those costs would then be assessed over the affected area, or the district, as created by the proponents. Mr. Hillier stated those people would all have an opportunity to come before the council, adding they would need sixty percent approval before they could move forward with the project. Mr. Hillier noted he could get back to council with a short critique on the process for an LID. Councilor Harris asked if he could also talk about the boundaries of the area that they were talking about. Mr. Hillier stated he would visit with the proponents and would get that information to council.

Mayor Ketchum asked if the proposal would interfere with the city's current stormwater program. Mr. Grochowski reported that it wouldn't. He noted they would like to be involved in the talks with the proponents because he believed the LID would need to go all the way down to 9th Street.

Mr. Pullin stated since there was a problem they should work towards fixing it. It was the consensus of council to let staff bring back a report.

Mayor Ketchum noted in the steps in the review and approval process, No. 3, it stated, "That upon the approval by the community, obtain the necessary permits, secure funding, and begin building by the end of 2006." He asked, in the step process, that it first come back to the city before it was approved. Mr. Hillier noted they wouldn't even get to those steps until the property was declared surplus. Mr. Hillier hoped to bring back a report that would outline all of the steps of the process so council would understand what would have to happen from the legal side of it.

6. **Annexation of the Chehalis Industrial Park.** Mayor Ketchum reported that the matter had been tabled until February 27. He then asked for a motion to table the matter to an unspecified date, until more information was available. Councilor Taylor moved that they table Ordinance No. 802-B to an unspecified date. The motion was seconded by Councilor Harris and carried unanimously.

7. **Resolution No. 2-2006, First Reading – Interlocal Correction/Detention Agreement between the City of Chehalis and the City of Wapato.** Chief Miller reported the city started contracting in 2002 with the city of Wapato, and the interlocal agreement was just a continuation of that agreement. He noted the only change was an increase of \$5.00 per day, which had to do with the cost of fuel and transportation of the inmates. He recommended that the city continue the interlocal agreement with the city of Wapato.

Councilor Fuller asked if the savings noted in the report was calculated on a "per day" basis. Chief Miller stated it was the total savings. He noted the city received free transportation for anyone staying 30 days or more. Councilor Fuller noted there was a couple of different ways to pay and asked if Wapato's fees were calculated on a "per day" basis. Chief Miller stated yes. Councilor Fuller asked how the other system worked. Chief Miller reported the county had a system that they instituted a year and a half ago where they give you a price break if you paid up front, which they calculated. Chief Miller noted they were currently looking at other alternatives, one being the use the Chehalis Tribal Jail. He reported there was no limit on the number of days, at \$40.00 per day, which would save the city even more money.

Councilor Dawes moved that the council suspend its rule requiring two readings of a resolution. The motion was seconded by Councilor Pope and carried unanimously.

Councilor Dawes moved that the council adopt Resolution No. 2-2006 on first and final reading. The motion was seconded by Councilor Pope and carried unanimously.

8. **Staff and Council Reports.**

a. **Les Schwab Container Issue.** Ms. Schwartz reported that council had received an extensive report in their agenda packet. She reported council had requested that staff put together a report to give them a better understanding of what happened, especially as it related to the Les Schwab permit, via the hearings examiner. Bob Nacht came forward to explain the conditional use permit process. He noted that the city's development regulations were established by ordinance. Mr. Nacht reported the administrative portions of the city's development regulations were contained in chapter 17.09, establishing how things were done, adding that the rest of the ordinance established what the development regulations were. He noted there was

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another five percent that allowed for some administrative flexibility, most of which had to go to the hearings examiner for decision-making. Mr. Nacht stated if council had any specific concerns or questions about the provisions of the development regulations he would be happy to answer them. He felt the report articulated what had happened with the Les Schwab conditional use process, and if council were to propose to change some of the development regulations, the current window of opportunity was open to do so. Mr. Nacht reported petitions would be accepted until March 31, 2006, to change any of the existing regulations.

Councilor Taylor noted in the zoning land use permit that was issued to Les Schwab, one of the conditions was that there would be no employee parking on North Street during business hours. He asked how the city would enforce that issue. Mr. Nacht stated those were issues decided by the hearings examiner, not by the city. He stated they would need to deal with that issue as it might arise, adding staff could probably identify some procedural elements that would allow the city to monitor, or enforce it. Councilor Taylor stated he would be in favor of changing the appeal process, to allow a second opportunity to resolve an issue, without going directly to Superior Court. Mayor Ketchum noted that was where council would have to come to a consensus to direct staff to submit other appeal processes for the council's consideration. Mr. Nacht stated if council wanted to tell staff what they want to have happen, staff would create the language to present to them. He noted a lot of the process and procedures that the city had were imbedded in state law, it wasn't just something they decided to do. He reported they would perfect whatever council wanted them to do and present that in an agenda report back them.

Councilor Dawes noted while he understood the need to have the regulations and to follow them, he would like to see some type of an appeal process that would allow people to appeal decisions that wouldn't cost an arm and a leg. He didn't believe council was the body to appeal to, adding that it should be the original decision maker. Councilor Dawes asked if there was any cost associated with having a hearing in front of a hearings examiner. Mr. Nacht stated there was a filing fee for the applicant to get the process there, but no fee for any appeal that might be heard by the hearings examiner. Councilor Dawes asked what the fee amount was. Mr. Nacht stated he thought it was about \$200. Councilor Dawes noted he would also like to see the appeal process include a reason why something was being sent back for reconsideration, such as, they would like it reconsidered or reviewed based on additional information received. He stated if the decision maker upheld their decision, then the next process would be through the courts. Councilor Dawes didn't think it was appropriate to get into the merits of what they personally thought about it because that wasn't the arena they were in. Mayor Ketchum asked staff if that was enough said to give them some direction. Ms. Schwartz stated if they had consensus of the council, they would move forward with it. She noted she had done some research on the issue, anticipating what council might want them to do. Ms. Schwartz added there was a wide variety of processes out there by various cities, and what staff could do over the next few weeks would be to put together several different scenarios, and a recommendation of what they think might fit our city. Councilor Dawes added he also wanted to make sure the process was there to recognize that it might be a single family resident in disagreement with a person who has more means. Ms. Schwartz noted they would also work with the city attorney on it.

Councilor Harris noted even if they changed the process nothing could be done to change what had happened with Les Schwab. Mr. Nacht stated that was essentially correct. Councilor Harris then stated it would be difficult for him to tell staff what they wanted because he wasn't as capable as someone in that field, to know how to word, or do things. He asked that staff bring back some ideas, and let them help them work out the details. Mr. Nacht stated if they had a concept they want presented to them, staff would write the language because it would have to relate to statutory case law and other things. It was the consensus of council to have an appeal process for anyone to go through without having to go directly to Superior Court. Mayor Ketchum noted he would get back to Mr. Braun regarding the decision of the council.

b. **2005 Year-end Report – Chehalis Police Department.** Chief Miller first thanked his staff, who helped put the report together. He noted if there was anything in the report that council might want more information or detail on to give him or his department a call. He stated some of the information relating to the crime rate being up in Chehalis was driven dramatically in the area of theft. He reported a lot of the photos in the report were actually old police department photographs.

c. **Foundation Public Meeting.** Councilor Pope reported the Foundation Committee met to hold a public meeting for renovating the kiddy pool. He noted the only people who showed up were the committee members. Councilor Pope reported the committee had come up with three designs that they would like to present to the public, adding they would try to hold another public meeting because they would like to have some input from the users.

d. **Various Meeting.** Councilor Harris reported he attended a second meeting of the Lewis County Convention and Visitors Bureau Board. He stated the meetings were very productive, and they allegedly had a director, but were still working out

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some details. He then thanked Patrick Wiltzius for taking him on a tour of the wastewater treatment plant earlier that day, adding that it was an amazing process out there. They also visited the Prindle pump station, which was close to being finished.

Councilor Harris reported he had also attended a Chehalis River Basin Partnership meeting, and the group was prioritizing some of their tasks ahead. He reported that the CCMC meeting went very well, adding they were brainstorming on issues that the city and businesses were facing. He noted that The Chamber had been directed to start work on ChehalisFest, to take place the last week in July.

There being no further business to come before the council, the meeting was adjourned at 7:18 p.m.

Mayor

Attest:

City Clerk

March 13, 2006

The Chehalis city council met in regular session on Monday, March 13, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 5:36 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Mark Scheibmeir, Asst. City Attorney; Judy Schave, City Clerk; Jim Larson, Acting City Manager/ Finance Director; Joanne Schwartz, Community Services Director; and Bob Nacht, Community Development Manager.

1. **Executive Session.** Mayor Ketchum announced staff and council would be in executive session pursuant to RCW 42.30.110(1)(i) – potential litigation, and there could be a decision following the conclusion of the executive session. At 6:13 p.m. Mayor Ketchum reopened the regular meeting and announced there would be a five-minute recess. Mayor Ketchum called the regular meeting back to order at 6:20 p.m. Additional staff present included: Bill Kolden, Human Resources Director; Bill Nacht, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Marilyn Riebe, Grants Administrator; Tim Grochowski, Public Works Director; Patrick Wiltzius, Wastewater Superintendent; and Andy Sennes, Property Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle*.

2. **Amend Agenda to Add New Business Item.** Mayor Ketchum moved to amend the agenda to add a Capital Facilities Report under new business. The motion was seconded by Councilor Dawes and carried unanimously.

3. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of February 27, 2006;
- b. Claim Vouchers No. 81408-81522 in the amount of \$898,738.59 dated February 28, 2006; and Payroll Vouchers 26014-26168 in the amount of \$565,696.14 dated February 28, 2006; and
- c. Award bid of High-Pressure Breathing Air Compressor and Fill Station System to L.N. Curtis & sons of Seattle, Washington in the amount of \$39,123.81;

The motion was seconded by Councilor Lund and carried unanimously.

4. **National Avenue Slope Project Update and Request for Funding for Construction Monitoring Services and Construction Fund Request.** Mr. Larson reported items No. 8 and 9 were very similar, both dealing with roads. He reported the National Avenue slope project was originally planned for 2005, but was never completed. Mr. Larson noted it was so late in the year when they determined the project wouldn't be done that it didn't get included in the 2006 budget cycle. Tim Grochowski reported they had an engineer/geologist take a look at it, and it showed no sign of movement. The recommended fix was to use a "Hilfiker Welded Wire Wall" system, which seemed to be the most reasonable and cost effective, estimated to be right around \$30,000. He added if the actual cost was more than that they would have to use the formal bid process. Mr. Grochowski stated they might end up going out to bid anyway because the current guardrail was so old and sub-standard he was sure no contractor would reinstall it. He noted he had spoken with Marilyn Riebe about looking for a grant for that portion of the project. Mr. Grochowski also recommended they hire Kenneth Neal & Associates to do the construction management portion of the project.

Councilor Taylor asked if the dollar amount listed in the agenda included the contract management fees and asked why they had to hire someone from the outside to oversee the project. Mayor Ketchum stated the \$9,200 included those fees. Mr. Grochowski stated they needed to hire someone who was familiar with the system to oversee it, which he and his staff were not.

Councilor Dawes noted a few year back the city had a similar problem on National Avenue in front of the area that fronted Yard Birds, and thought they had done a similar repair in that area. Mr. Grochowski reported they used styrofoam for that fix because the toe of that particular slope was covered with water 365 days a year. He added that the "Hilfiker" was a different system, and believed it to be a better system for the repairs they needed to do.

Councilor Dawes stated he read in the agenda there was no potential help with funding. He asked if there may have been some contributing factors with Burlington Northern Santa Fe, as far as what they did when they cleaned their ditch, and wondered if anyone checked to see if they might be willing to assist with the repairs. Mr. Grochowski reported from what he had seen he couldn't see Burlington Northern helping out with any funding. He noted Burlington Northern had cleaned their ditch up to the toe of the city's slope, but that toe was on their property. Councilor Dawes noted the report concluded that what they did had some adverse affect on the hill slippage. He added that if the city ever did anything that interrupted, or did something to a

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private residence, there would surely be some relief sought from the city. Mr. Grochowski stated he would talk with Burlington Northern, but could almost guarantee what their response was going to be. Councilor Dawes felt if the council decided to do the project they should go to formal bid on it.

Councilor Dawes asked if there was any guarantee with the "Hilfiker" system. Mr. Grochowski stated it was construction, and didn't know if there would be any kind of guarantee. He added there would be someone there at the end of the month to look at the area, and he could inquire about it at that time. Mr. Grochowski reported he just received a list of contractors throughout the United States, which listed four contractors in the State of Washington, who had installed the system.

Councilor Fuller asked if Kenneth Neal & Associates was an engineering firm. Mr. Grochowski stated they were an engineering geologist firm. Councilor Fuller noted he liked the idea of leaving tax dollars at home and wondered if there were any local firms to be considered to oversee the project. Mr. Grochowski reported there could be a local company, but was unsure if anyone had the experience, adding they were the firm who did the original drilling and soil work on National Avenue. Councilor Fuller asked what the process was for determining when something was repaired. Mr. Grochowski stated they knew the damage was there, and it needed to be repaired. He stated it was a question of: do they leave it alone; add more asphalt on top of the damage and add to the problem; or fix it the proper way. Councilor Fuller stated the reason he asked was because there were other areas in town that needed a lot of work, but never seem to get touched, and all of the sudden those two projects were critical. Mr. Grochowski stated National Avenue was a main road into town, and they had received numerous calls on SE Prospect Street, adding it was ultimately up to council to decide which streets to repair.

Councilor Taylor thought if they were going to be using the same system in the future it would be good to have a city employee trained on installing it. He asked how much it would cost to train Mr. Grochowski, or another city employee on the "Hilfiker" process so the city wouldn't have to pay construction management fees again in the future. Mr. Grochowski stated he couldn't answer that question, but felt it would be best to do both projects at the same time using the same contractor, adding Councilor Taylor made a good point. Councilor Fuller asked if the city didn't have an engineer. Mr. Grochowski noted the city did have an engineer, but he wasn't a geologist.

5. Funding Request for Evaluation of Sinking Pavement on SE Prospect Street. Mr. Grochowski reported SE Prospect Street was sinking and had been sinking. He indicated they tried to repair it back in 1995 by adding rock and asphalt. He stated he would like to hire Kenneth Neal & Associates to do some well drilling like he did on National Avenue to see what kind of soil was under it, in order to make a recommendation for repairing it. Councilor Pope asked if he would be doing it concurrently with the National Avenue project. Mr. Grochowski reported the firm had already done the preliminary work on National Avenue, and only looked at SE Prospect Street. Councilor Dawes noted one thing that stood out was a 30 percent fee to overlook a \$30,000 project. Mr. Grochowski stated he had a feeling the project was going to be more than \$30,000. Councilor Dawes noted even if it was \$40,000 it would still be around 25 percent, and wondered what he would be doing for that fee. Mr. Grochowski reported it would pay for the drilling, soil sampling, lab time, and the recommendation.

Councilor Dawes stated according to the agenda report the source for paying for the work was the public facilities reserve fund, and asked if that fund was a bottomless well, noting there had been a lot of money taken out of that fund over the years. Councilor Dawes asked how much money was left in public facilities fund. Mr. Larson reported during the 2006 budget process they actually divided the fund up into three different funds in order to isolate the different types of funds within the fund. He reported the major source of revenue for the public facilities reserve fund was real estate excise tax, which was a specific tax that was dedicated to capital facilities. Mr. Larson noted there were two different parts to the real estate excise tax, both of which had different requirements as to how the money could be spent. He reported currently between the three different funds the city had in excess of a half a million dollars. Mr. Larson noted there was no long-term use for any of the money, adding it was money used as projects came up.

Councilor Dawes stated he would like to see the project done, but just wanted to make sure they did it in the most responsible and cost effective way. He suggested because they were similar projects that they couple them together to get the best price. Councilor Taylor asked if the National Avenue project was budgeted in 2006. Mr. Grochowski stated no. Councilor Harris asked if there was any money available in the arterial street fund. Mr. Grochowski reported the arterial street fund was used for oiling projects. Councilor Harris noted in looking over the budget there had been good custodianship of the public facilities reserve fund.

Councilor Dawes moved that the council authorize staff to contract with Kenneth Neal & Associates and also request bids for repairs. Councilor Dawes asked if he would be out of order if they tried to put the two projects together. Mayor Ketchum

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noted Mr. Neal had already reported on the National Avenue project, and staff wanted him to do a study on SE Prospect Street. Mr. Grochowski stated the two projects could be combined, and suggested they do it that way. Councilor Dawes withdrew his original motion.

Councilor Dawes moved that the council authorize staff to contract with Kenneth Neal & Associates to do a slope stability evaluation of SE Prospect Street at a cost not to exceed \$7,400. Councilor Pope seconded the motion. Councilor Fuller asked if they could direct staff to see if there were any local vendors to do the work. Mr. Grochowski stated he would look into it. Mayor Ketchum stated he felt since Kenneth Neal & Associates already did the one study they should stick with the same company, that way he would have all the information from both studies to bring back a recommendation on both projects. The motion carried 6-1. Councilor Fuller voted against the motion.

6. **Prindle/Riverside Pump Station Upgrade Project Contract Amendment.** Patrick Wiltzius noted the project was about a year into its progress and hoped that it would be done by the end of May 2006. He reported originally when the project was approved there was \$150,000 budgeted to cover any minor changes so they wouldn't have to come back to council for approval. He noted they were getting towards the end of the project, and unfortunately they had some large change orders come up that had eaten up most of the \$150,000. He asked for council's authorization to add an additional \$50,000 to the force account, with the understanding that if it wasn't needed they wouldn't use it. Mr. Wiltzius went over the different change orders received to date, and explained the need for them. He reported they would be negotiating with the contractor on some of their change order costs in order to keep the costs down. Mr. Wiltzius noted they were also asking to extend the contract up to May 31, 2006, as needed.

Mayor Ketchum expressed to Mr. Wiltzius that he was doing a good job. Councilor Harris stated Mr. Wiltzius was a great steward of the city's money, and did a great job negotiating with the contractors.

Councilor Lund moved that the council authorize the contract with Stellar J Corporation for the Prindle/Riverside pump station upgrade project be increased by \$50,000 to \$3,674,128 and the contract completion date be extended to May 31, 2006, if required. The motion was seconded by Councilor Harris and carried unanimously.

7. **Flood Damage Repair.** Mr. Wiltzius reported the basin damaged during the January 2006 flood was the same basin damaged during the 1996-1997 flood. Staff evaluated all the options, and had Gibbs & Olson do an analysis and prepare an estimate of what it would cost to do a quick fix to get it back on-line. He reported staff also had a concrete specialist look at it, who helped prepare the estimate of approximately \$95,000. Mr. Wiltzius stated they had a sub-contractor come and look at the demolition portion, adding they wouldn't know what kind of damage was under there until they removed the damaged area above it.

Mr. Wiltzius stated he was asking council to authorize staff to work with the city attorney to develop a contract that would be on a "time-and-materials" basis, with the estimate being around \$95,000, plus another \$9,000 for Gibbs & Olson to do construction management and inspections on the project. He reminded council they passed Resolution No.1-2006 declaring an emergency, which allowed staff to forgo all bidding processes. Mr. Wiltzius reported they hoped to have it up and running by May 1 in order to treat the ammonia. Mayor Ketchum asked if there was a possibility of getting a refund from the insurance company. Mr. Wiltzius reported there would be no refund because the city had a deductible of \$500,000.

Councilor Dawes asked what the process had been since the basin was damaged. Mr. Wiltzius reported they only used that tank during the summer months for running the process. He added anytime they had high flows over 7 mgd it would go to that tank. Mr. Wiltzius stated if they had another flood situation while that basin was down, they would be spilling diluted sewage onto the ground.

Councilor Taylor asked if city staff could do the contract management portion of the project. Mr. Wiltzius noted Gibbs & Olson was a qualified engineering firm and they could approve the project. He added they had a good track record about not being there when they weren't needed, which would cut down on costs. Mr. Wiltzius noted he had looked locally in the past on other projects, but felt Gibbs & Olson was the best company to supervise the project.

Councilor Dawes had concerns about hiring a contractor to do the repair without specifying a dollar amount. Mr. Wiltzius stated that was why they would work with the city attorney to develop a contract. They would also work with the inspecting engineer to make sure all the work was documented, every part of the project including time on the project, so if later on there was a dispute the city could go back and challenge any issues. Councilor Dawes asked Mr. Wiltzius if the project went

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over what they estimated, would he come back to council to get further approval. Mr. Wiltzius stated they would know within the first day or two after they start demolition, adding he would certainly come back to council if it was anything over the estimate. Councilor Dawes stated he would just like to know before proceeding. Mr. Wiltzius explained normally he would come to council with a firm contract, but because they had a May 1 deadline, they needed to get the contractors here to start the demolition. Councilor Fuller asked how they came up with the \$95,000. Mr. Wiltzius stated it was a combination of Gibbs & Olson's analysis, and the contractor's inspection. Councilor Pope stated it needed to be fixed or the city would be penalized for not taking the ammonia out, which would also be a cost to the city. Councilor Dawes agreed.

Councilor Taylor moved that the council authorize staff to hire a contractor to complete the repair to the damaged north aeration basin. The motion was seconded by Councilor Dawes and carried unanimously.

8. Chamber Way Corridor Roundabouts and Louisiana Avenue Extension Project Update, and Fund Requests.

Mr. Larson reported the agenda report combined two separate, but related issues. One included some additional work on the Chamber Way roundabout, some of which was not anticipated to begin with, and the other was to proceed with extending the utilities along Louisiana Avenue. Mr. Grochowski first reported on the water main issue, asking council for \$100,000 to extend the line from NW Maryland Avenue through the project at the State Avenue roundabout. He stated they knew they would need to install the water main, and the costs were already incorporated into the project. Mr. Grochowski reported they were also asking for \$15,000 to install a 2" conduit pipe for three junction boxes for future web- cameras for traffic monitoring, and fiber optic.

Mr. Grochowski also mentioned the antique streetlights they had hoped to install didn't meet WSDOT, or federal standards for light illumination. He noted that would be a cost savings of between \$250,000 to \$300,000. He also reported that the in-ground lighted crosswalks would be bid as an alternate/option due to the cost, estimated to be \$28,000 each.

Mr. Grochowski stated the Department of Transportation (DOT) reported they allocated another \$225,000 of Federal funding towards the design work. Mr. Grochowski reported the right-of-way plans should be ready in the next two weeks, and were currently at the DOT regional office. He added the bidding process would start in mid-June, construction would start in mid to late August, and project completion was expected to be sometime in December, weather permitting. Bob Nacht stated they had met with two representatives from DOT on Friday, and reported they had completed 95 percent of a two-dimensional location drawing for the relocation of the roundabout, moving it eastward 20 to 21 feet, and northward about five feet. He noted that particular diagram still showed a two to five-foot overlap with the subleased area in the southwest corner, adding it did not include any developed area such as parking lots, curbs, signposts, or anything of that nature. Mr. Nacht stated that issue would come back to council, as far as how to deal with the right-of-way acquisition. Mr. Nacht reported the actual relocation would have some additional construction cost savings such as: minimal retaining walls, minimal encroachment, and minimal construction costs to the cities pump station.

Councilor Taylor thought staff did a good job in moving the roundabout so not to impact any of the businesses in that area. He also asked how staff would be getting future information out to the public about the roundabouts. Mayor Ketchum stated once Mr. Hillier and Mr. Boes were back from vacation he would form a group to sit down and discuss that matter. Councilor Dawes stated one of the issues that seemed to be getting left out was the fact that construction would be occurring at night. He hoped the purveyors of information would get that information out to the community. Mr. Grochowski stated he was sure that Ms. Stanton of *The Chronicle* would see that it was mentioned again.

Mr. Nacht then reported on the Louisiana Avenue extension reminding council that the sale agreement for the Uhlmann property involved the extension of utilities and roadway surfaces to service the property. He stated the city was currently at a point of going out to bid for the extension of water, sewer, and stormwater pipes from the current location in the vicinity the Home Depot driveway. Mr. Nacht noted those were installed as part of the Twin City Town Center, and Home Depot development. He stated they would need to extended to the north end of the airport property, and into the "Barnes" property. Mr. Nacht stated staff had been working with the county on the airport road extension project, and they had asked the city to proceed only to the point of the curve, as they go northward on the project. Mr. Nacht stated they were requesting \$700,000 to get the pipes to that point, and also requested authorization to go to bid with that funding.

Mayor Ketchum let Councilor's Fuller and Dawes know that the money staff was requesting was all associated with the package deal they made when the city sold a portion of the "Barnes" property to Uhlmann's. Councilor Dawes asked if the original amount taken out of the sewer fund to purchase the property was replaced, along with interest. Mr. Larson stated the entire proceeds from the sale of the "Barnes" property to Uhlmann Motors was deposited into the utility fund. Mr. Larson noted

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the other important thing to know was that the funding for additional improvements would come out of the proceeds from the sale. Councilor Dawes asked if there was a chance for latecomer fees. Mr. Nacht reported the city was precluded from attaching latecomer fees to its utilities, but there were other mechanisms such as a "user" fees.

Councilor Taylor moved that the council approve \$100,000 for extension of a 12-inch water line through the State Avenue roundabout, \$700,000 for extension of water, sewer, and stormwater lines to serve the Uhlmann property, and \$15,000 for the installation of conduit and junction boxes into the State Street roundabout. The motion was seconded by Councilor Pope and carried unanimously.

9. **Capital Facilities Committee Request for Funding.** Chief Miller reported the Capital Facilities Committee was real close to a draft presentation for council's review, but would like to have some more specific numbers before they make a public recommendation. He noted a lot of the committee members were well vested in the community and wanted to make sure the numbers they present were accurate, based on current costs and engineering practices. In addition, they would also like to present a few illustrations of their vision and asked that council authorize up to \$5,000 to obtain the services of an engineer, or an architect to give them figures and/or illustrations. Chief Miller stated the committee was desirous of using an outside vendor for the initial process.

Chief Miller reported that he wanted to put council on notice that he surmised that part of the committees recommendation would be to use a portion of the capital facilities reserve fund to help offset some of their recommendation.

Councilor Dawes moved that the city council authorize the capital facilities committee funds not to exceed \$5,000, from the capital facilities reserve fund to hire and consult with a construction architect/engineer. The motion was seconded by Councilor Pope and carried unanimously.

10. **Staff Reports.**

a. **Review Process for a Typical Development Permit Application.** Mr. Larson stated the report was largely in response to a request for the city to participate in a review of countywide permitting processes. The intent was to let council know the typical efforts, timelines, and steps that go into the permitting process using our current process. Joanne Schwartz reported the Development Review Committee (DRC) met every Thursday morning using a process that had been honed over for many years, to what she believed to be an excellent way of dealing with all the issues going on within the city, and with developers. She reported the DRC used a checklist that covered almost anything someone might run into, which also gave the applicant an opportunity to know where they were in the process and what they would have to do. Staff felt it was an excellent process that was tried and true. She reported the current process had been in place since 1993, but they were always open to suggestions for bettering that system.

Councilor Taylor stated he'd talked to a lot of builders, and hadn't heard from one who would say that doing a project in Chehalis was difficult. He stated they often made comments that the building department and personnel they worked with were more than helpful, in getting their projects done. Councilor Taylor asked Todd Christensen of the Chamber, what benefit the city would receive from contributing money to the project, besides seeing that Chehalis might have a better process than another city. Mr. Christensen stated he didn't understand the question. Mayor Ketchum asked Mr. Christensen what the benefit would be if the city joined their program, adding since the city believed that out of the three entities they were trying work with, we were the best. Mr. Christensen stated he agreed with Mayor Ketchum's statement, and applauded the city staff that worked in the community development and building department. He reported the committee often stated they wished they could all have it as simple and clear-cut as Chehalis. Mr. Christensen stated the committees desire was to be able to review the permitting processes of the cities of Chehalis, Centralia, and Lewis County and be able to bench mark those against other communities that were growing within the state of Washington. Mr. Christensen stated they saw that the community was growing and would continue to grow, and had to ask themselves if they were prepared to meet the demands of that growth. He felt the city of Chehalis would benefit by having the process reviewed by an outside consultant in conjunction with local users of the system. That information would be utilized by staff and policymakers on improving the system, if need be. Councilor Pope asked why it was important for the city to invest in the program right now. Mr. Christensen stated their desire, as a task force, was to be able to do it together in partnership to find opportunities for improvement, and to highlight the successes of systems that had been developed over many years that had been tried and proven true. He felt the \$5,000 investment would bring to they city a report with a value of over \$25,000. Mr. Christensen noted the city had an excellent system, but was moving in the direction of annexation of industrial areas. He stated the city needed to know what the complexities were that would be generated by that process.

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Councilor Dawes stated based on what Mr. Christensen said, the city should be charging them \$5,000 to look at our system. He noted that two weeks prior Mr. Lund stated that Lewis County was supportive of the idea, but did not want to get into it because they were doing an internal study. Councilor Dawes noted the city was already tasked with doing stuff in the urban growth area, which included the industrial park. He stated while in theory it was a great idea, he was a little hesitant with one of the bigger players doing an internal audit of their own. He reported he would first like to see what the county comes up with, and approach it at that time to see if they still want to take a look at it. Mr. Christensen stated the county wanted to participate with the task force in conjunction with their internal process.

Mr. Christensen stated the concern was for the person who used the system once or twice within their lifetime. Councilor Harris stated he didn't feel there was ever going to be a way for the person who uses it once, or twice not to run into issues, and have questions about the process. Councilor Harris also noted he didn't see the amount change when Lewis County decided not to participate, and asked if there wasn't going to be as much work done why the numbers didn't change. Mr. Christensen stated they would still do an evaluation of the county's process, and noted the county had committed their human resources and staff time to be able to go through the review process. Councilor Harris stated it seemed to him it would behoove the couple of stakeholders involved to put up the money themselves because they were the ones who were going to be the recipients of the ease, or burden of the work. Mr. Christensen shared with council that those financial commitments were there as part of the process.

Mayor Ketchum asked if council wanted to make staff available. Councilor Taylor stated he had no problem with making staff available, or the \$5,000 proposal. He thought there could be some benefit, but in the end he had to think about the best use of the taxpayers dollars. Mr. Christensen felt the average person would benefit from the system, if not directly, indirectly as the community developed. In response to Councilor Taylor's question about the cost benefit, Mr. Christensen stated the Task Force met and looked at what an appropriate figure would be to request from the municipalities. He stated they would be meeting with the city of Centralia, though the commitment wasn't firm, they believed they were interested in participating in the process financially, as well as giving access to staff.

Councilor Pope made a motion that staff be available, but not participate financially. Councilor Dawes seconded the motion. Councilor Harris stated the city's community development department was overstressed as it was, and he wasn't sure if he wanted to be in a situation of micromanaging staff. He stated he wasn't saying he didn't want to cooperate, but felt they might be overstepping their own boundaries if they started dictating to staff how they do their job. Councilor Dawes stated again he would just like to know where the city of Centralia was on the idea, but more importantly he saw the county as a big player in the matter and wanted to see what came out of their internal review first. Mayor Ketchum stated the only reason he would be willing to participate would be to help others who may not have a system that works.

Councilor Taylor asked Mr. Christensen if there was an ability to do it for less than \$5,000. Mr. Christensen stated he would need to meet with the Task Force to discuss that issue. Councilor Taylor stated he would be voting against the motion because he believed some plans might be helpful. Mr. Christensen stated they would be more than willing to sit down and talk about what an appropriate level of funding would be.

The motion failed 3 to 4. Councilors Harris, Fuller, Lund, and Taylor voted against the motion. Councilor Lund felt \$5,000 wasn't too much, and made a motion to spend the \$5,000 and let the Task Force move forward. The motion died for a lack of a second.

Mayor Ketchum stated he would meet with Jerry Boes and set up a time to meet to discuss the funding issue.

b. **GMA Committee**. Councilor Pope reported the GMA Committee met to review the urban growth area expansion of the boundaries for the county. He noted a question came up asking whether or not the city was going to participate in the challenge of the boundaries. The recommendation of the GMA Committee was that the city not challenge the matter, and no action be taken unless or until the county may officially request assistance from the city in defending its resolution adopting the subject areas. Councilor Taylor agreed.

c. **Water Reclamation Facility Tour**. Councilor's Taylor and Dawes toured the water reclamation facility.

March 13, 2006

There being no further business to come before the council, the meeting was adjourned at 7:44 p.m.

Mayor

Attest:

City Clerk

March 27, 2006

The Chehalis city council met in regular session on Monday, March 27, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 6:05 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Chad Taylor, and Dennis Dawes. Councilor Lund was excused. Staff present included: Jerry Boes, Interim City Manager; Bill Hillier, City Attorney; Mark Scheibmeir, Asst. City Attorney; Bill Kolden, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Interim Fire Chief; Dale Miller, Police Chief; Mansoor Ghorbani, City Engineer; Tim Grochowski, Public Works Director; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Carrina Stanton of *The Chronicle*.

1. **Proclamations / Presentations.** Mayor Ketchum presented Michaelle Fries, Emergency Services Specialist – Mount Rainier Chapter Representative a proclamation declaring the month of March to be American Red Cross Month.
2. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:
 - a. Minutes of the regular meeting of March 13, 2006;
 - b. Claim Vouchers No. 81523-81692 in the amount of \$1,413,695.60 dated March 15, 2006; and
 - c. Award contracts for materials to various bidders based on the materials needed for maintenance by public works and other city departments.

The motion was seconded by Councilor Taylor and carried unanimously.

3. **Staff and Council Reports.**

a. **Flood Damage Repair Cost Update.** Mr. Wiltzius updated council on what it was going to cost to repair the damage to the wastewater treatment plant basin. He stated with the help of the city attorney they were able to put together a contract for under \$108,000, which included sales tax and some contingency monies. He reported Contech Services, Inc. had signed the contract, and was expected to start work on Wednesday. Mr. Wiltzius stated if they came across anything unexpected during the demolition, he would get back to council. Councilor Dawes stated he appreciated Mr. Wiltzius getting back to them with that information.

b. **City Manager Search.** Jerry Boes reported the cut off date for receiving applications was March 26, and that Prothman Company had received 37 applications for the position. Mr. Boes referred to the timeline and noted the next step was for Prothman Company to meet with council in a workshop on March 30, at 5:00 p.m. to determine the semi-finalists. He reported Prothman Company would narrow the applications down to 18–20 before sending them down for council's review.

Councilor Fuller reported he would be unable to make it on the 30th. After some discussion the meeting was tentatively rescheduled for April 5, at 5:00 p.m. in the council chamber.

Mr. Boes announced there was a second work session scheduled for April 19, for the selection of the finalists. Councilor Pope stated he would be unable to make that meeting. Mayor Ketchum asked Mr. Boes to check with Prothman Company to see if they would be able to meet on April 17 instead. Mr. Boes stated he would get confirmation from Prothman Company on a date and time, for the second workshop.

4. **Executive Session.** Mayor Ketchum adjourned the regular meeting at 6:16 p.m. and announced council would be in executive session pursuant to RCW 42.30.110(b) – real estate acquisition, and RCW 42.30.110(i) – potential litigation, and there would be no decision after the executive session. Mayor Ketchum reopened the regular meeting at 7:00 p.m.

There being no further business to come before the council, the meeting was adjourned at 7:00 p.m.

Mayor

Attest:

City Clerk

April 5, 2006

The Chehalis city council met in special session on Wednesday, April 5, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the special meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Chad Taylor, and Dennis Dawes. Councilor Lund was excused. Staff present included: Jerry Boes, Interim City Manager; Bill Kolden, Human Resources Director; and Judy Schave, City Clerk.

1. **Executive Session.** Mayor Ketchum opened the special meeting at 6:00 p.m. and announced council would be in executive session for about one hour pursuant to RCW 42.30.110(1)(g) – evaluate qualifications of applicants for public employment. Mayor Ketchum stated there would be no decision following the executive session. Following the conclusion of the executive session, the special meeting was reopened at 7:25 p.m.

There being no further business to come before the council, the meeting was adjourned at 7.25 p.m.

Mayor

Attest:

City Clerk

April 10, 2006

The Chehalis city council met in regular session on Monday, April 10, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 5:01 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Fuller was excused. Staff present included: Jerry Boes, Interim City Manager; Judy Schave, City Clerk; Bill Kolden, Human Resources Director; Becky Fox, Court Administrator; Jim Larson, Finance Director; Tim Grochowski, Public Works Director; Dale Miller, Police Chief; and Joanne Schwartz, Community Services Director.

1. **Executive Session.** Mayor Ketchum announced staff and council would be in executive session for one hour pursuant to RCW 42.30.140(4) – collective bargaining, and there would be no decision following the conclusion of the executive session. At 5:42 p.m. Mayor Ketchum reopened the regular meeting and announced there would be a fifteen-minute recess. Mayor Ketchum called the regular meeting back to order at 6:01 p.m. Additional staff present included: Bill Hillier, City Attorney; Bill Nacht, Fire Chief; Bob Nacht, Community Development Manager; Marilyn Riebe, Grants Administrator; Patrick Wiltzius, Wastewater Superintendent; Mansoor Ghorbani, City Engineer; and Andy Sennes, Property Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

2. **Consent Calendar.** Councilor Taylor moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of March 27, 2006; and
- b. Claim Vouchers No. 81693-81859 in the amount of \$262,373.87 dated March 31, 2006; and Payroll Vouchers 26169-26339 in the amount of \$612,390.05 dated March 31, 2006.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Citizens Business – Historical Bicycle Ride.** Rose Spogen (174 Yates Road), representing the Chehalis/Centralia Optimist Club, came before council to talk about the historical bicycle ride that would take place on May 13. She reported the money raised from the bike ride would be used to provide two students, one from Centralia Jr. High, and one from Chehalis Middle School, a \$500 dollar scholarship each, to help with their continued education. Ms. Spogen asked that a sweep be conducted prior to May 11 of all the roadways being utilized during the ride. She reported the roads would be marked with symbols that were universally used by most bike clubs, with a spray paint that would wash away over a short period of time.

4. **Proposal for Citywide Classification, Compensation, and Staffing Study.** Jerry Boes reported that city staff was in agreement that they would like to see the city conduct a citywide classification, compensation, and staffing study. Bill Kolden reported the recommendation was to allow city staff to solicit requests for qualifications (RFQ) from potential vendors to conduct a citywide compensation, classification, and staffing study. He stated the basis for the recommendation was that management positions were to be reviewed every two years per the city's employee rules and regulations, which there was no record of for the past five years. Mr. Kolden noted the compensation issues they were currently addressing in union contract negotiations with the Teamster's also created some question as to whether positions were being properly classified and compensated for. Mr. Kolden stated the RFQ would allow vendors to work with staff to design a scope of work, and to also make some determination on how to make the best use of staff time. He reported the only cost the city would incur with an RFQ would be for advertising and staff time.

Councilor Dawes stated he hoped the goal would be to recognize what had been done in the past, and try to reshape it to where they use the same criteria for all staff positions. He noted different positions would be compensated at different levels because of what they do, adding he hoped as they compared outward, they would compare inward to take away any perceived friction caused by looking at personalities opposed to positions. Councilor Dawes added he didn't believe a full staffing study had been done since the late 70's. Mr. Kolden reported the intent would be to design a scope of work that would be based on input from council members and staff, and whoever did the study would be given those parameters.

Councilor Harris noted there were so many variables, and expressed concern about using other communities with the same population, and density. He asked if there would be any up-front fees paid to the selected vendor. Mr. Kolden explained the only up-front fees would be for the advertising and some staff time. Councilor Harris asked, if once the vendor had the parameters, would they be able to give the city an idea of what it was going to cost to do the study. Mr. Kolden stated that was correct, adding there wouldn't be any costs with the contractor until the city decided to move forward with the study.

April 10, 2006

Councilor Dawes moved that the council authorize staff to solicit requests for qualifications to hire an independent contractor to conduct a citywide classification, compensation, and staff study. The motion was seconded by Councilor Lund and carried unanimously.

5. **Staff Reports.**

a. **Employee Service Awards.** Mr. Boes reported three employees would be recognized for their years of service with the city. Robin Holt, Police Officer – 10 years; Gary Wilson, Police Sergeant – 20 years; and Bill Appleby, Storm/Wastewater Collection Specialist – 20 years.

b. **Update on Prospect Hill Foaming and Odor Complaints.** Tim Grochowski stated last October they started receiving complaints about foam and sewer odors in the Prospect Hill neighborhood. Mr. Grochowski reported they had a sample of the storm water, collected from the foaming site, sent to a certified water-testing laboratory. The tests showed the foam was caused by products of carwash soap mixing with the nutrients and proteins found in our clay soil, and the natural occurring phosphates found in the storm water runoff.

Mr. Grochowski reported the wastewater superintendent was addressing the sewage odor issue by installing six carbon adsorption inserts into six of the manholes in an attempt to eliminate sewer odors in that area. Mr. Grochowski explained that the odor causing compounds were attracted to, and would adhere to the surface of the adsorbent. Councilor Dawes suggested staff notify the people who contacted them about the odor, to let them know what had been done, and ask that they respond back to insure the problem was actually being addressed.

6. **Proclamation – Altrusa Awareness Week.** Joyce Barnes, representative of Altrusa International of Centralia/Chehalis accepted a proclamation from Mayor Ketchum designating April 10–14 as Altrusa Awareness Week.

7. **Staff Reports Continued.**

a. **Evaluation of Duffy Park as a Potential Water Reservoir Site.** Tim Grochowski reported last October they were looking at a site for a potential water reservoir. In the city's water plan, it stated the city should take a look at an area near the existing Valley View reservoirs for the installation of additional water storage, possibly the "Duffy Park" property. Staff hired TJF & Associates, the consultant for our water plan, and it was determined that the location of a reservoir on the "Duffy Park" site would not be beneficial to the city. Mr. Grochowski reported there was a section of land next to the existing reservoirs, owned by the city that could be used for a future reservoir. He stated he didn't believe public works had any future need for the "Duffy Park" property, and it was his understanding that community services didn't have any future needs for the property either. Mayor Ketchum thanked Mr. Grochowski for the report.

There being no further business to come before the council, the meeting was adjourned at 6:22 p.m.

Mayor

Attest:

City Clerk

April 24, 2006

The Chehalis city council met in regular session on Monday, April 10, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 5:01 p.m. with the following council members present: Terry Harris, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Pope was excused. Staff present included: Jerry Boes, Interim City Manager; Bill Hillier, City Attorney; Bill Kolden, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Fire Chief; Rob Gebhart, Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Mansoor Ghorbani, City Engineer; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Marilyn Riebe, Grants Administrator; and Patrick Wiltzius, Wastewater Superintendent.

1. **Interstate 5 Improvements and New Interchange Concept.** Jerry Boes asked Tim Grochowski to introduce the Department of Transportation (DOT) representatives, and give a brief overview of what the presentation would be about. Mr. Grochowski introduced Southwest Washington Regional Engineer Bart Gernhart, and the area engineer for Chehalis Rich Hensley. Mr. Grochowski reported they would be talking about the Interstate 5 (I-5) widening from Mellen Street to Grand Mound, plus other projects that were going on.

Mr. Gernhart reported they were planning on having four open houses in 2006. The first open house was put on by The Chamber where they basically explained the same process they would be going over with council. The second open house would be at 4:00 p.m. on May 9, at the Centralia Middle School. At that meeting they would share the same information about conceptual locations for the interchanges, and the five concepts DOT comes up with. He reported the interchanges were not yet designed for each location, but the general locations had been identified. Mr. Gernhart stated after the second open house they would make some decisions and move forward with the actual design for each location. He reported they would also present the criteria by which they would be doing the evaluation, specifically with regard to the interchange locations, and the preferred alternative for the interchange at Mellen Street. Mr. Gernhart stated the third meeting would occur later in the summer after the design of each conceptual interchange. After the third meeting they would make a decision on the preferred alternative, then come back a few months after that with what they decided on, and why.

Councilor Harris asked how DOT arrived at their figures if they don't know what projects are going to be done, and what the costs of those projects were going to be. Mr. Gernhart reported it was based on trends, adding they look at the last ten years and know from that information what those trends are, and what they will be.

Mr. Gernhart went on to address other issues such as:

- Historical trends of county-by-county gas tax revenues versus expenditures
- I-5 widening schedules and projects
- Budgets for widening I-5
- Different funding agencies and programs
- Provision of more local roadways to improve the efficiency of I-5
- Escalation of construction costs – local and federal
- Process for making decisions on projects

Rich Hensley came forward with a power point presentation, which showed aerial views of the different interchanges and what they currently looked like. Mr. Hensley reported the purpose of the project was to continue with multi-regional highway improvements, maintain existing capacity for future demand, improve safety, and upgrade the transportation facilities to meet current design standards all along the I-5 corridor. Mr. Hensley reported DOT had designed the highway system to meet a service level "C." The current design forecast for I-5 indicated that by 2020, during peak times, it would be at a service level "F", which meant stop and go traffic during peak hours.

Mr. Hensley reported on some of the design alternatives DOT would be looking at, and the purpose and need for action. He stated as they go through the process they will need to address concerns such as:

- Safety
- Sub-standard curves and vertical heights
- Roadway deficiencies
- Roadway design issues
- Horizontal alignment issues
- Right-of-way impacts

April 24, 2006

- The Chehalis River
- Potential hazardous material locations
- Environmental, cultural, and floodplain impacts
- Staging for the least amount of impact

He then reported on some of the alternative interchanges, locations, and options that DOT was looking at. Mr. Hensley stated it was their intention to stay on top of everything, and be very proactive on the project. Mr. Gernhart committed to meet with council however often they wanted, to keep them up to date with what was happening.

Councilor Fuller stated most of the information that DOT presented they had already been exposed to at one time or another. He asked if DOT was asking for a buyoff from the council. Mr. Grochowski stated they wanted council to hear it straight from DOT, rather than by word of mouth. Mr. Gernhart stated they also wanted council to know if they had any concerns they could let DOT know earlier, rather than later. He stated it was still early in the process and they wanted to get all the facts, adding it didn't seem reasonable to try and have all of the council come to the open house. Mr. Gernhart stated if council didn't feel it was worth an hour of their time every three or four months, to let them know. Mr. Grochowski stated there were already rumors going around about closing the "on and off" ramps at Chamber Way. Mr. Hensley stated they needed to go through the process and evaluate the whole system to improve it not only for now, but for the future as well.

Councilor Dawes felt it would be more beneficial for him, and the general public, if they just told them how much it was going to cost, where the money was coming from, and how they would get the money to pay for it. Councilor Taylor stated he thought DOT was there to get the opinion on the concept of the middle interchange. Mr. Gernhart stated they weren't even to that point yet, it was just one of the things they were talking about. Councilor Taylor stated he had talked with a number of different businesses that were located on State Avenue and across the freeway. He reported he didn't hear one positive thing about it, and that most of the businesses were against it. He stated he too was against it because it would destroy most of the businesses in that area. Mr. Gernhart stated they really didn't want to hear just one persons opinion, but rather what the true impact, or fallout would be. He suggested they respond to those issues so that information could be combined and brought back to council to make sure they were hitting all the key points.

Councilor Lund asked why they were willing to waste taxpayer's dollars to close the Chamber Way off ramps when the city was against it. Mr. Gernhart stated if they were going to invest \$160 million dollars, they wanted to make sure they were investing it in the right thing. He stated when looking at the impacts for an interstate system they had to look at all of the options, which might include the relocation of a Latte' stand. In addition, they also had to take into consideration interstate commerce and national defense. Councilor Lund stated, between the two cities, by taking away the two interchanges it would affect more than a Latte' stand. Mr. Gernhart stated it involved the whole viability of the west coast, not just one or two cities, adding they try to minimize the issue of impacts. He noted with any sizable widening project there were almost always going to be impacts to businesses. Mr. Gernhart noted they wanted to make sure they didn't close the door on a project just because someone didn't like something. Mr. Hensley stated they had over 65,000 cars a day going through the area, and it was their job and a priority to make sure they were safe. Mr. Gernhart believed at the end of the day the right solution would be chosen and, business and residential impacts would be included in that decision.

Councilor Harris stated he would have liked to have had less than 45 minutes of the how and why, when they already knew the how and why, and more than 15 minutes of the "what." Mr. Gernhart stated they weren't ready to give them the "what" yet. He stated they only identified the locations and still needed to do the alternative analysis to define them. Mr. Gernhart stated they would be more than glad to come back and share information once the locations were selected, and they design the concepts in a little more detail. Councilor Taylor asked if DOT decided to go with the alternative to take away the off ramps at Chamber Way, would the city have any say in that decision making process. Mr. Gernhart stated they didn't want to preclude anything, and wouldn't want to move forward with anything the city couldn't support. Mr. Gernhart added he felt they had a valid process that would come up with the best alternative in a society they value.

Mayor Ketchum closed the work session at 6:11 p.m. and announced they would take a five-minute recess. Mayor Ketchum reopened the regular meeting at 6:16 p.m.

2. **Oregon Trail Days.** Mayor Ketchum read a proclamation designating April 27-29, 2006 as Oregon Trail Days. Karen Johnson and Edna Fund accepted the proclamation on behalf of the Lewis County Museum and invited everyone to come out and take part in the festivities.

April 24, 2006

3. **Swearing-in.** Chief Nacht swore in Chad Snyder as Firefighter/Engineer.
4. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:
 - a. Minutes of the special meeting of April 5, 2006; and the regular meeting of April 10, 2006;
 - b. Claim Vouchers No. 81860-82019 in the amount of \$2,953,519.37 dated April 14, 2006;
 - c. Authorize Interim City Manager to sign the electric power sales agreement with Lewis County PUD for the provision of power to the Chehalis Regional Water Reclamation Facility; and
 - d. Accept the Newaukum Avenue water and sewer project as complete and release retainage in the amount of \$32,587.71 to AA Excavating, Inc.

The motion was seconded by Councilor Lund and carried unanimously.

5. **Citizen Business.** Karen Brinks came forward to introduce herself as the new director of the Lewis County Convention and Visitors Bureau. Ms. Brinks stated she would like to come back on a quarterly basis to make presentations to the council showing some of the articles and publications that would be going out to promote the area. Councilor Harris noted they had received some interesting information from the Governor's Office stating they were looking at how different cities lodging tax money was being spent. He noted two years ago they reported the city was properly spending it, but now they were redacting that, and going back to their old standards.

6. **Ordinance No. 803-B, First Reading – Expanding the Sister City Committee.** Joanne Schwartz reported in reviewing the size of the Sister City Committee it was self evident that they needed to expand the committee, adding it would give more opportunity for people to participate. Ms. Schwartz asked that the committee be expanded from six citizen members to eight.

Councilor Dawes moved that council suspend the rules requiring two readings of an ordinance. The motion was seconded by Councilor Harris and carried unanimously. Councilor Dawes moved that the council pass Ordinance No. 803-B on first and final reading. The motion was seconded by Councilor Lund and carried unanimously.

7. **Staff and Council Reports.**

- a. Mr. Boes reminded council about the special executive session on Thursday, April 27, at 5:00 p.m. in the community services activity building regarding real estate acquisition.
- b. Mr. Boes reminded council about the community reception on Thursday, May 4, at 6:30 p.m. at the Hotel Washington to meet with the six finalists for the city manager position. An executive session was scheduled to start at 5:00 p.m. in the council chamber for the council to meet with the candidates prior to the reception.
- c. Reminder of city manager interviews scheduled for all day on May 5.
- d. Mr. Boes announced Prothman Company gave authorization for the city to release the names of the six finalists to be interviewed for the city manager position. They were:
 - Ken Carter – most recently served as the assistant administrator for the city of Prosser, WA
 - Mark Gervasi – currently the city manager for the city of Tillamook, OR
 - Steve Golnar – most recently served as the city manager for the city of Livingston, MT
 - Merlin MacReynold – most recently served as the city manager of Normandy Park, WA
 - Donald "Pete" Rose – currently the city manager for the city of Woodinville, WA
 - R. Kim Wilde – currently the village administrator for the village of Waunakee, WI
- e. Mr. Boes handed out an invitation from the Chehalis fire department for council to attend a practice burn on May 6.

April 24, 2006

f. Mayor Ketchum noted he met with representatives from Brian Baird, Senator's Cantwell and Murray, and Governor Gregoire's office to discuss topics pertaining to Chehalis. He also had lunch with the Governor and Mark Scheibmeir last Thursday.

Mayor Ketchum also attended a celebration for Justine Bremgartner who sent a letter to the Governor about Saint Urbans Church. He reported Ms. Bremgartner did a wonderful job putting on a presentation for the 5th grade class. Mayor Ketchum noted he invited Ms. Bremgartner to attend a city council meeting, adding he would let her start the meeting off with the pledge of allegiance.

Mayor Ketchum also spoke with Kendra Allen regarding a letter he received from her about the building repairs needed at Chehalis fire department.

g. Councilor Dawes reported he went to a meeting at Centralia College in reference to the invitation he received to look at their plans. He noted they had a lot of nice plans and hoped that some, if not all, would come to fruition.

8. **Executive Session**. Mayor Ketchum closed the regular meeting at 6:35 p.m. and announced that following a five minute recess council would convene into executive session for about 35 minutes pursuant to RCW 42.30.110(1)(i) – potential litigation, and no decision would be announced following the conclusion of the executive session. Mayor Ketchum called the regular meeting back to order at 7:34 p.m.

There being no further business to come before the council, the meeting was adjourned at 7:34 p.m.

Mayor

Attest:

City Clerk

April 27, 2006

The Chehalis city council met in special session on Thursday, April 27, 2006, in the Community Services activity building. Mayor Tony Ketchum called the special meeting to order at 5:10 p.m. with the following council members present: Terry Harris, Daryl Lund, Robin Fuller, Chad Taylor, and Dennis Dawes. Councilor Pope was excused. Staff present included: Jerry Boes, Interim City Manager; Judy Schave, City Clerk; Jim Larson, Finance Director; and Dale Miller, Police Chief. Members of the Capital Facilities Committee were also present.

1. **Executive Session.** Mayor Ketchum announced staff and council would be in executive session for about two hours pursuant to RCW 42.30.110(1)(b) – real estate acquisition, and no decision would be announced following the conclusion of the executive session. Mayor Ketchum called the special meeting back to order at 6:40 p.m.

There being no further business to come before the council, the meeting was adjourned at 6.40 p.m.

Mayor

Attest:

City Clerk

May 4, 2006

The Chehalis city council met in special session on Thursday, May 4, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the special meeting to order at 5:03 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Jerry Boes, Interim City Manager; and Judy Schave, City Clerk.

1. **Executive Session.** Mayor Ketchum announced that staff and council would convene into executive session for one hour pursuant to RCW 42.30.110(1)(g) – evaluate qualifications of applicants for public employment, and no decision would be announced following the conclusion of the executive session. At 6:04 p.m. Mayor Ketchum announced the executive session would be recessed until Friday, May 5, 2006, at 8:30 a.m.

May 5, 2006

The Chehalis city council met in special session on Friday, May 5, 2006, in the Chehalis city hall. Mayor Tony Ketchum reopened the special meeting from May 4, 2006, at 8:05 a.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes.

1. **Executive Session.** Mayor Ketchum announced they would reconvene into executive session until 5:00 p.m. pursuant to RCW 42.30.110(1)(g) – evaluate qualifications of applicants for public employment, and no decision would be announced following the conclusion of the executive session. At 5:10 p.m. Mayor Ketchum closed the executive session and reopened the special meeting. Mayor Ketchum announced they would recess the special meeting until Monday, May 8, 2006, at 5:30 p.m.

There being no further business to come before the council, the meeting was adjourned at 5:10 p.m.

Mayor

Attest:

City Clerk

May 8, 2006

The Chehalis city council met in regular session on Monday, May 8, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 5:30 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Jerry Boes, Interim City Manager.

1. **Executive Session.** Mayor Ketchum reopened the special meeting, continued from May 5, pursuant to RCW 42.30.110(1)(g)- evaluate qualifications of applicants for public employment. Mayor Ketchum announced they would be in executive session for about 30 minutes and there would be no decision following the executive session.

Mayor Ketchum closed the executive session at 6:09 p.m. and announced they would take a three-minute recess. Mayor Ketchum reopened the regular meeting at 6:13 p.m. Additional staff included: Bill Hillier, City Attorney; Bill Kolden, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Mansoor Ghorbani, City Engineer; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Marilyn Riebe, Grants Administrator; Andy Sennes, Property Manager; and Patrick Wiltzius, Wastewater Superintendent.

2. **Presentations.** Mayor Ketchum introduced Justine Bremgartner, a fifth-grader at Olympic Middle School. He asked Ms. Bremgartner to come forward and lead them in the pledge of allegiance. Mayor Ketchum then presented Ms. Bremgartner with a certificate for her efforts to preserve the Historical Saint Urban Church in Winlock.

3. **Consent Calendar.** Mayor Ketchum excused himself due to a conflict of interest and turned the gavel over to Mayor Pro-tem Taylor.

Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of April 24, 2006; and the special meeting of April 27, 2006;
- b. Claim Vouchers No. 82020-82162 in the amount of \$447,422.83 dated April 28, 2006; and Payroll Vouchers No. 26340-26497 in the amount of \$557,385.88 dated April 28, 2006;
- c. Appointment of Sue Bellevue, Clarice Stefon, and Rebecca Ketchum to the sister city committee for three-year terms expiring December 31, 2008; and John Matagi and Stephanie Connors to two-year terms expiring December 31, 2007; and
- d. Authorize the Interim City Manager to sign a maintenance agreement between the city and the Washington State Department of Transportation for maintenance of the Chamber Way roundabout corridor.

The motion was seconded by Councilor Lund and carried unanimously. Mayor Ketchum returned to the table.

4. **Approval of Funds to Hire Temporary Employee.** Joanne Schwartz reported she currently had an employee who was out ill, possibly for an extended period of time. She noted there were no other employees available to do the job, and requested funding to hire a temporary employee. Mayor Ketchum asked which position it was that staff was trying to cover. Ms. Schwartz stated it was the nuisance abatement and animal control position, adding the animal control portion would be more difficult because it would take special expertise and training. Councilor Fuller asked who was currently doing the job. Ms. Schwartz stated they currently didn't have anyone doing it. She noted Jeff Shine was going up every morning to check the shelter to make sure no animals were put in it the previous night by the police department, and if so, those animals were being transferred to the Lewis County Animal Shelter because they had no way of taking care of them. Ms. Schwartz stated they were covering the nuisance abatement portion of the job strictly on an emergency basis only.

Councilor Pope moved that the council approve \$20,000 from the general fund to hire a temporary employee for the community services department. Councilor Dawes seconded the motion.

Councilor Taylor asked if there was a way to contract the animal control portion of the job out to the Lewis County Animal Shelter. Ms. Schwartz noted the city currently had a contract with them, but they themselves were very understaffed. Councilor Fuller asked if Ms. Schwartz had any conversation with the county about that. Ms. Schwartz stated that Bob Nacht had. Mr. Nacht stated the city worked very closely with the Lewis County Animal Shelter, adding they currently did not have anyone to do that function for the city. Mr. Nacht explained that the city and the county had an interlocal agreement for the

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county to provide impoundment services, but it was up to the city to get the animals there. He thought the county had one full-time, or part-time paid employee by the name of Amy Clark, and anyone else was a volunteer. Mr. Nacht stated the city has asked them, on occasion, to help the city out. He stated the problem was the city never knows who's there, and if there's only one person working they won't leave their facility. He noted they have called them out on occasion for vicious animal calls, if they're available. Mr. Nacht stated the county just didn't have the staffing level to service the city, which they and the county have had discussions about. Councilor Taylor stated he agreed they needed somebody to take care of it, and contracting with the county sounded like a good idea to look into. He also stated, in regards to the nuisance abatement, he thought perhaps all city employees could remove signs from the telephone poles, and the fire department could look into the tall grass issues. Ms. Schwartz stated that was already being done. Councilor Taylor stated he was not trying to micro-manage, but it seemed like city staff could pitch in a little, and do it without spending \$20,000. He suggested the city consider helping out the Lewis County Animal Shelter with \$5,000 to have them assist the city. Ms. Schwartz reported it was really up to council as to what level of service they wanted staff to provide. She noted they were already receiving complaints, and felt they couldn't do all without additional staff.

Councilor Pope believed there should be some kind of order so if a citizen had a complaint they would know who to complain to, and when the city received a complaint they would know who to direct it to. He suggested they go ahead and hire a temporary employee. Mr. Nacht reported several years ago the city implemented a procedure to handle exactly that process, adding when they received a complaint call it was logged into the computer and tracked. He noted there were a number of statutory requirements depending on what the nature of the nuisance was. Mr. Nacht stated all of the procedures were established by the city's nuisance ordinance, adding if they decide to do something other than that, they would need to look at changing the statute so they don't run into selective enforcement. Councilor Fuller asked staff if they knew how long the employee would be out. Mr. Nacht stated they did not know. Councilor Fuller asked if the employee was on paid sick leave. Ms. Schwartz stated he was. Councilor Fuller stated he thought they might be able to use what was budgeted for that employee to help offset the cost of a temporary employee. Mr. Nacht explained the employee was eligible for both sick and vacation leave, to the extent that he had it available.

Councilor Fuller stated he and Councilor Taylor had lunch earlier that day and discussed the matter. He noted Councilor Taylor was being a little modest, adding Councilor Taylor had had a conversation with someone at the animal shelter, and Councilor Fuller thought they left him with the impression that they could handle that portion of the job, using their part-time employee. Councilor Fuller stated there seemed to be some discrepancy. Ms. Schwartz noted the county had always told them that they couldn't help out, except for emergencies. Councilor Taylor stated it wasn't his intention to blindside staff with the information he had. Mr. Nacht stated if the county indicated they were capable of serving Chehalis, they'd really like to talk with them. Councilor Taylor stated he knew Ms. Clark because he grew up with her son, and that he had had a real candid conversation with her, asking her what she was currently doing for the city. She told him she handled emergencies dealing with violent animals, sometimes in the middle of the night. Councilor Taylor stated he asked her if she would be able to help out if the city didn't have anyone. Councilor Taylor asked if there was anyway for the city to contract with someone while they were in limbo. Ms. Schwartz stated the problem was when they receive a call the employee normally goes out right away. She noted Ms. Clark could certainly do that, if the county wanted her to, but she would have to drive five miles in just to respond. Ms. Schwartz added the level of service would depend on what was going on and the calls received. Councilor Fuller stated again, he thought Ms. Clark left Councilor Taylor with the impression that she would like to talk to the city about potentially filling that spot on a temporary basis with a part-time employee she had, for much less than \$20,000. Councilor Fuller asked if they could postpone the matter for two weeks until someone from the city talked with her to see if something could be worked out.

Ms. Schwartz inquired as to how council wanted staff to handle the nuisance part of the position. Councilor Taylor stated the city had a whole bunch of employees out and about all day, and if they saw a sign that needed to be removed, they can remove it, adding if the city could save any amount of money it was worth it.

Councilor Pope asked if abatement was more than just chasing after animals, and also asked who was going to do the other part of the job. Mr. Nacht stated they didn't know yet. Councilor Pope stated if the county was willing to do it, the city should talk to them. Councilor Taylor stated he didn't ask about abatement, he was just trying to find a way to save \$20,000. Councilor Pope stated again that there had to be some order to it, and they shouldn't be doing things half-hazardly, adding if they had talked with Ms. Clark, they should have gone to staff with that information. Councilor Taylor stated he would have come to staff if he had time, but felt the public meeting was for the public to know what they were doing. Ms. Schwartz stated that was fine, but the information he reported was different than what they were told by the county, again stating they were under the impression that they would only respond on a limited basis. Ms. Schwartz stated staff would contact the county.

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Councilor Dawes stated before they voted on the issue he would first like to get a little more information. He added, from personal experience, the nuisance calls were not going to stop and maybe they needed to start enforcing the ordinance. He noted he would feel more comfortable with a vote if he knew what services the county might be able to provide. Councilor Pope moved to table the motion and bring it back at the next meeting. The motion was seconded by Councilor Harris and carried unanimously.

5. **Sewer Line Improvement.** Mr. Boes reported staff was looking at replacing a 3-inch pressure sewer line across Chamber Way at State Street, as part of the roundabout construction. Mayor Ketchum asked if that line was a totally different line than all of the other lines they had previously discussed. Mr. Nacht reported they might have discussed it before since he wasn't familiar with everything that had been discussed with the project. He stated there was an existing 2-inch pressure sewer line servicing the Chamber of Commerce office that was installed when the office building went in. Mr. Nacht noted that line was dug, pushed, or bored under the State Street corridor to get the affluent back over to the vicinity of Maryland and State streets. He stated during the roundabout discussions it was decided early on that it would be beneficial for the city to replace the 2-inch line with a 3-inch. Two reasons being, it would have the capacity to service something besides just the Chamber and Uhlmann Motors, and also with the elevation of the State Street roundabout the current line would become buried eight or nine feet deep, which would be difficult to maintain in the future. Mr. Nacht stated the earlier proposal was to replace the existing 2-inch sewer line with a 3-inch pressure line. He added that during the course of discussion it was identified that the funding sources for the roundabout project would not pay for that part of the project because the existing 2-inch pressure line was already there, and that the new line was a line to service something as a result of the construction. Mr. Nacht explained that city staff felt it was appropriate to try to put the new line in through the construction because it was cheaper to do it now, rather than later. He reported it would also open up the capacity issue for the northeast side of the intersection. He reported the bottom line was the city's comprehensive plan and development regulations state that anytime the city had the ability to provide capacity in an urban growth area they were supposed to do it.

Councilor Harris asked if staff would be installing the line. Mr. Nacht reported the contractor for the roundabouts project would install it, adding it was part of the design for the roundabout by the Department of Transportation. He noted that because the funding sources had now identified they would not pay for that component of the State Street roundabout, the city would have to come up with the money to fund it in order for it to stay in the project. Mr. Nacht reported the city would be paying for the cost of the piping material, and the widening of the trench.

Councilor Dawes asked if anyone had taken a scan of the whole construction area to make sure there wasn't anything else that needed to be done. Mr. Nacht stated he couldn't say there wouldn't be any other issues to come up. He reported they had been dealing with issues from day one on the project, and noted as with most projects the more you get into the details of the project, the more things are identified that have to be resolved. Councilor Dawes asked if anyone did any locates during the process to make sure everything had been located and addressed. Mr. Nacht was sure locates had been done in the area, adding the city knew that the 2-inch pressure line was there. He stated the \$15,000 would make it bigger and higher up in the grade so it would be easier to maintain. It would also allow others to connect to it, which they couldn't do at its current location. Councilor Dawes asked if Uhlmann's was currently on a septic system. Mr. Nacht stated yes, adding the city had many septic systems within the city.

Councilor Dawes moved that the council authorize \$15,000 for construction of a new 3-inch pressure sewer line through the NW State Avenue roundabout with the funding coming from the wastewater utility. The motion was seconded by Councilor Lund and carried unanimously.

6. **Staff and Council Reports.**

a. **Employee Service Awards.** Mr. Boes reported the city had three employees who would be receiving service awards. They included: Derek Pedersen, Firefighter – 10 years; John Smith, Property Maintenance Technician I – 15 years; and Dan Chitwood, Wastewater Treatment Operator – 15 years.

b. **Response to Monthly Billing Survey.** Jim Larson updated council in regards to the responses he received from the survey sent out last February. Mr. Larson stated he had met with the Lewis County Rental Association last year, which represented a number of the landlords in Lewis County. He stated they discussed how they believed the city impacted their business in negative ways, and how the city could improve it. Mr. Larson stated their biggest concern was their loss of revenue because they were being held responsible for their tenant's unpaid utility bills. He reported at the meeting they discussed a number of options, the most favorable being to go to a monthly billing cycle. Mr. Larson followed up on the option by putting a

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questionnaire in *"The Chehalis"* asking the general population how they felt about going to a monthly billing. He reported that some 5,000 surveys were sent out, and they had received 109 responses back that were overwhelmingly against going to a monthly billing cycle.

Councilor Taylor noted in order to get to a monthly billing cycle, the survey indicated there could be an additional charge. Mr. Larson stated what the survey said was, there could be additional costs. He added the reality was there would be additional costs including mailing costs, if nothing else. Mayor Ketchum thought perhaps the bulk of the responses came from people who were being billed every other month, and didn't want to change the system.

Mr. Larson asked if the information received was enough for council to determine not to move to a monthly billing cycle. He added there were other things they could do, such as changing the way the city collects deposits. Mr. Larson stated the city was always guaranteed payment because the bill goes with the property. He added by collecting the deposit the city really wasn't providing any service to the utility, or the citizens. Councilor Dawes asked where the \$150 deposit went if a tenant skipped out on their bill. Mr. Larson stated it was applied to the final bill, which helped mitigate the loss to the landlord. Councilor Dawes stated that would then provide a service to the landlord because now they wouldn't have to come up with that amount.

Councilor Taylor stated he had always been against the way the city does business, adding it didn't seem right that the city issues credit in the form of turning on someone's water without taking on any of the liability. He stated he didn't believe it should be the property owner's responsibility. Councilor Taylor went on to say if he allowed someone to move into his house, they should be the ones responsible for paying the bill. He added there wasn't anything legally prohibiting the city from taking that liability on, and felt the city should. Councilor Lund stated he agreed with Councilor Taylor and added that \$150 was not enough for a deposit. He felt the city should start charging a \$500 deposit. Mr. Larson stated if the city charged that large of a deposit he would almost guarantee there would be landlords saying the city was charging too much for the deposit, making it more difficult for them to get a renter into their property. Mayor Ketchum stated he believed the landlords wanted the deposit raised. Mr. Larson stated not necessarily raised, adding the popular idea was to allow the landlord to set the deposit amount.

Mr. Larson noted whether or not it was right for the city to hold the property owner responsible, the practicality was if the city made the decision to no longer do that, the city's costs would go up and the revenue would go down, which could very well put pressure on the city to raise utility rates. Councilor Taylor asked if Mr. Larson knew how much the city would lose. Mr. Larson stated he did not. Councilor Taylor stated Mr. Larson's statement had no merit if he had no idea of how much the city would lose if they started taking on the liability. Mr. Larson stated he could hire an economist to do a study. Councilor Taylor suggested Mr. Larson go back and figure out who doesn't pay their bill.

Councilor Harris noted if they were going to consider going to monthly readings, it could double the costs of what it was currently costing to read meters. Mr. Larson stated he was thinking of ways they might be able to do it without monthly readings. One thought was, in the odd month they could charge a flat fee. Mr. Larson noted the city's current system did not have the sophistication to allow them to go to a budget system. He added they would soon be replacing the current software, which the city had been using since the 1980's. Councilor Harris felt they would also be doubling the costs of mailings and support staff if they went to a monthly billing cycle. Mr. Larson stated he had been aggressively looking at things he could do to be able to do it without additional staff. He stated the only costs guaranteed to be higher would be for paper and postage. Councilor Harris stated the problem was they were trying to address an issue of a contract between a landlord and a tenant, so if their tenant skipped out on them they could put the obligation of it back on the city, so they don't lose so much. He felt the actual agreement should be between the tenant and the landlord. Mr. Larson stated that was a good point. He added the city was in a position, if they wanted to take responsibility and aggressively manage it, to say whether or not the landlord could put a tenant in, based on if the city felt they were credit worthy.

Mr. Larson asked if council wanted to go to monthly billing, as an experiment. Councilor Taylor stated he didn't want to quit discussing the idea of the city taking responsibility for the liability since the city was the one to turn the water on. Mr. Larson stated council could entertain that idea any time they choose.

Councilor Pope asked what it was that Mr. Larson wanted from council. Mr. Larson stated he was really just updating council on where they stood, and wanted to see if his plan was in-line with what they might expect, or if they would like to do other things. Councilor Pope asked if the old minutes could be brought out from when they filled the room with real estate companies, when he made a suggestion to change things back then. He went on to say they didn't get an answer then, and didn't believe they were going to get an answer now. Mr. Larson stated any change made would be popular with some, and not

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so with others. He indicated it would be responsible of the city to consider the impacts of city business practices on landlords. Mr. Larson explained the current billing cycle process and gave some examples of how the city could change it. Mayor Ketchum stated all options should be open. Mr. Larson stated he planned on meeting with the landlords association again to get some more feedback from them.

(Councilor Pope excused himself from the meeting at 7:00 p.m.)

Councilor Fuller stated he had a copy of the survey, which he had some issues with. One being it stated Mr. Larson was sending it out on behalf of the Lewis County Rental Association. The survey also noted if they were to make the change some costs would go up, and there was a chance the rates might go up slightly to offset the increased cost. He felt the survey was also worded in a negative tone. Councilor Fuller was surprised Mr. Larson didn't receive a 100 percent response indicating they didn't want it. Councilor Fuller noted it could be a little number since Mr. Larson didn't have any information on the rentals or homeowners that default, or the dollar amounts. Mr. Larson stated he didn't track that information, but if it was a little number then it shouldn't be such an issue for the landlords. Councilor Fuller reported that the phone, gas, and power companies all assume their own bills, and we were the only ones to pass it on to someone else. He stated he agreed with Councilor Taylor. Mr. Larson explained that when a tenant skips out on a bill their names are put on a list and the city does not provide them services at any other property in town, until they pay back the amount that was paid by the landlord, which was then returned to the landlord. He added the city had no recourse if someone moved to another city, like other utility companies do. Councilor Fuller stated he understood that, but it was still our problem. Mr. Larson stated it was a very common practice for cities in Washington, adding it would be hard to find a city that doesn't do exactly what we do. Councilor Fuller asked if Mr. Larson could put something together with what the number would be. Mr. Larson stated the best thing to do would be to hire an economist to do a study.

Councilor Dawes noted the survey was doomed from the start. He stated the city ordinance was obviously passed in a way to cut out any liability to the city. He agreed with much of what was being said, adding they needed to find out what the extent of the problem was. Councilor Dawes suggested the city start tracking its bad debts. He suggested staff get some pointers from the Lewis County PUD. He noted they track their bad debt and sometimes they have to write it off, which was a cost of doing business, but they were still able to keep their rates low. He felt the city needed a resolution to the issue, and the first step was to find out what the liability was to the city.

Council further discussed the issue with staff on how money was receipted in, who was paying final bills, and how the city was tracking information. Councilor Lund stated there was a whole lot of stuff that needed to be straightened out. He also noted he didn't appreciate Mr. Larson telling him he couldn't keep track of the information when he had the means of doing it from the letters he sends out to residents who don't pay their bill on time. He told Mr. Larson he didn't want to hear any excuses.

Councilor Taylor made a motion to create the financial liability of a water bill to be on the city and not the property owner. The motion was seconded by Councilor Lund.

Bill Hillier stated council could amend the ordinance to provide for the city to do away with the mandatory obligation on the property owner, but in order to protect the risk the city takes the city would have to set up a protocol through its department rules and regulations, or state something in a resolution authorizing the city to start doing credit assessments on everyone to analyze their credit, and set deposits based upon their credit worthiness. Councilor Taylor wasn't opposed to trying it, adding if it turned out to be a huge liability they could take another look at ways to protect the city. Mr. Hillier noted staff would also have to put the landlords on notice that their contracts with their tenants would have to be subject to the city's granting them the right to have our service.

Susan Gonzales (PO Box 74, Chehalis WA) asked how many utility customers the city had, and if every customer had a deposit. She also inquired as to where the interest was going on that money. Mr. Larson stated the city had about 4,000 customers, and the interest on the deposits went to the city. Ms. Gonzales asked how many rentals there were in town. Mr. Larson stated he didn't know. Ms. Gonzales then reported on some issues she was having with her rentals, and explained what she had to do so she wouldn't get stuck paying delinquent or final bills. She also reported that Chehalis was not the only city putting liens on properties, which she thought was against an RCW code.

Mr. Larson stated if council thought it was best that the city assume the responsibility he would do it, but noted council should do it with an informed decision. Councilor Harris felt the city should not take on other people's responsibilities. Councilor Taylor stated if the city was providing the service, it should take the responsibility. Councilor Harris stated it was the city's water

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so the city should have some input. Councilor Taylor stated he wanted the responsibility of the bill to become the issue of the credit, and thought Mr. Larson needed to come back and tell them how he was going to accomplish that. Councilor Lund stated he would second that.

Mr. Hillier stated if the motion was to direct staff to commence the process of transforming the protocol to a completely different situation to where there would no longer be a guaranteed payment by the property owner, then to make that motion and give staff a timeframe to bring it back to them. He added staff could then start the process of figuring out how to do it. Councilor Taylor asked Mr. Larson what an appropriate timeframe would be. Mr. Larson stated he could get back to council in three months, if they felt that was more important than him getting a new software system installed. He noted it could take up to nine months if he waited until after implementing the new system. Councilor Taylor stated he was very much in favor of the three-month timeframe, and asked what the consensus of the council was. Councilor Lund stated he would second that. Mr. Larson stated he wanted to hire the FCS Group to review the city's rates, in light of the changes in large industrial wholesale customers. He would also have them examine what it might do to the rates if they were to undertake the additional burden. Mr. Larson reported council would then have a number they could look at, before directing staff to implement anything.

Councilor Dawes stated he might very well, down the road, support Councilor Taylor 100 percent, adding the idea had a lot of merit. He indicated he was very concerned about going down that tunnel without the lights on. He also didn't want them doing anything they might feel strong, emotionally about, that might turn around and cause the city to do something to put the liabilities higher than they already were. Councilor Dawes stated he would like to have some numbers set in concrete before moving forward with the issue, and would probably vote against the motion based on the fact that he would like more information, not that he's against the motion. Councilor Harris stated that was his point exactly. He added he would like to see staff start tracking who was making the final payments so they can track what the losses might be. Councilor Harris also had concerns about taking on that liability, which could encourage people to stop paying their final bill, leaving the city with the loss.

The motion failed 2-4, Councilor's Harris, Fuller, Dawes and Mayor Ketchum voted against the motion. Mayor Ketchum stated the premise was still there in that they would like the information gathered and brought back to council in three months.

c. **2006 First Quarter Budget Status Report.** Mr. Larson reported on the status of the general and other major funds. He noted the city wouldn't see any real increase in property tax until May. He reported the sales taxes were coming in good over the first quarter, and the utility taxes were also slightly ahead of the 2006 projections. Mr. Larson reported the revenue budget in the general fund might appear to be higher. He reported that in the past they had a practice of taking the salary of the engineering staff and charging it directly to the different funds. He noted they now charged a fee to the different funds for their services, in order to make it easier to manage their total costs. Mr. Larson reported that the expenditures were about where they would expect them to be.

Mr. Larson then reported on the water and sewer utilities, indicating they were both on track. He stated they hadn't started much of the capital projects in the water fund, but most of the projects in the wastewater fund had been going on all year. Mr. Larson reported that council also received information on all the other funds, which included an income statement, budget actual for each fund the city had. Mr. Larson reported he saw no issues that required any concern.

d. **Asphalt Pre-level in Lieu of Oiling/Seal Coating for 2006.** Mr. Grochowski reported even though they had an oiling program budgeted in 2006, he and staff felt they should use asphalt to pre-level the streets first, adding they would oil them in 2007, after they cure. He stated instead of putting tar and rock down, they would spread the asphalt out, which would take out all the dips, and level the streets. Mr. Grochowski reported if they put tar and oil over a hole, the hole was still going to be there. If they spread asphalt over it first and roll it in, it would be taken care of. Mr. Grochowski stated the decision wasn't solely based on the increase in oil costs, but more of a professional decision. Councilor Lund asked why the city wasn't doing a professional job for the citizens of Chehalis to begin with. Mr. Grochowski stated they were doing a professional job. Councilor Lund asked why they didn't plan on doing the pre-leveling first, and then oiling. Mr. Grochowski stated sometimes they do a little bit of both, but this year they planned on doing the pre-leveling. Councilor Lund stated in the future they needed to be giving the citizens their dollars worth by doing a professional job the whole time. Mr. Grochowski stated they always did professional work. Councilor Lund told Mr. Grochowski he not say that. Mr. Grochowski stated he was saying it now. Councilor Lund stated Mr. Grochowski said they don't usually do it; they just oil it and the holes turn back into holes; and that pre-leveling was more professional. Councilor Lund asked why the city wasn't doing it that way to begin with if they were always doing a professional job for the citizens. Councilor Lund asked if he was right. Mr. Grochowski stated he was right.

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e. **Citizens Academy Graduation.** Mayor Ketchum announced that council was invited to the citizen's academy graduation at Centralia's regular city council meeting on May 23, at 7:00 p.m.

7. **Executive Session.** Mayor Ketchum closed the regular meeting at 7:40 p.m. and announced that following a five minute recess council would convene into executive session for about 35 minutes pursuant to RCW 42.30.110(1)(i) – potential litigation, and no decision would be announced following the conclusion of the executive session. Mayor Ketchum called the regular meeting back to order at 7:59 p.m.

There being no further business to come before the council, the meeting was adjourned at 7:59 p.m.

Mayor

Attest:

City Clerk

May 15, 2006

The Chehalis city council met in special session on Monday, May 15, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the special meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Jerry Boes, Interim City Manager; Bill Hillier, City Attorney; Bill Kolden, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Patrick Wiltzius, Wastewater Superintendent; and Andy Sennes, Property Manager.

1. **Executive Session.** Mayor Ketchum announced council would convene into executive session for fifteen (15) minutes pursuant to RCW 42.30.110(1)(g) – evaluate qualifications of applicants for public employment, and a decision would be announced following the conclusion of the executive session. At 5:16 p.m. Mayor Ketchum reopened the special meeting.

2. **Appointment of City Manager.** Councilor Dawes moved that the city prepare an offer of employment to Merlin MacReynold as our next city manager. The motion was seconded by Councilor Lund and carried unanimously.

There being no further business to come before the council, the meeting was adjourned at 5:17 p.m.

Mayor

Attest:

City Clerk

May 22, 2006

The Chehalis city council met in regular session on Monday, May 22, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Chad Taylor, and Dennis Dawes. Councilor Lund was excused. Staff present included: Merlin MacReynold, City Manager, Bill Kolden, Human Resources Director; and Bill Hillier, City Attorney.

1. **Executive Session.** Mayor Ketchum announced that staff and council would convene into executive session for one hour pursuant to RCW 42.30.110(1)(i) – potential litigation, and no decision would be announced following the conclusion of the executive session.

Mayor Ketchum closed the executive session at 6:02 p.m. and announced council would take a five-minute recess. Mayor Ketchum reopened the regular meeting at 6:07 p.m. Additional staff included: Jerry Boes, Interim City Manager, Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Mansoor Ghorbani, City Engineer; Bob Nacht, Community Development Manager; Marilyn Riebe, Grants Administrator; Andy Sennes, Property Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

2. **Introductions.** Mayor Ketchum introduced the new city manager Merlin MacReynold, adding he wished him the best of luck, and a long term with the city. Mr. MacReynold stated he was pleased to be a part of the team and was looking forward to the challenges the city was facing.

Andy Sennes introduced Kelly Roberts as the new downtown maintenance worker. Mr. Sennes reported Mr. Roberts was working to beautify the downtown area, and the entrances to the city.

3. **Kiddy Pool Renovation Project.** Chehalis Foundation Board Members Chris Bailey, Tim Sayler, and Mike Austin came before council to update them on the kiddy pool project. Mr. Bailey reported they were looking at a “splash park” design that would involve several low volume sprinklers, as opposed to an actual wading pool concept. He noted they felt it would be more appealing and safer too for small children. Mr. Bailey stated they worked with a couple of different companies and decided to proceed with the design and construction by Northwest Playground Equipment, Inc. out of Issaquah, WA. He reported this same company had worked with Mr. Sennes on numerous other playground projects. Mr. Bailey reported the products they would be installing would come from a company called Water Odyssey, a subsidiary of the Fountain People, Inc., one of the largest suppliers of fountains in the world. Mr. Bailey reported the estimated cost for the project would be about \$105,000, which they intended to raise through fundraising efforts through the Chehalis Foundation.

Tim Sayler reported the system they chose was a stainless steel system that appeared to be sturdier and stronger than some of the other systems they had looked at. He reported the splash park would be targeted toward very young children, and that it would have a wraparound wall to help keep them inside the area.

Councilor Pope asked Mr. Sennes to talk about the health advantages of the chosen design, versus a wading pool design. Mr. Sennes stated by getting away from the kiddy pool and installing a splash park some advantages would be:

- The water for the splash park would be tied to normal city water versus pool water, which would allow the splash park to be used during the off-season of the swimming pool
- When little ones have problems staff won't have to worry about shutting valves off that circulate water back into the swimming pool, which was happening one to two times a week.
- Less major health and safety concerns
- The ability to change the different type of spray heads used, and the height of the water
- It would be activated by activity - only spraying when in use, which would be setup by the programmer

Councilor Dawes asked if the splash park would go where the existing kiddy pool was located. Mr. Bailey reported it would be right in the same area. Councilor Dawes asked if it would have a seating area around it like the one pictured in the handout. Mr. Bailey stated that was what they were hoping for, adding the current fence would be removed. Councilor Dawes asked if the water for the splash park would be filtered. Mr. Sennes reported it would not be, but would be fresh drained. Mr. Sayler reported they also intended on installing benches around the outside area for the parents.

Mayor Ketchum stated he thought it was a wonderful idea; adding people really seem to enjoy them.

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Mr. Sennes reported the target date to start demolition was right after Labor Day, and they hoped to have the project completed by November 11. He noted there would be a public meeting the following Thursday, at the VR Lee Community Building at 7:00 p.m.

Councilor Pope reported there would be some expense to the city to replace the asphalt between the kiddie pool and the swimming pool. Mr. Sennes reported he would bring back a proposal to the council, for a project to tear out and replace the current asphalt at the same time they install the splash park. He indicated he had received one quote for \$8,000 from the contractor for the splash park. Mr. Sennes stated he would see if he could tighten that figure up just a little bit.

Councilor Taylor asked if they would be replacing the benches in front of the old pool. Mr. Sennes reported those benches were portable, but he would look in to it.

Mayor Ketchum thanked the Foundation for taking on the project. Mr. Bailey stated he would like to thank the city staff as well, adding he had worked on different projects with the city over the years, and they were wonderful to work with.

4. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of April 24, 2006; and the special meeting of April 27, 2006;
- b. Claim Vouchers No. 82163-82316 in the amount of \$261,033.33 dated May 15, 2006;
- c. Approve city manager employment contract with Merlin MacReynold; and
- d. Approve General Union collective bargaining agreement for 2006.

The motion was seconded by Councilor Taylor and carried unanimously.

5. **Staff Reports.**

a. **Employee Service Award.** Mr. MacReynold reported Don Schmitt, Engineering Technician II – 20 years, would be recognized for his years of service with the city on Thursday, at Community Services.

b. **Introduction of the 2006 Petitions for Development Regulation Amendments and Rezones.** Mr. Nacht reported on the annual review and adoption process for amendments to the city's development regulations, comprehensive plan, and zoning map. He reported they had six petitions submitted for consideration. Two of the petitions were coming from the public requesting to be rezoned, and four from staff that were generated for specific issues. Mr. Nacht reported the planning commission held a public hearing on April 22 and made recommendations on each of the petitions to approve all six as proposed. Mr. Nacht noted the city would be holding a public hearing on June 12.

The six petitions to amend the development regulations, the zoning map, the engineering standards and the comprehensive plan include:

- Chehalis Zoning Map – requesting the rezoning of five residential properties on 9th Street, which had been rezoned commercial for a specific purpose, that purpose no longer being viable. Staff felt it was appropriate to rezone it back to residential.
- Chehalis Zoning Map – six properties owned by Lewis County that they want to make into parking lots. The properties were currently a mixed bag of zoning – part of it was zoned as central business district, and the other part was zoned R-2. The county requested they be rezoned to a central public facility government, which allowed governments to use properties consistent with government needs.

- Chehalis Uniform Development Regulations – a requirement by FEMA to adopt the revised floodplain maps for the city of Chehalis with an adoption date of July 17, 2006. Unless the city adopts the new data, we will be precluded from participating in the National Flood Insurance Program, and the CRS Program. Mr. Nacht reported a lot of the changes had to do with the 1996 flood of record, adding that particular flood created a lot of data that FEMA was now incorporating into their maps. He reported the maps were not necessarily the same as the flood of record, but noted city ordinances allowed staff to use local documented data on top of what FEMA had on their maps. Staff proposed to adopt the maps. Councilor Pope asked if all of the properties on the other side of Interstate 5 had been bought out. Bill Hillier reported the city negotiated with those who were willing to participate in the program, and reported that those purchases were done and had been closed out. He added those who didn't participate would no longer be offered flood insurance. Mr. Nacht noted all of the building left in that area were raised and were level within the floodplain.
- Chehalis Uniform Development Regulations – to incorporate “conditional uses” into the Chehalis historic district regulations. Mr. Nacht reported the petition was a result of the Les Schwab issue, and the new language was an attempt to create criteria by which the hearing examiner must review proposals for non-residential uses in the Westside and hillside historic districts. Mr. Nacht stated it would make the conditional use application difficult to achieve, adding any proposal would have to be compatible with a neighborhood, and would have to agree with whatever design features the historic commission would want to propose through due process. He noted the regulations protected the rights of the applicant, as well as the public. Councilor Fuller asked what would happen if they could not agree on a reasonable design feature. Mr. Nacht stated they would not get the conditional use approval. Mr. Nacht added he was just reporting on the proposed revisions to the current ordinance, and there may be other language council would want introduced into it, which was what the public hearing process was about. Mr. Nacht reported it was staffs understanding that the councils desire was for them to come up with language that would protect the historic districts.
- Chehalis Uniform Development Regulations – reconsideration of a hearing examiner decision. Mr. Nacht reported that the council wanted to take a look at some methodology that would allow a citizen to have a hearing examiner decision reviewed without having to go to Superior Court. He reported this came about as a result of the Les Schwab issue as well. Mr. Nacht stated if reconsideration were to be allowed it would need to meet certain criteria. He reported the whole process was designed to create a structured mechanism by which legitimate issues could be reviewed.
- Chehalis Uniform Development Regulations – a provision in the ordinance to allow an administrative appeal of the hearing examiner decision to the city council. Mr. Nacht reported if the council were interested in allowing an administrative appeal, which was beyond “reconsideration,” the proposed language would do that, adding it was only for their consideration.

Councilor Dawes stated he had some concerns about sitting in on any kind of a quasi-judicial process, although he wanted to have some kind of avenue to give citizens for reconsideration of an appeal. He felt the concerns he had were addressed in the language that was inserted and in giving them the appeal process. Mayor Ketchum agreed, adding they were not experts on land use, and that they really didn't want to get in to making land use decisions. Councilor Fuller noted under the appeals process the council would have the right to overturn and make a completely new decision. Mr. Nacht reported they would be limited, adding the council was not going to be free to disagree and say whatever they wanted. He noted the whole appeal process was a closed record appeal. He stated council would have to determine if the decision was appropriate, given the record. He added they would not be taking any new testimony, or anything of that nature. Mr. Nacht stated council could turn it around and make it an open record appeal if they wanted, but staff was not suggesting they do that. He reported the issue was whether or not there would be an administrative process for someone to appeal a hearing examiner decision before going to court. Mr. Nacht reported the “reconsideration” issue may satisfy what council was looking for, or it may not. Mr. Nacht stated those would be issues council would need to decide after the public hearing on June 12.

Councilor Fuller asked if the hearing examiner would take any new testimony. Mr. Nacht explained they could not take new testimony unless they demonstrated the issue could not have been reasonably known when the public hearing was held, adding you can't start adding new stuff every time you go through it. Mr. Nacht explained that the law required them to put everything on record so through the public hearing process they could make an appropriate decision.

Councilor Harris stated the only benefit he saw was that if it came to council they would have first right-of-refusal to see if there was something the examiner may have missed, but he wasn't real sure how useful that would be. Mr. Nacht stated should the council elect to be an appeals body there would be a very narrow focus, adding they would be governed by the law, guided by the city attorney's office, and certainly by his office. He stated they wouldn't need to know a whole lot about land use, they would only be deciding if what was put in front of them was appropriate or not, based on the facts already given. Councilor Dawes stated if they start having a lot of problems with court turnovers, as to the decisions of the hearing examiner, then maybe

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they would need to review it. He stated even with the best of intentions, he wanted to make sure council didn't fall into the trap of legislating when making a judicial review.

c. **Centralia/Chehalis Police Citizens Academy Graduation.** Mayor Ketchum reminded council about the Centralia/Chehalis Police Citizens Academy graduation on Tuesday, at 7:00 p.m. at Centralia's city council meeting.

d. **Comments from Interim City Manager.** Jerry Boes stated he wanted to thank all the members of the city council for giving him the opportunity to serve as the interim city manager. He stated it was challenging at times, but overall it was a very rewarding experience for him. He also thanked all of the city staff for their support, adding it was a team effort to move forward. He wished Mr. MacReynold, the staff, and the citizens of Chehalis the very best of luck in the future.

e. **Comments from the New City Manager.** Mr. MacReynold stated he was very pleased to be a part of the city and the community. He stated the city had a lot of good people doing good work. He personally thanked Mr. Boes for being at the helm for the past six months, and indicated he would continue to use him as an ongoing resource. Mr. MacReynold stated the challenges were ahead of us, and the council could expect good work from both himself and staff.

There being no further business to come before the council, the meeting was adjourned at 6:57 p.m.

Mayor

Attest:

City Clerk

June 5, 2006

The Chehalis city council met in special session on Monday, June 5, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 5:31 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Joanne Schwartz, Community Services Director; Bill Nacht Fire Chief; and Bob Nacht, Community Development Manager.

1. **Executive Session.** Mayor Ketchum announced that staff and council would convene into executive session for one half hour pursuant to RCW 42.30.110(1)(b) – real estate acquisition, and no decision would be announced following the conclusion of the executive session.

Mayor Ketchum closed the executive session at 5:55 p.m. and announced council would take a five-minute recess. Mayor Ketchum reopened the regular meeting at 6:02 p.m. Additional staff included: Jim Larson, Finance Director; Tim Grochowski, Public Works Director; Patrick Wiltzius, Wastewater Superintendent; and Marilyn Riebe, Grants Administrator. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

2. **Briefing Concerning the Chamber Way Project.** City Manager MacReynold stated he would be talking about the challenges the city was facing with the Chamber Way roundabout project, and later in the presentation he would be asking council for some policy direction. He reported that representatives from Lewis County and the Washington State Department of Transportation (DOT) were also present since they were key players in the project. Mr. MacReynold stated the issues they would be discussing were: funding, use and possession agreements for the use of the right-of-way, going out to bid, timing, and construction timing.

a. **Funding.** Mr. MacReynold stated in order for the city to go out to bid they would first have to settle on the funding and obtain the possession and use agreements. He reported the current engineering costs for the project were approximately \$7.3 million, and the funding available was currently \$6.3 million. City Manager MacReynold stated he had staff working on options to fund the project at the \$7.3 million.

Mr. MacReynold stated one option Jim Larson came up with was to use the city's second quarter of one percent real estate excise tax (REET), which would give them about \$500,000. He stated the city might as well use it since the money was available and legal to use for that purpose. City Manager MacReynold reported they were looking into other options that were more complicated and asked Mr. Larson to come forward to explain how they might come up with the additional \$500,000.

Mr. Larson stated the city didn't have a million dollars immediately available to use on the project. He reported one option was to use a half-a-million dollars the city had in reserves, and borrow the rest of the money from another fund, or from a bank. Mr. Larson indicated he had reservations about borrowing any money without first knowing where the repayment was going to come from. Options for repayment included:

- Use future second quarter percent REET revenue, about \$60,000 per year.
- Use additional tax revenues generated by further development along the Louisiana Avenue corridor, which could include both sales tax and property tax.
- Create a latecomer fee or traffic mitigation fee on future development along the corridor.
- Borrow the money, planning to use the annual REET fund money to repay the loan.

Mr. Larson talked about the cost of an internal loan compared to borrowing the money from a bank. He stated they would be looking at the same principal and interest costs, whether it was internal, or a bank loan. He reported if they decided to borrow from a bank on an 11-year term they would pay about \$60,000 a year towards both principal and interest, with a total interest payment of \$154,000 over the 11-year period. Mr. Larson reported if they borrowed the money from another fund the city would be required to repay the interest back to that fund, it would have otherwise earned.

Mr. Larson reported if they were to do an internal loan for only five years, they could cut the total interest costs in half. He stated the annual payment would go up to about \$115,000 a year, adding they would need to make sure they had a revenue source to cover those costs. He stated from a cash-flow point of view the city would be better off to take out a bank loan, since much of the cash the city had to loan would come from the utility funds. Mr. Larson noted the city had large payments going out

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to contractors and wanted to keep the cash in those funds for construction purposes.

Mr. Larson stated it was his recommendation to the council to proceed forward with a bank loan for \$500,000 for an 11-year period. Mr. MacReynold stated the city could initially use the REET monies for the first \$500,000, and continue to use the REET revenues to repay the loan back. He stated by going that route they wouldn't have to access other funds; and they wouldn't have to defer other projects in order to fund the additional million dollars. Mr. MacReynold noted they would also have the advantage of repaying it sooner, which would create more opportunities for the city. He reported there were very significant advantages to utilizing Mr. Larson's proposal, and asked council for some guidance.

Councilor Taylor asked if the few hundred thousand dollars the city had left over at the end of 2004 and 2005 was still liquid. Mr. Larson indicated that money was still available. He added the REET money was dedicated to capital projects, and the second quarter percent REET had to be used on things like streets, sidewalks or parks, and could not be used for things like buildings or computer equipment.

Councilor Dawes noted with the development in that general area the sales tax revenues had increased a lot more than anyone would have ever expected, or thought. He didn't believe the city should use utility funds for long-term loans, adding there were enough things going on in the utilities that needed to be taken care of and that money needed to be dedicated there. Councilor Dawes reported he wasn't convinced on taking out an 11-year loan. He stated from his past budgeting experience with the city there was a big difference between the sales tax revenue received in 2004 than what was received in 2006. He stated he wasn't advocating taking it down to nothing, but believed this project was at the top of the list, and needed to be done without depleting reserves. He felt by using the REET along with additional monies they could get a smaller loan for the least amount of time, without taking on another \$165,000 for interest. Councilor Dawes noted he would like to see some of the sales tax revenue and leasehold tax earmarked for the project. Mr. Larson stated that was a very good point. He reported in the 2006 budget the city specifically said they would earmark additional sales tax from that area to put into reserves for computers, capital projects, and equipment. Mr. Larson reported the city had received a significant amount of revenue from that area, and if council were to decide the roundabout project was more important they could delay funding for the other improvements and replacements.

City Manager MacReynold stated he agreed with what Councilor Dawes said, but thought it was safer for the city to precede with the strategy of using the REET monies along with a private loan. He added at the end of the year they could look at the numbers and possibly make a recommendation to the council to pay a larger amount back to reduce the loan. Mayor Ketchum believed that was where they should start since they really didn't know what the tax base was going to be, adding eventually they were going to get hit hard with the streamlined sales tax. His other thought was if the city had excess money at the end of the year, at budget time they could dedicate that toward the principle to help reduce the loan. Councilor Dawes stated he thought they needed to exercise their options soon because time was of the essence. He noted if at the end of 2006 they decide to apply a certain amount of money to pay down part of the loan that would be great, adding it would accomplish the same thing.

Councilor Harris wondered if the million dollars would only be a band-aid, and asked if they shouldn't be thinking ahead about trying to come up with a funding process for at least \$2 million. He felt they should set the funding up so if the project comes in even higher than expected they would have a revenue source for it, rather than trying to figure how to come up with it in another few months. Mr. Larson stated another source could be to look at enacting part of the city's banked capacity, but would hate to see that happen for that particular project. Mr. Larson stated he liked the band-aid option because they knew it was something that would work at that level.

Councilor Fuller stated he understood the project could still be put on hold, or denied if the bidding was too high. He asked if Mr. Larson was suggesting they procure the loan, or just line it up so it would be available for the project. Mr. Larson stated it would depend on what the other funding sources of the project say. He noted if the state said the city needed to have cash in-hand before moving forward, that's what the city would do. City Manager MacReynold asked Bart Gernhart from DOT if he could give the city some guidance on that matter. Mr. Gernhart reported the project had two primary funding sources: the TIB funding; and the Federal grant, that the city would give DOT the authority to spend. He stated the city would have an agreement with the DOT to pay that money back. Mr. Gernhart stated separate from that, the city would need to figure out how it would come up with the money to pay it back, whether by a bond or any other options it had available. He indicated DOT didn't really care if the city had an option, as long as the city signed a contract stating they were willing to pay it back, whatever the true costs were. Mr. Gernhart stated once the bids were opened they would have 45-days to execute/award the contract, or not. Mr. Larson stated he would pre-qualify the city for a bank loan, one that he would be able to pull the trigger on very quickly.

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Mayor Ketchum reported when Wal-Mart and Home Depot came in they both did a traffic pattern analysis, which showed the impact of traffic to that area. He asked if there were any negotiations with any of the other businesses in that area, asking them to put money into upgrading the streets, or the Chamber Way area. Mr. Nacht stated there were several different projects in that area. He reported when Wal-Mart came in they were obligated to construct traffic improvements to mitigate their traffic impact. He added the city does not have an impact fee structure through the city SEPA authority. Mr. Nacht stated they required that the traffic impact analysis demonstrate where the impacts would occur, and required that the proposal mitigate those. He noted in Wal-Mart's case they basically reconstructed the Chamber Way/Louisiana Avenue intersection to its current configuration, and also installed all of the stoplights in that area, at Wal-Mart's expense. Mr. Nacht reported when the Twin City Towne Center came in they capitalized on what Wal-Mart had already done, but were also obligated to construct additional turn lanes, roadway widening, and a number of other elements dealing with the Louisiana Avenue extension from Chamber Way north up to the Home Depot driveway, all at their expense. Mr. Nacht stated the traffic impact mitigation required of Twin City Towne Center, and of Home Depot and Applebee's were all different pieces of the pie, adding all the different traffic impact analysis' identified what those prorated shares were.

Mr. Nacht stated one issue they were currently reviewing was the 60-acre master plan for the remainder of the airport property. He noted in the traffic impact analysis for that 60-acres it demonstrated that the Chamber Way roundabout capacity, and the north extension both had to be in place to mitigate any traffic that would occur up in that area.

Councilor Lund made a motion to authorize the city manager work with staff to acquire a pre-approved loan in the amount of \$500,000 from a local bank. The motion was seconded by Councilor Taylor and carried 6 to 1. Councilor Harris voted against the motion.

b. **Use and Possession Agreements.** City Manager MacReynold reported staff was currently working with four property owners to acquire right-of-way easements. He reported because of the timing, staff was seeking to acquire use and possession agreements from each of the four property owners. City Manager MacReynold reported they currently had one agreement signed by one of the property owners, one commitment from another, and believed they would be successful in acquiring a third signature. He added they might have some problems with a fourth leaseholder, but they would continue to pursue those agreements very aggressively. City Manager MacReynold stated he recognized in order for DOT to go out to bid the city would need to settle those issues.

Mr. Gernhart explained the possession and use process. He stated when committing to possession and use the city would be committing to whatever the court decided the value was of the property, unless the city could negotiate a different value, which was a cost risk item for the city.

c. **Timing.** City Manager MacReynold asked Mr. Gernhart to talk about the timing for going out to bid. Mr. Gernhart reported on where they were with scheduling, and the likelihood of moving forward. He reported if everything were to fall into place, including the right-of-way acquisition, they would be blocking off the road for the ten-day closure during the rainy season. Mr. Gernhart stated their recommendation would be to not move forward at this point and time. He stated going to ad/bid was one thing, but going out and physically building it during the rainy season was another, adding the city would be left with a gravel road all winter.

Mr. Gernhart noted even if the city were a month earlier in the schedule one critical issue was they would still need to give the contractor time to procure the materials. He noted DOT knew how important the project was and they were willing to push the project to see if they could expedite any process to at least get the roundabouts partially operational, but added it wasn't looking real good right now.

Mayor Ketchum stated it was his opinion that they still push forward and come up with a definite timeline instead of just assuming they would have a timeline. Mr. Gernhart stated he agreed. He indicated they could go out to ad right now, but to actually have a contractor go out and start work in late September, or early October would be an issue. Mr. MacReynold asked if the city went out to bid now and selected a contractor, if the city could then schedule construction to start after the rainy season. Mr. Gernhart reported that happened all the time, adding they had both flexible, and given start dates.

Councilor Pope stated DOT came before council a few months ago supporting council to push the project forward, and now they were telling them they didn't believe it with would be possible. Councilor Pope stated every time they delay the project it was only going to cost more. Mr. Gernhart noted he wasn't saying the city would have a choice. He added they could stop the project now before tearing up the asphalt, or they could tear it up and wait all winter before replacing it. He stated as soon as the

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city acquired the right-of-ways the city could go out to bid, which would lock them in on the costs of the project.

Councilor Dawes noted he was under the same assumption as Councilor Pope that the city was operating on a good schedule. He felt they should move forward with the project, but wasn't sure if taking a bid now for a project next year was such a good idea. He thought if they went out to bid the same year the project was done they might get a better bid. Councilor Dawes stated one of his biggest concerns was the Federal and State funding. He added he would like to have some assurance that when the city comes to the table next year that the \$6.3 million in TIB dollars from the State and the \$3 million in Federal dollars would still be available. Mr. Gernhart stated he helped write the letter to congress asking them to use the \$3 million earmarked for exit 79, on the Chamber Way roundabouts instead. He added DOT was in complete support of the project, and they had no intention of closing the project, and believed they had everything in place to keep that money. Mr. Gernhart reported that DOT did not deal directly with TIB, and they wouldn't be able to sway them one way or another. City Manager MacReynold noted his experience with TIB was that they gave you a period of time in which to spend the money, he believed it to be six-years. Marilyn Riebe reported the program director from TIB told her the city didn't have to break ground until 2008. Mr. Gernhart stated again that DOT was not opposed, and would not fight it. Councilor Dawes stated he didn't have any concerns with Mr. Gernhart, but perhaps someone higher up at DOT might think if the city couldn't get off the dime they would use the money somewhere else. Mr. Gernhart stated that was a valid concern overall, but waiting a few months was probably not a big deal. He noted DOT felt it was the "best" project, all things considered, and like the city DOT wished there were other options. Councilor Dawes asked if the city could rest assured that if something happened and we were not able to get to the project until next February, could we count on having the \$6.3. Mr. Gernhart stated the State would not try to pull or push any of those funds.

Councilor Dawes asked if the State could conceivably think about installing a temporary turn lane on Chamber Way to help the traffic flow in that area. Mr. Gernhart stated they would if DOT thought it was going to be in there for one or two years. Councilor Dawes stated if DOT would have done it three or four years ago when the city asked, it would have been there for four or five years now. Councilor Harris noted the council listened to a fifteen minute dissertation from DOT about the costs, and then came back four months later to tell the city they hadn't done a study on it. He noted it made it really hard for the city to understand where the reality was. Mr. Gernhart explained in order to do it right, the signals would have had to have been removed and re-aligned, which would have been a lot more expensive. Councilor Dawes had hoped there could be a way to incorporate it into the ultimate work so it wouldn't be a wasted effort.

d. **Construction Timing.** City Manager MacReynold stated because construction companies already had their schedules filled, there could be a tendency for the bids to come in higher if the city were to go out to bid right now. He suggested it may be better to wait until later in the year, or until early 2007 to go out to bid. Mayor Ketchum noted even if they went out to bid right now they would still have the option to reject the bids. Mr. Gernhart stated that was correct, adding the market was so unstable right now that he couldn't tell them if there was a possibility of getting a better bid next winter.

Based upon the discussion City Manager MacReynold's recommendation to council was to give staff authorization to go out to bid now, and once the bids come in they could look at what they had and then talk about the timing and scheduling. Councilor Fuller asked when "now" was. City Manager MacReynold stated as soon as they resolved the use and possession agreement issues. He added it could stretch out into the following week or they may not be able to secure all of them, but staff would be doing everything they could to resolve it that week. Councilor Fuller asked if they would have to take legal action to finish that process. City Manager MacReynold stated they might have too. Mr. Hillier stated they would discuss that matter if the time comes.

It was the consensus of the council to move forward and go along with the recommendation of City Manager MacReynold. Councilor Dawes pointed out their frustration was not aimed directly at Mr. Gernhart. He'd hoped it would be a banner project, once it was done. Mayor Ketchum noted DOT staff had put a lot of time and effort into the project. He added it wasn't their project, but they came on board to help the city do the project. He thought they needed to be recognized for their efforts.

City Manager MacReynold stated once the bids come in they would look at where they were and at the schedule, and would then report back to council. He noted he was pleased to hear from Mr. Gernhart that the city would have some flexibility with the scheduling of work.

3. **Chamber Way Quit Claim Deed for Construction Easements.** Mr. Hiller noted the issue was one of the cleanup areas in the actual acquisition of right-of-way. He reported the property was originally dedicated for airport purposes, and in order to change that so it could be used for roadway purposes both the county and the city had to agree to quit claim the

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property. Mr. Hiller stated the property was not only available for roadway now, but was property that may or may not be encumbered by leasehold interest, which the city was dealing with on the other side of the roadway. He added the quit claim deed would clear the issue of it being owned by the city for road purposes.

Councilor Dawes moved that the council authorize the Mayor to execute the quit claim deed, transferring the described real estate to the city of Chehalis for road purposes. The motion was seconded by Councilor Lund and carried unanimously.

4. **Traffic Light Update.** City Manager MacReynold reported staff would be having some work done on the traffic light at the corner of N Market Boulevard and Boistfort Street. Mr. Grochowski stated the light was starting to act-up again, and he wanted council to know it would be in blinking mode for six to eight weeks, or until they received the parts back to repair it. He noted the last repair on the light was in 2001 costing about \$500. Mayor Ketchum stated he appreciated the information.

5. **Citizen Business.** Rowen Guenther (551 N Market Boulevard) requested the city install crosswalk flags at the corners of 13th Street and William. She noted there was a lot of activity in that area and it was difficult for people to cross the streets. Mr. Grochowski reported he and staff had talked about putting them up on both sides of William, and one on 13th Street, for a total of three stations. Councilor Harris agreed that flags were a great idea. The consensus of council was to install the flags. Mr. Grochowski reported it might take two to three weeks because they would need to order more signs.

City Manager MacReynold thanked Mr. Gernhart, Mr. Hensley, and Mr. Cook for their help and support on the roundabout project. Mr. Gernhart stated after the city acquired the right-of-ways and the rest of the paperwork was done, the Federal Highway Administration would need one month before approving DOT to go to bid, adding they would try to push it as fast as they could.

There being no further business to come before the council, the meeting was adjourned at 6:58 p.m.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of June 5, 2006.

June 12, 2006

The Chehalis city council met in regular session on Monday, June 12, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 5:31 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; and Judy Schave, City Clerk.

1. **Executive Session.** Mayor Ketchum announced that staff and council would convene into executive session for one-half hour pursuant to RCW 42.30.110(1)(g) – evaluate qualifications, and there would be no decision at the end of the session.

Mayor Ketchum closed the executive session at 5:51 p.m. and announced that council would take a ten-minute recess. Mayor Ketchum reopened the regular meeting at 6:01 p.m. Additional staff included: Joanne Schwartz, Community Services Director; Bill Nacht Fire Chief; Dale Miller, Police Chief; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; and Amanda Vey, Asst. City Attorney. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

2. **Swearing-in.** Rob Gebhart was sworn in as Assistant Fire Chief/Fire Marshal, and Larry Allen was sworn as Fire Captain. Chief Nacht talked about the numerous and significant accomplishments of both employees.

3. **Public Hearing – Petitions for Amendment to the Comprehensive Plan and Development Regulations.** Bob Nacht reported the petitions were presented to the city last February and March. He stated they had been through a public hearing at the planning commission level, and reviewed by the city's development review committee. The petitions included: two requests for the rezone of certain properties; one petition to adopt the revised FEMA 100-year floodplain maps; and three petitions dealing with the hearing examiner process. The recommendation before council was to approve five of the six petitions.

Mr. Nacht reported petition 06-071 was a provision to allow the appeal of a hearing examiner decision to the city council. Staff recommended petition 06-071 not be adopted based on the council's comments from the last meeting. Staff was also desirous of having the council be the legislative body whom created the rules and policies; that allowed the executive branch of the government to carry them out; and the judicial branch to adjudicate them. Mr. Nacht noted from a staff perspective they preferred not to have the three branches of government intermixed.

Mayor Ketchum closed the regular meeting at 6:16 p.m. and opened the public hearing. Mayor Ketchum asked if anyone wished to speak for, or against any of the petitions. With no response, Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:16 p.m.

Mr. Nacht asked the council to give them direction on the six petitions for amendment. He stated in order to accomplish the annual task of amending the development regulations they would need direction from the council as to what they wanted included in the ordinance. He asked that council authorize staff to include the first five petitions in the ordinance, 06-066 through 06-070, and not petition 06-071. He stated if that were acceptable, staff would proceed and present council with an ordinance at the next meeting.

Councilor Taylor moved that the staff be directed to prepare an ordinance incorporating the 2006 petitions numbered 06-066 through 06-070 into the city's development regulations, as proposed in the petitions. The motion was seconded by Councilor Pope and carried unanimously.

4. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:
- a. Minutes of the regular city council meeting of May 22, 2006;
 - b. Payroll Vouchers No. 26498-26667 in the amount of \$659,398.10 dated May 31, 2006; and
 - c. Set date and time of June 26, at 6:05 p.m. for a public hearing concerning the 2007-2012 six-year transportation improvement program.

The motion was seconded by Councilor Lund and carried unanimously.

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5. **Citizen Business – Farmers Market.** Michael Peroni - Acting President of the Farmers Market, came before council to report on the community market. Mr. Peroni passed out flyers about the market and applications for the council to fill out if they wished to become community members. Mr. Peroni reported on the markets history and their current year priorities. He thanked the City for hosting the market, and wanted to especially thank Joanne Schwartz for all her hard work.

Mr. Peroni announced their opening day would be Tuesday, June 13, from 2:00 to 6:00 p.m., on Boistfort Street. He reported they would be operating with 27 vendors for about 19 weeks, finishing up mid-October. He was pleased to report that they were Lewis County's first WIC authorized farmers market, adding because they were accepted into the Washington State Farmers Market Association they would be able to accept both WIC and senior vouchers. He noted they would also be electronic benefit transfer (EBT) ready, which was today's version of food stamps.

Mr. Peroni invited council to the ribbon cutting ceremony on Tuesday at 2:00 p.m. Mayor Ketchum stated it was a great pleasure to have them there in 2005, and looked forward to a successful season in 2006.

6. **Joint Agreement providing for Cooperative Action in the Design and Construction of a Library Facility.** City Manager MacReynold reported this was a very important first step for the library and the community, adding discussions about the replacement of the existing library had been ongoing for some time. City Manager MacReynold asked Corine Aiken, Chehalis Community Librarian, to come forward to answer any questions the council might have. He asked that the council consider postponing action on the matter until the next regular meeting of June 26, adding he would like to meet with city staff and Ms. Aiken to work out any of the administrative details prior to approving of the agreement.

Ms. Aiken reported that Jodi Reng - Timberland Library District Director and Mike Wessels - Community Services Manager were also present to listen and answer any questions that council might have. Mr. Aiken reported the project had been ongoing long before she arrived, but was beginning to gather steam as people heard about it. She added the community was becoming very excited about the idea of having a new library facility, and was often being asked "How was our library coming along." Ms. Aiken noted it was a wonderful opportunity, and she was very pleased to be working with the city on the project.

Ms. Aiken reported the agreement would allow them to start moving forward, adding once they had the design work done they could then talk about costs, and a timetable. She noted it also allowed them to finally go out and raise money, and to look for grant funding as well.

Mayor Ketchum stated they had been talking about the project for over 20 years, and it was nice to actually see it take a jump forward. Ms. Aiken replied by saying they were very pleased to be a part of it, and they looked forward to working with council to see it happen. Councilor Dawes stated he felt there was no question, the project was going to happen. He also thought it was a good idea to wait a couple of weeks to give City Manager MacReynold a chance to meet with staff so they could bring him current on the situation, and answer any questions he might have about the project.

Ms. Reng reported they were 100 percent behind the project, and was pleased to see it finally move along.

It was the consensus of the council to bring the matter back before them in two weeks.

7. **Ordinance No. 804-B, First Reading – Amending the Chehalis Municipal Code, Section 7.04.100.** Assistant City Attorney Amanda Vey stated the city had wonderful police officers in the community, but sometimes found that their hands were tied because of a lack of clarity in an ordinance. She asked that council consider amending the ordinance to address the matter of lewd conduct, specifically the offense of urinating in public. She reported it had become a problem for the officers to deal with, adding there were certain areas of the city, at certain times where it was more of a problem. Ms. Vey reported if they were able to amend the ordinance as proposed it would provide the officers a clear direction, and her with a better opportunity to prosecute the offenders.

Councilor Pope moved that the council suspend its rules requiring two readings of an ordinance. The motion was seconded by Councilor Taylor and carried unanimously.

Councilor Pope moved that the council pass Ordinance No. 804-B on first and final reading. The motion was seconded by Councilor Lund. Councilor Dawes asked if "public place" was defined somewhere in the ordinance. Ms. Vey reported that it was.

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Councilor Fuller asked if there was any other conduct that should be included in the ordinance. Ms. Vey stated the ordinance addressed several other activities, but didn't specifically spell out the issue of urinating in public. The motion carried unanimously.

8. Request for Funds for New Supervisory Position. Chief Miller stated it probably wasn't a good time of the year to come ask for a body, but the decision to step forward now was being driven by the opportunity of grant funding. He reported the application for those funds was due in Olympia by June 15.

Chief Miller reported they were currently providing drug enforcement with one detective sergeant from Centralia, and one from Chehalis. He noted there were some control and accountability issues, and by providing a supervisor on a full-time basis they would have control of all of the officers assigned be it from the Sheriffs Office, Centralia, or Chehalis.

Chief Miller reported the grant funding was on a one-year cycle. He indicated he wasn't trying to convince council they needed the position based on chasing funds. It just so happened the funds were out there and the city could use them by meeting certain criteria, adding they needed the same criteria in terms of full-time supervision anyway. Chief Miller reported the Centralia Police Department had committed 3.5 employees, and the Sheriff had agreed to assign one more person to the Anticrime Team.

Mayor Ketchum stated he was impressed with the program and was fully supportive of it. He noted what made it even more impressive was the city would be in charge. Councilor Pope asked City Manager MacReynold to explain the funding process. City Manager MacReynold stated he was recommending they use criminal justice funding. He indicated they were projecting to have about \$130,000 in that fund at the end of the year. He believed using \$40,000 from that funding source for the remainder of the year would be money well spent. City Manager MacReynold stated criminal justice funding money was initially established to encourage law enforcement to use creative ways to solve crime. He felt this was clearly a creative, very innovative and effective way to use those monies. He noted there would be no general fund impact.

Councilor Fuller asked if Chief Miller would be hiring a new person with qualifications, or if he would be promoting from within. Chief Miller stated they would promote from within, and hire a new line officer. Chief Miller reported they wouldn't be adding a layer in their own department, but would be sticking a person out there to run the program, similar to having a UNET officer. Councilor Dawes stated he hoped there would be some cooperation and sharing of information between the two task forces. He stated he would leave that up to staff to work those details out to make sure the gears meshed and didn't grind. Chief Miller reported for the first time the Sheriff was committing a body to the program, and felt that would help with the communication gap between all of the agencies.

Councilor Pope moved that the council approve \$40,000 from the criminal justice fund to staff a new sergeant's position for the Twin Cities Anticrime Team. The motion was seconded by Councilor Taylor and carried unanimously.

9. Staff and Council Reports.

a. **Regional Informed Management (RIM) Group Established.** City Manager MacReynold reported Lewis County had recently established a RIM group. He stated they met last week for the second time and discussed the possible creation of a COG. As a result of that discussion by the six or seven jurisdictions in attendance, consensus was they were not in support of forming a COG, but wished to continue meeting as a group. City Manager MacReynold noted the concerns with creating a COG were they did not want to create another level of government. He thought it was a significant move to try work cooperatively between the jurisdictions in Lewis County. Mayor Ketchum hoped that it would be more effective than the Tri-agency meetings they had in the past.

b. **Museum Board Meeting Dates Changed.** Councilor Dawes reported the Museum Board changed their meeting dates to Tuesday evenings, and that they would be hosting the "Business After Hours" on Thursday.

They being no further business to come before the council, the meeting was adjourned at 6:46 p.m.

Mayor

June 12, 2006

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of June 12, 2006.

June 26, 2006

The Chehalis city council met in regular session on Monday, January 26, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the special meeting to order at 6:03 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Bill Kolden, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Dale Miller, Police Chief; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; and Marilyn Riebe, Grants Administrator. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

1. **Public Hearing.**

a. **2007-2012 Six-year Transportation Improvement Program (STIP).** City Manager MacReynold reported the update to the STIP was a requirement by the Department of Transportation and needed to be done annually according to state law. He added it was also required in order to get funding for any projects.

Tim Grochowski reported that staff updates the STIP in June, to include projects identified by council and administration from years past. The major projects on the STIP included:

- Chamber Way Improvements
- Louisiana Avenue and Chamber of Commerce Way Improvements – Louisiana Avenue Intersection
- Airport Road Louisiana Avenue Extension – Airport Road
- SW Snively Avenue Improvements
- Chehalis Community Pathway
- Downtown Market Boulevard Improvements – North Market Boulevard
- SW Newaukum Avenue Improvements
- National Avenue Overlay – from Kresky Avenue to city limits

Mr. Grochowski reported it was important that the first three projects stay where they were on the list because of their secured funding. He reported SW Snively Avenue was listed fourth due to council's request in 2005. Mr. Grochowski noted the pathway project was also funded and they were searching for someone to do a feasibility study on the project, adding the pathway would run from the Port all the way back to Hillburger Road. He reported the city was awarded \$43,000 to hire someone to see if it was feasible. Mr. Grochowski noted the downtown Market Boulevard project was still on the STIP for planning and design work.

Mr. Grochowski reported the Newaukum Avenue project was designed in 2004 along with National Avenue. The city applied for grants for both projects, but both scored very low. He stated the Newaukum Avenue project scored very low due to many design factors, which were being revised. He noted that particular section of street was an entrance to the city, used by many visitors traveling to the Veterans Museum and the Chehalis Steam Train.

Mr. Grochowski reported that in 2004, administration submitted a grant for curbs, gutters, sidewalks, and street lighting. He stated administration wanted to resubmit the National Avenue project only as a grind and asphalt overlay project, and was also seeking grants for guardrail installation along that corridor. Mr. Grochowski reported the area he wanted to grind would be from Sunbird's to where the curb stopped next to the Washington Home Center. He believed the city's grants writer and engineer were working to put something together for a grant in 2007.

Mr. Grochowski reported on the SW Snively Avenue project, adding they were trying to find out what they could and couldn't do. Bob Nacht provided a map showing the area of SW Snively Avenue and reported on the right-of-way issues. He noted the existing right-of-way in the area west of 19th Street to 16th Street was only 40-feet wide. They also found a number of offset roadways, which was cumbersome when trying to put street intersections together. They also identified that the current maps of both the county and the city didn't accurately reflect the distances of the existing right-of-way as they relate to monuments, or the centerline. He reported Don Schmitt and Russ Cox worked diligently the last couple of weeks finding where the actual right-of-way lines were supposed to occur. Mr. Nacht stated because the issue of the right-of-way width was critical, they set up a neighborhood meeting to discuss that issue. He noted the meeting would take place at the VR Lee Community Building on July 6, at 7:00 p.m., and letters would be sent out to the properties that abut SW Snively Avenue. It was his intent to advise the residents of that area that it was important that the city acquire the additional right-of-way in order to design the

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roadway system with the required features, in order to apply for grant funding. Mr. Nacht noted they would be asking the residents if they would be willing to donate, or sell between five and seven feet of the front of their property toward the effort.

Mr. Nacht reported the telephone poles would tell them where the existing right-of-way was on both sides, noting it wasn't a certified line. He reported if the project progressed, the city would have a survey done to find out exactly where everything was. Mr. Nacht reported the reason they wanted to do the neighborhood meeting on July 6 was because it was the Thursday prior to the next council meeting, adding their plan was to identify how much interest and support there was for the project. He noted council could then determine how they want administration to proceed. Mr. Nacht stated if they could garner the additional right-of-way fairly easily they could then proceed with the project without too much difficulty. If not, they would then have to decide on alternatives.

Mr. Grochowski reported in 2006 they budgeted \$160,000, and if they were to pre-spend that money towards the project, they may not be able to use it as a match towards future grant funding. He reported that administration was working to put the project together so that it would be grant eligible.

Councilor Harris noted in looking at the map, some of the homes would be located real close to the sidewalk and asked how that issue would be addressed. Mr. Grochowski stated they were going to have to look at the big picture. He stated it was only between 19th to 16th Street where they had the deficiency, and they would need to garner additional right-of-way in order to get the roadway features to qualify them for the grant. Those features would include a sidewalk, parking area, curbs, and gutters on one side of the street. Mr. Grochowski reported the other part of the project would be to tie a sidewalk from SW Snively on 16th back to SW Kelly. He stated it would tie it back to the school system, which was a very important grant factor.

Councilor Dawes noted it had been talked about numerous times before, and some of the comments from the community have been: what would be if any, the expectation of local dollars from the residents on SW Snively; and how would it effect them. He stated he was a little confused with the statement that there was no problem between 19th and 20th Streets, adding that was the narrowest section of the road. He stated if they put a sidewalk on one side, it would be closer than the existing edge of the roadway it's right now. Councilor Dawes noted depending on which side of the road they put it on, it was going to be pretty close to some of the homes. Mr. Grochowski stated he thought what Mr. Nacht indicated was the city had the existing right-of-way that they needed in that area. Mr. Nacht stated that was correct.

Councilor Dawes stated he knew that each individual property owner was going to want to know how it was going to affect him or her individually. He felt it would be beneficial to have some sort of a scheme laid out for them so they would know. Mr. Nacht stated he agreed with that, adding they would probably look at putting the sidewalk on the West side of the road since that was the side furthest away from most of the homes. He noted the problem was that until they did the study and design work there really was no guarantee as to what side would be best for the sidewalk to be on. Councilor Dawes felt if they could run a proposal through to get sidewalks on one side, straighten it a bit, taking out the jumps in the road that would be light years ahead of where it was right now.

Councilor Harris asked what administration was going to do about the slippage area on N National Avenue and Prospect Street. Mr. Grochowski stated those were considered to be maintenance issues. He added administration planned on putting those in the 2007 budget to be paid out of the general fund. After further testing on both roadways they would be ready to do permanent repairs in 2007, adding they intended on putting some asphalt on both streets to get them through the rest of this year.

Mayor Ketchum inquired about the Chehalis Avenue overlay project. Mr. Grochowski reported the project was going out to bid on June 28 and the bid opening would be on July 12 with the project scheduled to be complete by August 31.

Councilor Dawes noted Mr. Grochowski stated they would be grinding and overlaying National Avenue between Kresky Avenue in front of Sunbird's. He asked if the rest of National Avenue would be asphalt. Mr. Grochowski stated yes, adding they would also be putting in for a guardrail on the project as well.

Councilor Taylor asked if there was another street plan administration used besides the STIP. Mr. Grochowski reported there was also a capital improvement plan (CIP). Councilor Taylor asked if administration had a document they worked with that incorporated some of the smaller roads in the city. Mr. Grochowski stated unfortunately those were all neighborhood collectors and out the city's pocket. He noted they had maintenance, oiling programs, and pre-leveling programs set up for those streets. Councilor Taylor thought it would be a good idea if they could set up a workshop to talk about the local collectors, and

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put a plan together for taking care of those roads.

At 6:31 p.m. Mayor Ketchum closed the regular meeting and opened the public hearing. He asked if there was anyone who wished to speak on the STIP.

Todd Christensen from the Chamber and David Hartz from Book 'n' Brush both came forward. Mr. Christensen stated they appreciated the emphasis on Chamber of Commerce Way and the opportunity to improve that corridor. He added in regards to item No. 6 – Downtown Market Boulevard improvements, they recognized it was a small dollar amount, but it was an important step in helping to kick-start some revitalization. Mr. Christensen stated it would take care of and identify what the best traffic pattern would be for downtown Chehalis, and would also identify how they could continue to strengthen as a market area in the downtown area. Mr. Christensen stated he appreciated that, and was in full support. Mr. Harts stated he agreed with Mr. Christensen's comments.

At 6:33 p.m. Mayor Ketchum closed the public hearing and reopened the regular meeting.

2. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the special council meeting of June 5, 2006; and minutes of the regular city council meeting of June 12, 2006;
- b. Claim Vouchers No. 82347-82499 in the amount of \$2,240,159.86 dated June 5, 2006; and
- c. Approve Ordinance No. 807-B, first reading – amending revolving cash funds.

The motion was seconded by Councilor Lund. Mayor Ketchum asked that the minutes of June 5 be corrected to remove the word "engineering" from item No. 2, part "a" referring to the current costs for the project. Councilor Dawes made a motion to approve the consent calendar with the minutes as corrected.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Joint Agreement Providing for Cooperative Action in the Design and Construction of a Library Facility.** City Manager MacReynold reported it was an important moment for the city in moving forward with the new library proposal. He reported Andy Sennes and Joanne Schwartz met the prior week with representatives from the library and came up with a much better proposal that was more focused on what the first step would be. He thanked administration and the Library Board, and their staff for the good job they did in making it a much more focused document that clearly met the needs of both the library and the city.

Community Librarian Corine Aiken introduced the Library Board and staff members. Present were Jodi Reng, District Library Director; Mike Wessels, Manager of Community Services; and the two Lewis County members of the Timberland Board, Edna Fund and John Braun.

Ms. Aiken stated the changes the board made were in section 3.c. under "Lead Agency." She reported what they did was add some language after the second sentence that stated, "The city will develop a budget for the design portion of the project to be approved by the District and the Foundation." She noted in the next sentence it was changed to read "As the project progresses city will invoice District and Foundation for the amounts that have been pledged to the project." Ms. Aiken noted it made it very clear that the amounts being billed and discussed had to do with what had been pledged to the project. She noted the only other change was in 3.d.(1), discussing members of the Chehalis Library Project Management Team, where they added "(a) Project Manager" to be a member of that team. Councilor Harris asked if that actually replaced the current statement where it stated "City manager or designee." Ms. Aiken stated it just moved everything down one, they simply added one and placed the City manager as item (a).

Councilor Lund moved that the council authorize the city manager to execute the joint agreement providing for cooperative action in the design and planning of a library facility with the amendments as stated. The motion was seconded by Councilor Pope and carried unanimously.

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Councilor Pope stated it was nice to finally see the project come to fruition. Ms. Aiken stated it had been with a great deal of help and partnership that it happened, and thanked the administration of Chehalis for their help on the agreement. Ms. Schwartz gave the credit to Andy Sennes who helped out tremendously with the agreement.

4. **Façade Improvement Program.** City Manager MacReynold reported the program was something council already gave them direction to proceed on administratively. He reported that Ms. Schwartz and Jim Larson did a good job putting the proposal together.

Ms. Schwartz stated before the council was the façade improvement participant guidelines and application form. She reported she looked at many programs from all over the country, but the basic program layout came from the city of Centralia. Ms. Schwartz noted they put the Historic Preservation Commission as the lead organization so that all proposals would go through them for their approval. Administration recommended the program be for the historic district of the central business district area. She reported the guidelines that would be used were the federal guidelines for historic districts, which were very specific on façade improvement. Ms. Schwartz reported that "draft" packets were sent out to the downtown businesses for their input as well.

Ms. Schwartz reported there was \$100,000 for the program and recommended that the opportunity be up to a maximum city grant of \$20,000 for each application. Ms. Schwartz and Mr. Larson reported on the different participation levels for projects costing between \$5,000 and \$70,000. The three funding sources included: proprietor contribution, city grant, and city loan.

Councilor Pope asked what the difference was between the new façade program and what the city had done previously. Ms. Schwartz stated it was basically the same, using a different formula that was a lot less complicated, and instead of a committee to review the process they would be using the Historic Preservation Commission.

Councilor Dawes asked what the turnaround time would be through the Historical Preservation, since they would be the reviewing body. Ms. Schwartz stated it would depend on the request, whether it was simple or complex. She noted the commission met once a month, but if needed be, they could meet more often. Councilor Dawes noted over the years there was talk about the backside of buildings that front a city street, using Pacific Avenue as a prime example. He asked if there wasn't a way to allow those businesses alternate consideration if there was money left over, adding the fronts should still be the primary for the program. Ms. Schwartz noted they could add some language for that purpose, but it wasn't necessary since the whole point was to make improvements.

Councilor Taylor asked if the Historic Commission had any say about what type of windows could be installed, such as vinyl windows. Ms. Schwartz reported they recognized the expense of replacing windows, adding the program wasn't about forcing people to do what they couldn't afford to do it was about working with them to do what they could do, and what would look the best.

David Hartz from Book'n'Brush came forward to say he was very excited that the proposal was finally coming back. He noted it was very encouraging, although he wasn't a building owner he was a very committed business owner in the downtown area. He stated he planned on talking to his landlord to see how they could utilize the program and would encourage other downtown businesses to do it as well. He noted on page 36, under funding, the percentage should have read "forty percent" match instead of twenty-five percent, according to the funding schedule.

He recommended administration consider a partnership of some amount even with the first \$5,000, adding handouts were not good, especially from city government.

Todd Christensen from the Chamber stated he appreciated Mr. Hartz comments in regards to the funding schedule. He agreed the business owners needed to be vested to the process, so if they receive any grant they should put in some sort of a match. He also noted under the "Application Process and Funding Terms" he hoped the city had some definition of appropriateness regarding windows and doorways so to maintain the historical character without having to have the historical value.

Mr. Christensen also commented on the number of days for completion of a project, adding he recognized there were often times of delays in construction. He felt there should be a notation regarding appropriate delays, so there was some variance within the program. Councilor Pope stated if they did put a variance in it should stipulate deadlock, otherwise there

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would be no reason to complete the project. Mr. Christensen agreed, adding if there were delays he hoped it would not jeopardize someone's funding.

Mr. Christensen noted as far as "Paint Color" he asked if there could be a statement about where the design schedules were, to assist the business owners. He stated the program was a great opportunity to help local vendors invest in their businesses, and the community. Ms. Schwartz noted Mr. Christensen's comments were good, and responded to his concerns.

Council and administration further discussed guideline issues such as continuity, and the funding program. It was determined that they would leave the schedule as it was for the first year and look at it next year, with the knowledge of how it worked in 2006. Councilor Dawes noted he liked the word "partnership" with the community opposed to "commit" with the community since that was what the fund was set up for.

City Manager MacReynold stated to Councilor Lund if he were going to possibly avail himself with the project he would encourage him not to vote on the issue. Ms. Schwartz noted it would take a couple of days to put together the packets and get it out to everyone at the same time.

Councilor Pope moved that the council execute the façade improvement program guidelines. Councilor Taylor seconded the motion. Council Lund excused himself from voting.

City Manager MacReynold noted in working through the process they may make some minor adjustments to the guidelines, but would let council know what those were as they come about.

The motion carried unanimously.

5. **Request for Funding for Classification, Compensation and Staffing Study**. City Manager MacReynold reported council directed administration, back in April, to proceed on going out to bid for contractors to do a comparability study. He reported the Bill Kolden had done that, and that he and Mr. Kolden had met with the two firms that provided bids.

Mr. Kolden reported the city had not done such a study in at least 20-years. He noted there was a requirement in the employee rules and regulations that such a study be done for non-union employees on a two-year basis, which had not be done in about five-years. Mr. Kolden reported the latest labor negotiations with the general union contract raised several issues around classification and compensation. He noted by using an independent consultant it would aid administration by providing the city with information from an objective basis to go into negotiations with, and would also provide the new city manager with tools he could use to make decisions on staffing for the city.

Mr. Kolden reported that both consultants were out of Seattle. The first company was NW Management Consulting – a one-person firm whose estimate was in the range of \$15,000 to \$16,000. The second company was Milliman Consultants – a larger firm that would have a dedicated team assigned to work on the project whose estimate was in the range of \$25,000 to \$30,000. He noted both firms had the qualifications, skills, and experience to conduct such a study. Mr. Kolden reported the intent was to control costs to the best extent possible, part of that being his involvement to assist whomever the city contracts with.

Mr. Kolden stated both consultants said they could begin the study immediately, and could meet a fairly aggressive timeline of less than three months. Mr. Kolden stated administration was seeking approval for no more than \$20,000, to be funded out of unrestricted reserves. He added that he and the city manager would be doing some background and reference checks, and would also develop a scope of work with whichever company they felt could do the most thorough job for the city.

Councilor Fuller asked if it had to be a third party doing the study, or could the city do it internally. Mr. Kolden stated it could be done internally. Councilor Fuller asked if the city was capable of doing it internally. Mr. Kolden stated it could be done. City Manager MacReynold stated in his prior experience of doing in-house comparability studies, the difficulty was that it pits whoever the person is against the employees who disagree with them. He noted it could create a situation with a lot of bad feelings. At the same time he noted Mr. Kolden was going to be the lead on union negotiations and felt because of that role, it would not be good for him to do the comp study. City Manager MacReynold stated both firms were very experienced and Mr. Kolden would do whatever he could to keep the costs down. He recommended that the council not direct administration to do it in-house because that would not be a good use of his time.

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Councilor Fuller asked if the city would be spending \$20,000 every two-years to update the information. City Manager MacReynold stated he felt administration could do better than that. Mr. Kolden stated the \$20,000 would be for a comprehensive "all-employee" review. The other two-year requirement was for the non-represented groups. He also felt that having an objective, independent review this time through was really to the city's benefit.

Councilor Dawes stated the study was one of the most sorely needed things to be done, and that an in-house review was not the best way to do it. Councilor Pope agreed with Councilor Dawes that it would be to the city's benefit to do it outside.

Councilor Dawes moved that the council authorize the City Manager to execute a contract with a consultant to conduct a classification/compensation/staffing study with costs not to exceed \$20,000 and that the funds be made available for the study from unrestricted reserves. The motion was seconded by Councilor Pope and carried unanimously.

6. **Ordinance No. 805-B, First Reading – Mid-year Budget Amendment.** Jim Larson stated all the issues and changes for the mid-year budget adjustment were before them in the documentation and offered to answer any question council might have.

Councilor Harris moved that the council pass Ordinance No. 805-B on first reading and suspend the reading of the ordinance by the city attorney. The motion was seconded by Councilor Dawes and carried unanimously.

7. **Ordinance No. 806-B, First Reading – Amending the Comprehensive Plan and Development Regulations.** Mr. Nacht reported there were no changes being proposed to the Capital Facilities Program (CFP) this year. The CFP was being presented for its annual update as part of the ordinance that updates the comprehensive plan and development regulations. He noted if council was uncomfortable in doing that, they could conceivably eliminate that consideration from the ordinance just by striking it on amendment. That would necessitate the administration going through a process later on this year of presenting the CFP as a separate line item or separate issue, adding that was not administration's recommendation.

Councilor Harris moved that the council pass Ordinance No. 806-B on first reading. The motion was seconded by Councilor Lund and carried unanimously.

8. **Washington State Traffic Safety Commission Grant Acceptance and Fund Request.** Marilyn Riebe reported an opportunity came up for the city to apply for funding from the Washington State Traffic Commission

(WTSC). After some discussion with other departments as to where they might best address safety for school children, it was decided that Olympic Elementary School would be the location.

She reported the city engineering department did traffic counts and recorded the speed of cars entering the crosswalk during school hours. Ms. Riebe reported there were instances where vehicles were traveling in an excess of 50 M.P.H.

Using that data, Ms. Riebe submitted the application for two signs, one to go on each side of the school zone area. She described the signs as having yellow blinking lights, school zone 20 M.P.H. signs, and small radar reader boards, which gave a digital readout of your approaching speed. She hoped the radar reader sign would be the extra they needed to get people to slow down. Ms. Riebe reported the city had a good match for the program, and the WTSC liked the proposal and awarded the city within 30-days.

Councilor Pope stated if administration had an opportunity to apply for more grants for signs, he thought an excellent location to put one would be at 13th Street near the pool. Ms. Riebe stated the program came up annually and would look at submitting for those grants.

Councilor Dawes stated experience had told him the only two things that slows traffic down was having a police car in the area, or a radar reader board. He asked if the signs would be put in the ground in a permanent fashion, or if it would be temporary. Ms. Riebe stated it would be erected in a permanent fashion. Mr. Grochowski reported the box itself would have a lock on it, and he would need to take a look at the radar unit to see if it was removable, or not. Councilor Dawes suggested that school staff go out and remove the radar units from the sign after school hours to prevent them from being stolen. Mr. Grochowski reported they could also have the lights working Monday through Friday only and turn them off over the weekend.

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Councilor Lund moved that the city council accept the WTSC grant of \$7,500 and appropriate \$12,456 from the general fund for the school zone speed detector with flashing lights project. The motion was seconded by Councilor Taylor and carried unanimously.

9. **Quit Claim Property Along SW William Avenue.** Mr. Nacht reported the issue came up when they received a right-of-way permit application from Puget Sound Energy (PSE) to install a rectifier in what appeared to be the right-of-way of William Avenue near Recreation Park. Mr. Nacht reported administration did some research for that permit and found that the city owned an 11.5-foot strip of real property between the right-of-way line on William Avenue and the parking areas owned by the State of Washington (Greenhill School). He noted in reviewing the application it would be a lot easier to deal with, from an administrative perspective, to have the 11.5-foot strip of property be right-of-way.

Mr. Nacht reported administration broached the subject to the city attorney's office who drafted the quit claim document that would convert it from real property to right-of-way. He asked that council authorize the city manager to execute that document, and once that was done they would then entertain the right-of-way permit application.

Councilor Pope asked if the city retained that 11.5-foot strip of property when they vacated the road to Green Hill. Mr. Nacht stated yes, adding the strip was currently owned by the city of Chehalis.

Councilor Taylor asked what an electrical rectifier was. Mr. Nacht reported he really couldn't tell him how it related to PSE and the protection of their gas piping system, but it would be a small box with a device inside of it. He noted the box would not obstruct the sidewalk, driveway, or parking area. Councilor Lund reported that a rectifier changed AC current to DC current.

Councilor Dawes moved that the council authorize the city manager to execute the attached quit claim deed converting the described strip of property from real estate to a portion of the SW William Avenue right-of-way. The motion was seconded by Councilor Lund and carried unanimously.

10. **Staff Reports.**

a. **Operation Spring Cleanup.** Chief Miller reported on the project that they partnered with the Centralia Police Department on, to try and get some of the hulk or abandon vehicles removed. He stated the city had 40 separate contacts with residents to try and persuade them to help the city remove vehicles from their property. He reported Centralia had forty-four vehicles towed away, and Chehalis had twelve. Chief Miller believed overall it would be good to try and run the program at least once a year.

During the discussion of cleaning up the city, Councilor Pope asked if the street sweeper would be able to start sweeping additional streets besides the downtown area. Chief Miller reported administration was currently working on a project to increase the downtown sweeping area. Mr. Grochowski reported they would be sweeping the whole downtown area from Main Street to Railroad Avenue, North Street, Center Street, Prindle Street, Chehalis Avenue, Pacific Avenue, and Cascade Avenue. He reported they would try to put up signs so people can park on opposite sides of the street on 1st and 3rd Monday's of the month. Mayor Ketchum thanked Chief Miller for the update.

b. **Update on Traffic Revision at Louisiana Avenue and Airport Road.** Mr. Grochowski reported administration had been receiving several calls about the Louisiana Avenue, Airport Road, and West Street traffic revision. He noted most of the calls had backed off, but there were still some concerned citizens who would like the four-way stop put back in. He stated administration felt the best thing to do was to leave it at it was. He noted they had signs ordered that indicated, "Crossing traffic does not stop" to go under the stop signs on West Street and Airport Road.

Mr. Grochowski reported it would be nice to realign the jog in the road, but not knowing what was going to happen to the West Street overpass they felt it was best to leave it as it is. Mayor Ketchum stated there was talk that the Department of Transportation was going to take the West Street overpass out. Mr. Grochowski reported they did talk about that a long time ago, but the city put a stop to that. Mayor Ketchum indicated last week he had heard talk about it at the Chamber meeting. Mr. Grochowski stated he hoped not because that was a valuable source to get to the other side of the freeway.

c. **Downtown Wireless Project Discussion.** City Manager MacReynold stated about two weeks ago he had a discussion with the county's director of information services staff. He noted in the course of that discussion he asked if there had ever been any discussion about making our downtown core wireless, or WI/FI. He thought the driving decision not to move in

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that direction was costs, but was informed by the county's staff that it was not that costly to create a wireless at-large area. He noted during that discussion he became very interested because with our downtown core, with its historic significance, the intent was not only to encourage the businesses in our downtown core, but also to bring in new businesses into that area. City Manager MacReynold felt being wireless was a very positive step. He thought it could be a cooperative effort by the businesses, the county, and by the city.

City Manager MacReynold reported he also talked at the Chehalis Community Marketing Committee meeting about the idea and there seemed to be a great deal of interest by those businesses to proceed in that direction, to the point they were willing to identify people to be on a committee. He stated he was just running the idea by the council, but it seemed with the kind of community we have, we had an opportunity to gain and make a very positive step forward.

Mayor Ketchum thought it was a marvelous idea. Councilor Dawes stated he would like to partner with the downtown, but not run competition with them. He thought it was a great idea, but wasn't sure where City Manager MacReynold was going with the idea and what his vision was. City Manager MacReynold stated his vision would be that anyone coming into the downtown core could do business with a laptop computer. City Manager MacReynold stated it was one of the tools they could encourage business with in the downtown core. Councilor Harris stated it would be interesting to see if they could umbrella the entire town, adding cost would be a factor.

City Manager MacReynold reported if there were positive support from the council to proceed, he would like to be able to work with both the county and the business community to see if they can get a committee together to look into it. He reported the cities of Leavenworth and Walla Walla were both wireless. He thought they might be able to go over, look at how they did it, what their costs were, and what problems they encountered. After that they could come back and develop a recommendation to take to the Council, and the county commissioners.

Corine Aiken reported over the last several years' people had been coming in asking about WI/FI connections, and it's only been recently that the library had been WI/FI accessible, with the use of passwords. Ms. Aiken reported she supportive of the idea.

Todd Christensen reported they had a large amount of people stopping in their parking lot to get onto the network. He felt there was an opportunity there, and a way for business people to stay connected.

Councilor Lund stated he felt it was a great idea and it was time to go forward with it. It was the consensus of the council to move forward with setting up a committee to look into the issues and costs involved.

d. **Council Vision and Goals Work Session.** City Manager MacReynold reported he would like to schedule a budget/vision work session on July 15, from 9:00 a.m. to 3:00 p.m. to be facilitated by Michael Pendleton. After some discussion it was determined that that particular date would need to be rescheduled since some of the Council was unable to attend that day. City Manager MacReynold noted Mr. Pendleton would also like to meet with councilors prior to the work session on June 29 and 30 to talk with them individually to get their input about their goals and visions.

e. **Fundraiser for Don Chambers.** Joanne Schwartz reminded council about the fundraiser for Don Chambers on Thursday, June 29, at the Adna High School from 5:00 –7:30 p.m.

f. **AWC Conference Report.** Councilor Dawes and Pope reported on the AWC Conference they attended in Spokane. Councilor Dawes stated he appreciated the opportunity to go over to the conference, adding some of it was pretty basic, but he did get a lot of good information. He reported he planned on attending the AWC budgeting workshop in August.

Councilor Pope reported he met with Tony Ventrella and gave some misinformation about the roundabout project, reporting the city was only putting in two roundabouts. He noted he also has some people asking about a "new" permitting process, that the city was a pilot city for. He asked Mr. Nacht if he could briefly explain what that was about. Mr. Nacht stated the State Department of Ecology had launched a pilot program called "e permitting," for both environmental and electronic permitting. He reported it started out with ten or eleven Washington State DOT projects that were being e permitted. The program allowed the different agencies to have information readily available. The city takes that information and uses it for our own purposes, shorelines permitting in our case, to issue a shorelines permit. He noted that information would be posted back to their website where all the other agencies will know what the city did, whether we had any condition, and so on.

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Mr. Nacht was sure there was going to be some glitches in the pilot program, but over the long run it was going to be a real good thing.

Joanne Schwartz reported she and Councilor's Pope and Dawes attended a breakfast meeting dealing with initiative No. 933 - property rights, that a group was trying to collect signatures for. She noted it was patterned off what was happening in Oregon. She reported our colleagues; both our elected and appointed officials asked some very pointed questions of the gentleman advocating for the initiative.

g. **I-5 Widening/Bridge Replacement.** Councilor Taylor reported that both he and Councilor Fuller sat on the Transportation Coalition Board. He stated, through that group, the Department of Transportation (DOT) created a board called the "Sounding Board," which included business people, elected officials, DOT representatives, and some consultants. He reported it was the group's task to evaluate all the options that have to do with the I-5 widening and bridge replacements. Councilor Taylor reported he had been to three meetings so far, and at the next meeting they would be going over the section of freeway that runs through Chehalis. Councilor Taylor noted he didn't know the West Street Bridge was as important as everyone was saying it was. He added because of what had been discussed earlier he would fight to keep that bridge.

Councilor Taylor stated there were several options they were looking at. He reported if the I-5 widening were to include DOT straightening out that bend at West Street, they would have to take out the West Street Bridge, adding the only way it could stay would be to rebuild it. He noted that would be a huge cost, and asked council how important that bridge was. Consensus of the council was that it was a vital link.

Councilor Taylor noted a lot of what happens in Chehalis would rely on what happens in Centralia. He stated if they were to rebuild or move the Mellen Street Bridge that would eliminate the idea of a mega-interchange to serve both communities. Councilor Pope asked if they were talking about putting in a bridge to open up the west side of Centralia. Councilor Taylor reported that Centralia was fighting for the West Collector.

h. **Chehalis River Basin Partnership.** Councilor Harris reported on the promoting of awareness and the use of the river and the waterways. They had a citizen from Gray's Harbor County, who over the last couple of years has come up with an idea to have a Chehalis River Festival. Centralia has agreed to host it the first year. They talked about taking the festival and making it an annual event, moving it to different parts of the river. Councilor Harris reported September 23 the Chehalis River Basin Festival would be held at Riverside Rotary Park in Centralia. The following year they talked about moving it down to Gray's Harbor County, and he thought Alexander/Lintott Park would be a great place to host the event in 2007.

i. **Downtown Sweeping.** Councilor Lund reported he had received comments from downtown businessmen about the downtown area. He stated they were pleased with how the sweeper was keeping the streets clean, and they were impressed with the summer-help who did the painting around the flowerbeds.

j. **Ham Radio Society.** Mayor Ketchum reported he went to the Ham Radio Society event at Stan Hedwall on Saturday. He stated it was interesting and amazing what they do during a national emergency.

There being no further business to come before the council, the meeting was adjourned at 8:23 p.m.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of June 26, 2006.

July 10, 2006

The Chehalis city council met in regular session on Monday, July 10, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 6:04 p.m. with the following council members present: Terry Harris, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Pope arrived at 6:07 p.m. and Councilor Fuller was excused. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Tim Grochowski, Public Works Director; and Bob Nacht, Community Development Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

1. **Consent Calendar**. Councilor Dawes moved to approve the consent calendar comprised of the following:

a. Minutes of the regular meeting of June 26, 2006;

b. Claim Vouchers No. 82500-82692 in the amount of \$766,505.77 dated June 19, 2006; Claim Vouchers No. 82693-82830 in the amount of \$2,007,565.92 dated July 3, 2006; and Payroll Vouchers No. 26668-26868 in the amount of \$622,239.67 dated June 30, 2006; and

c. Approve Ordinance No. 807-B, second reading – amending revolving cash fund.

The motion was seconded by Councilor Lund and carried unanimously.

2. **Ordinance No. 805-B, Second Reading – Mid-year Budget Amendment**. Councilor Dawes moved for passage of Ordinance No. 805-B on second and final reading. The motion was seconded by Councilor Taylor and carried unanimously.

3. **Ordinance No. 806-B, Second Reading – Amending the Comprehensive Plan and Development Regulations**. Bob Nacht noted one of the more significant elements of the ordinance was the city's ability to maintain its eligibility in the Community Rating System Program, which allowed people within the city limits a twenty percent reduction on their flood insurance premiums.

Councilor Taylor moved for the passage Ordinance No. 806-B on second and final reading. The motion was seconded by Councilor Pope and carried unanimously.

4. **Resolution No. 3-2006, First Reading – Adoption of the 2007-2012 Six-year Transportation Improvement Plan (STIP)**. City Manager MacReynold reported the city held a public hearing for the STIP on June 26. He stated Tim Grochowski was available to answer any questions about the projects listed on the STIP.

Councilor Lund asked if it made a difference in grant points as to how the projects were listed on the priority list. Mr. Grochowski stated it did not.

Councilor Taylor moved to suspend the rules and adopt Resolution No. 3-2006 on first and final reading. The motion was seconded by Councilor Lund and carried unanimously.

Councilor Taylor moved to adopt Resolution No. 3-2006 on first and final reading. The motion was seconded by Councilor Lund and carried unanimously.

5. **Ordinance No. 808-B, First Reading – Eminent Domain for Condemnation and Acquisition of Property for Roundabout Bid Process**. City Attorney Bill Hillier reported that earlier in the day CCA Retail had agreed to sign documents that would give the city the right-of-entry, which was for the majority of property needed. He noted the only entity not in agreement with what the city was proposing was Mr. Jas Sangha who had the Wendy's franchise. Mr. Hillier was confident they would get the issue with Mr. Sangha resolved after what had happened with CCA Retail, and recommended that the council move forward in the process. Mr. Hillier asked that council suspend the rules requiring two readings and pass the ordinance on first and final reading.

City Manager MacReynold stated earlier that afternoon he had talked with Mr. Peterson, who believed they had an agreement that both sides could live with. He encouraged the council to pass the ordinance so administration could continue to proceed forward.

July 10, 2006

City Manager MacReynold stated earlier in the day he had some discussion with some of the councilmember's about his concerns on the issue. He noted he made a phone call to Bob Nacht, who was very helpful and thought the track City Manager MacReynold was proceeding down was the only track they had available at this time.

Councilor Dawes moved that the council suspend its rules requiring two readings of an ordinance and pass Ordinance No. 808-B on first and final reading. The motion was seconded by Councilor Taylor and carried unanimously.

Councilor Dawes moved that the city council approve Ordinance No. 808-B on first and final reading. The motion was seconded by Councilor Lund.

Councilor Harris stated the land that the city was supposedly condemning was land that belonged to the citizens of Chehalis and of Lewis County, adding it was airport property owned by the city and the county together. Councilor Harris felt the city bent over backward to meet the needs and requirement of everyone involved, including the sub-lessor of the property. He noted the project would have been concluded by now according to the original plan, had the issue not come up in the first place.

Councilor Dawes stated the idea of condemnation was the last action any council would want to do, adding it was a small amount of property, but necessary before they could do the project. He thought Councilor Harris was right in that the City and the State had done everything they could to re-draw and re-engineer the project to affect every lessee to the minimalist amount. Councilor Dawes stated he was in full support of the action, adding once they get started the city should be able to move forward with the project with minimal impact, and felt it would be a vast improvement to all of the businesses in that area once it was done.

Mr. Hillier stated since the city was headed down the path of eminent domain, he asked that the council keep their comments to a minimum.

Councilor Pope added when the city first started the process a comment was made about being "Good Neighbors" and that was what the city was trying to do.

The motion carried unanimously.

6. Staff Reports.

a. **Results of the SW Snively Reconstruction Neighborhood Meeting.** City Manager MacReynold reported they had a very good turnout for the meeting, and was very pleased with the response. He also commended administration for taking a very neighborhood-community oriented approach by meeting with the people who would be impacted by the project. Bob Nacht stated they met last Thursday with the SW Snively residents and property owners. He reported the first step was to identify the property owners through the Lewis County parcel identification map system, and a mailing was sent out to all property owners along that section. He reported forty-eight property owners were identified on the mailing list, and of that they had thirty comments at the meeting, adding even the negative comments against the project were good and taken under advisement. Mr. Nacht noted of the thirty responses, there were nineteen in favor of the project who were willing to donate the five-foot strip of their frontage to the project. He reported there were others present who were willing to donate their five-foot strip either through sale, or by allowing the city to use its powers of eminent domain for the benefit of the property owners. Mr. Nacht stated if the city decided to move forward with the project, administration may suggest to those residents and the council that the city approach it as an eminent domain proceeding, not because it was an adversarial position, but because it would be more financially beneficial to those people.

Mr. Nacht reported of the thirty respondents there were seven who were adamantly opposed to the project, adding they were predominantly located between 16th and 17th Streets where the improvements already existed. They sited there was already parking and sidewalks on both sides of the street, so why would they want to do a project in that area.

Mr. Nacht reported there were four comments at the meeting that were undecided. They requested the city come out and put a white stripe on their lawn where the new property line would go, and get some additional information before they made up their minds. Mr. Nacht reported they intended on going out and putting some white stripes down SW Snively Avenue hopefully sometime that week, adding it would be labor intensive because of the measuring that needed to be done.

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Mr. Nacht stated they still had eighteen property owners left that the city didn't know what their intent would be. He noted because of the nature of the positive response to the project, administration suggested that they go on to the next step, which would be a committal letter to those same forty-eight people. The letter would ask them to commit in some form as to what their position would be, adding the commitment letter would be a benefit for the purpose of applying for grant funding. Mr. Nacht stated should the project go forward, the next step would be to apply for grant funding for the initial planning and design phase. He stated in order to do that the city had to be reasonably assured that the right-of-way acquisition would be accomplished either through sale, donation, eminent domain proceedings, or some other mechanism.

Mr. Nacht noted the SW Snively Avenue project remained on the six-year transportation improvement program, and would be eligible for grant funding. He added the grant application for the project would be due by August 31.

Councilor Dawes noted he had received a call from Mr. Graham who sited that in the section where he lived, which had the curbs and sidewalks on both sides, there was thirty-six foot of roadway. Councilor Dawes indicated the city's plan narrowed it down to about thirty-one feet. He stated Mr. Graham was concerned about having a more-narrow road through that area than what currently existed. Councilor Dawes told Mr. Graham he would bring it up to administration so it could be properly addressed. Councilor Dawes added he was in support of the project.

Mr. Nacht reported in order to get the maximum number of points for grant funding applications they needed certain amenities designed into the project, the most point sensitive being the combination of sidewalks and bike lanes. He stated the proposal incorporated a combination sidewalk/bike lane on both sides of the street, a parking lane on one side of the street, and the standard twelve-foot traffic lanes. He noted Mr. Graham was probably correct in that the curb-to-curb width may have been thirty-one feet, which incorporated two traffic lanes and two parking lanes. Mr. Nacht reported the project could impact that area to some degree in that the first block from 16th to 17th Street would only have parking on one side, going the entire length of the street.

Mayor Ketchum noted it was the largest public meeting he had seen in a long time, adding it was an extremely positive session and the administration did a really good job. Mr. Nacht stated the people were extremely interested in their neighborhood and the project, and he complemented them on all their comments as well.

It was the consensus of the council to proceed to the next step.

Mr. Nacht stated they would generate a letter to the residents asking them for a commitment on their property. Once they got that information back administration would determine if they garnered enough points to apply for a grant. Tim Grochowski noted the STIP noted construction would start in 2007. He thought the grant funding might be allocated in 2007 with construction starting in 2008. Mr. Nacht felt administration could meet the August deadline for the grant application for the planning and design work. He also noted council had appropriated \$160,000 for the project, but reported administration had no intention of spending any of that until such time it would count for a local in-kind grant match. He stated if they waited and timed the project appropriately, any money the city spends would go toward the grant match.

b. **Community Survey.** City Manager MacReynold stated with the amount of issues the city was facing, both at the council/policy level and administrative level, he was going to proceed to hire a contractor to do a scientific telephone survey. He reported they would like to have it done in the next month in order to utilize it as they move through the budget process for next year. City Manager MacReynold reported he would be asking council for their input into the kinds of questions they would be looking at. He noted it would be very helpful for him administratively and believed it would be helpful for council as they look at the facility issues and other issues in the community with reference to economic and community development.

Both Mayor Ketchum and Councilor Taylor thought it was a good idea.

c. **Interim Police Chief Appointment.** City Manager MacReynold reported he would be appointing Detective/Sergeant Randy Kaut as the Interim Chief at the end of the month. He stated he met with Sergeant Kaut twice and felt he brought the skill sets and the ability to hold the department down while they search for the permanent police chief.

d. **Council Goals Workshop.** A workshop was set for July 22, 2006 from 8:00 a.m. to 12:00 p.m. at the community services activity building to talk about council's visions and goals for the coming year.

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e. **Special Council Meeting/Executive Session.** City Manager MacReynold set a special meeting and executive session for July 17, 2006 starting at 5:00 p.m. in the council chamber, to meet with Chamber Way Project Manager Tim Osborne of Gray & Osborne Inc. He stated Mr. Osborne had some very interesting insights and thought it would be helpful for the council to have a discussion with him. He noted there would be a public session following the executive session for Mr. Osborne to share his perspective of the project with the community.

8. **Council Reports.**

a. **Benefit for Don Chambers.** Mayor Ketchum stated he enjoyed the benefit put on last Thursday for Don Chambers at the Adna High School. He reported it was well attended and the support for Mr. Chambers was impressive. Councilor Dawes stated he too enjoyed the benefit, noting it was good to see such a large turnout.

b. **Museum Interim Director Appointed.** Councilor Dawes reported the museum appointed an interim director and he would get more information about the situation at their next meeting on Tuesday. He reported the museum had a very successful model railroad train event, and were also working on a number of grants to get some things repaired around the building.

c. **Barbeque for Chief Miller.** Mr. Grochowski reported that on July 20, from 12:00 to 2:00 p.m. the public works department would be putting on a barbeque for Police Chief Dale Miller. The event would be open to all the departments, and the council as well.

There being no further business to come before the council, the meeting was adjourned at 6:49 p.m.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of July 10, 2006.

July 10, 2006

The Chehalis city council met in regular session on Monday, July 10, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 6:04 p.m. with the following council members present: Terry Harris, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Pope arrived at 6:07 p.m. and Councilor Fuller was excused. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Tim Grochowski, Public Works Director; and Bob Nacht, Community Development Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

1. **Consent Calendar**. Councilor Dawes moved to approve the consent calendar comprised of the following:

a. Minutes of the regular meeting of June 26, 2006;

b. Claim Vouchers No. 82500-82692 in the amount of \$766,505.77 dated June 19, 2006; Claim Vouchers No. 82693-82830 in the amount of \$2,007,565.92 dated July 3, 2006; and Payroll Vouchers No. 26668-26868 in the amount of \$622,239.67 dated June 30, 2006; and

c. Approve Ordinance No. 807-B, second reading – amending revolving cash fund.

The motion was seconded by Councilor Lund and carried unanimously.

2. **Ordinance No. 805-B, Second Reading – Mid-year Budget Amendment**. Councilor Dawes moved for passage of Ordinance No. 805-B on second and final reading. The motion was seconded by Councilor Taylor and carried unanimously.

3. **Ordinance No. 806-B, Second Reading – Amending the Comprehensive Plan and Development Regulations**. Bob Nacht noted one of the more significant elements of the ordinance was the city's ability to maintain its eligibility in the Community Rating System Program, which allowed people within the city limits a twenty percent reduction on their flood insurance premiums.

Councilor Taylor moved for the passage Ordinance No. 806-B on second and final reading. The motion was seconded by Councilor Pope and carried unanimously.

4. **Resolution No. 3-2006, First Reading – Adoption of the 2007-2012 Six-year Transportation Improvement Plan (STIP)**. City Manager MacReynold reported the city held a public hearing for the STIP on June 26. He stated Tim Grochowski was available to answer any questions about the projects listed on the STIP.

Councilor Lund asked if it made a difference in grant points as to how the projects were listed on the priority list. Mr. Grochowski stated it did not.

Councilor Taylor moved to suspend the rules and adopt Resolution No. 3-2006 on first and final reading. The motion was seconded by Councilor Lund and carried unanimously.

Councilor Taylor moved to adopt Resolution No. 3-2006 on first and final reading. The motion was seconded by Councilor Lund and carried unanimously.

5. **Ordinance No. 808-B, First Reading – Eminent Domain for Condemnation and Acquisition of Property for Roundabout Bid Process**. City Attorney Bill Hillier reported that earlier in the day CCA Retail had agreed to sign documents that would give the city the right-of-entry, which was for the majority of property needed. He noted the only entity not in agreement with what the city was proposing was Mr. Jas Sangha who had the Wendy's franchise. Mr. Hillier was confident they would get the issue with Mr. Sangha resolved after what had happened with CCA Retail, and recommended that the council move forward in the process. Mr. Hillier asked that council suspend the rules requiring two readings and pass the ordinance on first and final reading.

City Manager MacReynold stated earlier that afternoon he had talked with Mr. Peterson, who believed they had an agreement that both sides could live with. He encouraged the council to pass the ordinance so administration could continue to proceed forward.

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City Manager MacReynold stated earlier in the day he had some discussion with some of the councilmember's about his concerns on the issue. He noted he made a phone call to Bob Nacht, who was very helpful and thought the track City Manager MacReynold was proceeding down was the only track they had available at this time.

Councilor Dawes moved that the council suspend its rules requiring two readings of an ordinance and pass Ordinance No. 808-B on first and final reading. The motion was seconded by Councilor Taylor and carried unanimously.

Councilor Dawes moved that the city council approve Ordinance No. 808-B on first and final reading. The motion was seconded by Councilor Lund.

Councilor Harris stated the land that the city was supposedly condemning was land that belonged to the citizens of Chehalis and of Lewis County, adding it was airport property owned by the city and the county together. Councilor Harris felt the city bent over backward to meet the needs and requirement of everyone involved, including the sub-lessor of the property. He noted the project would have been concluded by now according to the original plan, had the issue not come up in the first place.

Councilor Dawes stated the idea of condemnation was the last action any council would want to do, adding it was a small amount of property, but necessary before they could do the project. He thought Councilor Harris was right in that the City and the State had done everything they could to re-draw and re-engineer the project to affect every lessee to the minimalist amount. Councilor Dawes stated he was in full support of the action, adding once they get started the city should be able to move forward with the project with minimal impact, and felt it would be a vast improvement to all of the businesses in that area once it was done.

Mr. Hillier stated since the city was headed down the path of eminent domain, he asked that the council keep their comments to a minimum.

Councilor Pope added when the city first started the process a comment was made about being "Good Neighbors" and that was what the city was trying to do.

The motion carried unanimously.

6. Staff Reports.

a. **Results of the SW Snively Reconstruction Neighborhood Meeting.** City Manager MacReynold reported they had a very good turnout for the meeting, and was very pleased with the response. He also commended administration for taking a very neighborhood-community oriented approach by meeting with the people who would be impacted by the project. Bob Nacht stated they met last Thursday with the SW Snively residents and property owners. He reported the first step was to identify the property owners through the Lewis County parcel identification map system, and a mailing was sent out to all property owners along that section. He reported forty-eight property owners were identified on the mailing list, and of that they had thirty comments at the meeting, adding even the negative comments against the project were good and taken under advisement. Mr. Nacht noted of the thirty responses, there were nineteen in favor of the project who were willing to donate the five-foot strip of their frontage to the project. He reported there were others present who were willing to donate their five-foot strip either through sale, or by allowing the city to use its powers of eminent domain for the benefit of the property owners. Mr. Nacht stated if the city decided to move forward with the project, administration may suggest to those residents and the council that the city approach it as an eminent domain proceeding, not because it was an adversarial position, but because it would be more financially beneficial to those people.

Mr. Nacht reported of the thirty respondents there were seven who were adamantly opposed to the project, adding they were predominantly located between 16th and 17th Streets where the improvements already existed. They sited there was already parking and sidewalks on both sides of the street, so why would they want to do a project in that area.

Mr. Nacht reported there were four comments at the meeting that were undecided. They requested the city come out and put a white stripe on their lawn where the new property line would go, and get some additional information before they made up their minds. Mr. Nacht reported they intended on going out and putting some white stripes down SW Snively Avenue hopefully sometime that week, adding it would be labor intensive because of the measuring that needed to be done.

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Mr. Nacht stated they still had eighteen property owners left that the city didn't know what their intent would be. He noted because of the nature of the positive response to the project, administration suggested that they go on to the next step, which would be a committal letter to those same forty-eight people. The letter would ask them to commit in some form as to what their position would be, adding the commitment letter would be a benefit for the purpose of applying for grant funding. Mr. Nacht stated should the project go forward, the next step would be to apply for grant funding for the initial planning and design phase. He stated in order to do that the city had to be reasonably assured that the right-of-way acquisition would be accomplished either through sale, donation, eminent domain proceedings, or some other mechanism.

Mr. Nacht noted the SW Snively Avenue project remained on the six-year transportation improvement program, and would be eligible for grant funding. He added the grant application for the project would be due by August 31.

Councilor Dawes noted he had received a call from Mr. Graham who sited that in the section where he lived, which had the curbs and sidewalks on both sides, there was thirty-six foot of roadway. Councilor Dawes indicated the city's plan narrowed it down to about thirty-one feet. He stated Mr. Graham was concerned about having a more-narrow road through that area than what currently existed. Councilor Dawes told Mr. Graham he would bring it up to administration so it could be properly addressed. Councilor Dawes added he was in support of the project.

Mr. Nacht reported in order to get the maximum number of points for grant funding applications they needed certain amenities designed into the project, the most point sensitive being the combination of sidewalks and bike lanes. He stated the proposal incorporated a combination sidewalk/bike lane on both sides of the street, a parking lane on one side of the street, and the standard twelve-foot traffic lanes. He noted Mr. Graham was probably correct in that the curb-to-curb width may have been thirty-one feet, which incorporated two traffic lanes and two parking lanes. Mr. Nacht reported the project could impact that area to some degree in that the first block from 16th to 17th Street would only have parking on one side, going the entire length of the street.

Mayor Ketchum noted it was the largest public meeting he had seen in a long time, adding it was an extremely positive session and the administration did a really good job. Mr. Nacht stated the people were extremely interested in their neighborhood and the project, and he complemented them on all their comments as well.

It was the consensus of the council to proceed to the next step.

Mr. Nacht stated they would generate a letter to the residents asking them for a commitment on their property. Once they got that information back administration would determine if they garnered enough points to apply for a grant. Tim Grochowski noted the STIP noted construction would start in 2007. He thought the grant funding might be allocated in 2007 with construction starting in 2008. Mr. Nacht felt administration could meet the August deadline for the grant application for the planning and design work. He also noted council had appropriated \$160,000 for the project, but reported administration had no intention of spending any of that until such time it would count for a local in-kind grant match. He stated if they waited and timed the project appropriately, any money the city spends would go toward the grant match.

b. **Community Survey.** City Manager MacReynold stated with the amount of issues the city was facing, both at the council/policy level and administrative level, he was going to proceed to hire a contractor to do a scientific telephone survey. He reported they would like to have it done in the next month in order to utilize it as they move through the budget process for next year. City Manager MacReynold reported he would be asking council for their input into the kinds of questions they would be looking at. He noted it would be very helpful for him administratively and believed it would be helpful for council as they look at the facility issues and other issues in the community with reference to economic and community development.

Both Mayor Ketchum and Councilor Taylor thought it was a good idea.

c. **Interim Police Chief Appointment.** City Manager MacReynold reported he would be appointing Detective/Sergeant Randy Kaut as the Interim Chief at the end of the month. He stated he met with Sergeant Kaut twice and felt he brought the skill sets and the ability to hold the department down while they search for the permanent police chief.

d. **Council Goals Workshop.** A workshop was set for July 22, 2006 from 8:00 a.m. to 12:00 p.m. at the community services activity building to talk about council's visions and goals for the coming year.

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e. **Special Council Meeting/Executive Session.** City Manager MacReynold set a special meeting and executive session for July 17, 2006 starting at 5:00 p.m. in the council chamber, to meet with Chamber Way Project Manager Tim Osborne of Gray & Osborne Inc. He stated Mr. Osborne had some very interesting insights and thought it would be helpful for the council to have a discussion with him. He noted there would be a public session following the executive session for Mr. Osborne to share his perspective of the project with the community.

8. **Council Reports.**

a. **Benefit for Don Chambers.** Mayor Ketchum stated he enjoyed the benefit put on last Thursday for Don Chambers at the Adna High School. He reported it was well attended and the support for Mr. Chambers was impressive. Councilor Dawes stated he too enjoyed the benefit, noting it was good to see such a large turnout.

b. **Museum Interim Director Appointed.** Councilor Dawes reported the museum appointed an interim director and he would get more information about the situation at their next meeting on Tuesday. He reported the museum had a very successful model railroad train event, and were also working on a number of grants to get some things repaired around the building.

c. **Barbeque for Chief Miller.** Mr. Grochowski reported that on July 20, from 12:00 to 2:00 p.m. the public works department would be putting on a barbeque for Police Chief Dale Miller. The event would be open to all the departments, and the council as well.

There being no further business to come before the council, the meeting was adjourned at 6:49 p.m.

Mayor

Attest:

City Clerk

July 17, 2006

The Chehalis city council met in special session on Monday, July 17, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 5:04 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Tim Grochowski, Public Works Director.

1. **Executive Session.** Mayor Ketchum announced council would be in executive session for one hour pursuant to RCW 42.30.110(1)(i) – potential litigation.

Mayor Ketchum closed the executive session at 6:09 p.m. and announced council would convene into special session at 6:13 p.m. Additional staff included: Joanne Schwartz, Community Services Director; and Bob Nacht, Community Development Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

2. **Chamber Way Roundabout Briefing.** City Manager MacReynold stated the roundabouts were one of the largest projects the city had ever had, and clearly a very important project. He reported that the administration hired Tim Osborne and Brian Sourwine of Gray & Osborne to be project managers on the project. City Manager MacReynold felt with them being new on the project it was an opportune time for them to come before the council to give their perspective and some of the challenges they saw with the project.

Mr. Osborne reported they looked at the existing documentation generated, particularly by the Washington State Department of Transportation (DOT), who provided the design and environmental services. He reported the city was very fortunate to have an array of funding partners to include:

- Federal grants administered through DOT
- Transportation Improvement Board (TIB), a funding mechanism of DOT
- City of Chehalis
- Developers, including CCA Retail
- Tires Inc.
- Lewis County
- Airport Board

He noted it was great to see those kinds of partnerships because it took that kind of partnership to make a project like this one happen.

Mr. Osborne reported the estimated cost of the project was somewhere around \$6.5 million. He noted since they received the project documents they had met with the city three times, and also with the DOT. He stated the project basically entailed:

- The construction of four roundabouts in and along Chamber Way
- Minor revisions on National Avenue
- The removal of signals, and the installation of one signal on the South-bound ramp at 13th Street

Mr. Osborne stated one of their concerns was the lack of capacity on the corridor. He noted they would be working in a very constricted corridor, approximately fourteen hundred feet, to locate the four roundabouts.

Mr. Osborne noted DOT was in the process of planning what the freeway and overpass were going to look like, putting costs together, and preparing timelines. He noted the project would be staged over phases in construction. The current plan called for doing a majority of the work at night from 9:00 p.m. to 6:30 a.m. for the length of the contract. The contractor would also be allowed a ten-day closure of the overpass, except for local and emergency traffic. He reported the closure would be from a point between the NW Louisiana off-ramps to National Avenue, adding the reason they did that was to enhance construction to complete the project quicker. He reported there would be some lane restrictions, adding there would be two-lanes of traffic during the day, except during the ten-day period of closure.

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Mr. Osborne reported he met with the council and talked about the construction of the project. He reported the design and environmental permitting were essentially complete, adding they were still reviewing the final documents they received from DOT. He noted the right-of-way phase was anticipated to be complete by the end of August, adding once that was complete they would need to certify the right-of-way. Mr. Osborne reported by the time they receive the certification that the right-of-way was complete it would be a little over four months before they could actually start construction. He stated once they had the certification they would be able to start the bidding process for the project, adding DOT was doing a contractual portion of that for the city. Mr. Osborne stated that would push the construction season into the wet winter months of December, January, and February, which was not an ideal time for construction, and in fact a very risky time. He reported DOT specifications recommended this kind of construction not be done between October and April. Mr. Osborne noted because of that and other issues he recommended that the council wait until March 2007 to start the actual construction of the project. He also recommended to the council that the construction season be enhanced from four months to six months, allowing a larger construction window. He noted while that was an inconvenience, they could still structure the bid documents to maintain traffic in and through the area, while trying to receive a better bid price by extending the time. He reported that would save everybody money in terms of giving the contractor ample time to complete the work without forcing him to work day and night, every day until the project was complete.

Mr. Osborne noted they were still sympathetic that the businesses in that area needed to have the roads open. He added on one hand they were faced with getting the roads open for businesses, and on the other hand they needed to look at the dollar/risk issues. Mr. Osborne stated the more constraints put on a contractor for work to be done in a short period of time, the more chance there was that something might happen to affect the whole schedule.

Mr. Osborne reported the construction project would be significantly challenging and it was his recommendation to council to wait until the dryer season before starting actual construction. He stated they were looking at starting the project in March 2007 and completing it about September 1, 2007, well in advance of the holiday season.

Brian Sourwine gave a brief outline of what was currently planned, and the chronological occurrence of the development of the corridor. He reported a majority of the project would occur in two different stages according to the way DOT phased the project. The first stage would involve removing the existing traffic signal at NW Louisiana, and installing it down at 13th Street. Mr. Sourwine reported they would install a four-way stop at NW Louisiana Avenue and Chamber Way during the construction phase, until the new Louisiana Avenue roundabout was completed to a phase where traffic could travel through it as a roundabout. In addition to the construction of the roundabout at NW Louisiana, during stage one they would fill along the Chamber Way corridor on both sides of I-5 at the off-ramps and at State Street. He noted traffic would be maintained because that phase of work would not be performed on the roadway, with the exception of the NW Louisiana intersection. Mr. Sourwine stated the elevation at NW Louisiana would be raised up about six-feet, so there would be a lot of fill coming into that intersection. He added they needed to raise the intersection because roundabouts take up a large area, and the grade of the road from one roundabout to the next could not be steep because it would impact the safety and the level of service of the roundabout.

Mr. Sourwine reported stage two of the current DOT contract structure would involve the ten consecutive day shutdown on Chamber Way just east on NW Louisiana all the way over to National Avenue, adding the shutdown would include one weekend. In addition to the ten-day shut down they would be shutting down in the evening hours, as Mr. Osborne reported earlier. Mr. Sourwine noted a question came up earlier as to what could be done at NW Louisiana to improve traffic flow during the construction. He added they would be taking another look at that issue. He reported during the second stage they would build the curbs, install the asphalt, pavement, and storm drains at the other three roundabouts. Mr. Sourwine reported the four roundabouts would function as single-lane roundabouts until all the final paving and stripping was complete. Mr. Sourwine noted stages three and four involved putting on the final paving and stripping, seeding any disturbed areas, final signage, and maybe finishing up a few sections of sidewalk along the corridor.

Mr. Osborne pointed out that the two roundabouts on either side of the freeway were not really round. He indicated they were both pointed toward the bridge, which would not allow traffic to drive around in circles. He reported that those roundabouts provided a much safer environment for a vehicle to be in, and would also prevent head-on collisions.

City Manager MacReynold stated if council chose to support the recommendation of the project managers, he encouraged them to give administration that direction. He noted it would buy time and they would be constructing at a much more opportune time. City Manager MacReynold recommended they include extending the time frame for construction, as well.

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Councilor Dawes stated they needed to come to realize that as much as they would like to have had the project done on its original schedule, they would have to look at new options, adding he fully supported the recommendations given. Councilor Dawes stated that anything they could do that would get the job done, with the least costs, was the preferred method and the one they needed to follow.

City Manager MacReynold felt it was very important to work with DOT to see what they could do during the holiday season, on a temporary basis, to try and minimize some of the backup. He felt DOT would have an interest in working with the city to help find solutions, since the off-ramps belonged to them.

Councilor Dawes asked if the city manager was looking for consensus, or for a formal motion. City Manager MacReynold felt a motion would be necessary. Councilor Dawes moved that they proceed with option 3 with the recommendations they heard from the consulting firm. Councilor Pope seconded the motion. Councilor Harris stated he had concerns with adding two more months to the job. His concern was the days would start getting shorter and people would have less daylight time to get used to the roundabouts. He felt the shorter the time things were completely disrupted the better, adding he would rather stick with the four-month window. City Manager MacReynold asked Mr. Osborne to articulate again why he felt it would be better to add a month or two to construction. Mr. Osborne stated there were ways to structure the bid to take advantage of the additional months. He suggested they wait until he could come back to council with more information, which would also give them more time to think about the construction window, adding he would like to better understand why DOT was so adamant about the eighty-five days.

Councilor Dawes suggested they at least go with a consensus of the council so administration would have some direction. Councilor Pope withdrew his second to the motion, and Councilor Dawes removed his motion, but it was still the consensus of the council to go with option 3. Councilor Dawes stated he thought DOT had several sections within their organization working on the project, and because of the size and uniqueness of the project he didn't believe they were trying to give the city conflicting information on purpose.

Mayor Ketchum added it wasn't a normal DOT project, noting Bart Gernhart and Rich Hensley took it on as a favor to the city to help to try and ease the problem.

City Manager MacReynold restated that the general consensus was to go with option 3, and have the project manager explore options for extending how long they should be in the construction phase and report back to the council.

Councilor Lund stated he was very impressed with Mr. Osborne, adding it sounded like he knew what he was doing and had a lot of common sense. He stated they were on the right track by hiring Gray & Osborne and was glad the administration brought him on as the project manager.

There being no further business to come before the council, the meeting was adjourned at 6:44 p.m.

Mayor

Attest:

City Clerk

July 24, 2006

The Chehalis city council met in regular session on Monday, July 24, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 5:32 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Amanda Vey, Asst. City Attorney; Judy Schave, City Clerk; Tim Grochowski, Public Works Director; and Patrick Wiltzius, Wastewater Superintendent.

1. **Executive Session.** Mayor Ketchum announced council would be in executive session for one hour pursuant to RCW 42.30.110(1)(i) – potential litigation.

Mayor Ketchum closed the executive session at 5:45 p.m. and announced council would convene into regular session at 6:04 p.m. Additional staff included: Bill Kolden, Human Resources Director; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bob Nacht, Community Development Manager; Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

2. **Proclamation – Cascade Country Cook-off 2006 Washington State Pro BBQ Championship August 5-6, 2006.** Mayor Ketchum presented Tracey Lowrey and Jerry Boes with a proclamation declaring August 5-6, 2006 as Cascade Country Cook-off 2006 Washington State Pro BBQ Championship in Washington State, to be held in the Wal-Mart parking lot.

3. **Chehalis Community Spirit Awards.** Mayor Ketchum and Todd Christensen presented Chehalis community spirit awards for the month of June to Les Schwab and the citizens in their area that worked to convince them that it wasn't a good idea to put metal containers in their parking lot. Citizens receiving awards were: Jeff and Cynthia Sorenson, Ann and Skip Watson, Bob and Carol Braun, Gordon and Michelle Quinlin, Don Wade, Maureen and Warren Mueller, John and Linda Prosser, and C. Tad and Diana Devlin.

4. **Consent Calendar.** Councilor Dawes asked that a correction be made to the minutes on page 3, paragraph 3 – changing the word exited to existed. Councilor Dawes moved to approve the consent calendar, as corrected, comprised of the following:

- a. Minutes of the regular meeting of July 10, 2006;
- b. Claim Vouchers No. 82831-83018 in the amount of \$2,204,713.86 dated July 17, 2006;
- c. Award aluminum Chlorohydrate contract to Kemiorn Companies, Inc. from August 1, 2006 to July 31, 2008;
- d. Award chlorine and sulfur dioxide in 150-pound cylinders to Pioneer Americas, and chlorine in short-filled one-ton cylinders to Jones Chemical, Inc. from August 1, 2006 to July 31, 2008; and
- e. Award Chehalis Avenue Grind and Overlay Maintenance Project to Lakeside Industries in the amount of \$123,430.

The motion was seconded by Councilor Lund and carried unanimously.

5. **Chehalis Foundation Project.** Mike Austin, representing the Foundation, first reported they would be having their second annual Chehalis Tribal salmon bake on September 16 beginning at 1:30 p.m. with dinner starting at 5:00 p.m. Mr. Austin reported since their last report they had been real busy with the kiddy spray pool project. He noted they had a public meeting to try and determine what type of water features they wanted to have in the pool. He noted all the fixtures would be flat to the ground, and would all be computerized, adding they also came up with some unique names for the features themselves. He noted the design of the spray pool would have a brick top, which they would be selling bricks at \$150 a brick, with the purchaser's names engraved on them. Mr. Austin stated they already had some organizations step up and donate to the project, adding the Kiwanis Club would be buying all six of the benches totaling \$3,600. Another organization had stepped up for the \$5,000 water wave feature, and another individual pledged \$20,000 towards the project. He noted July 24 would be the actual kick-off for the fundraising to start and they already had pledges totaling \$35,000, adding the community was really behind the project.

Mr. Austin reported they hoped to have a groundbreaking ceremony the first week of September with a grand opening date in April 2007. He added the actual construction would only take a month and a half or so, but by the time they get it in the ground the weather would be too wet and cold.

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Mr. Austin noted the project would not be a community hands-on type of project, but rather a fundraising type. He stated the project was somewhat technical so the purveyor was asking for half of the funds up-front before they would order the equipment, adding the ordering time was eight to ten weeks. Mr. Austin stated he was asking for a loan for one-half of the amount, to be paid back with interest from the pledges they receive.

Councilor Harris moved that the city loan the Foundation \$50,000 to help get the project started and that the amount be paid back to the city with interest, to be determined at a later date. The motion was seconded by Councilor Lund. The motion carried unanimously.

Councilor Lund challenged the other councilmember's by donating \$500 towards the project. Councilor Pope noted he had already donated \$1,000 towards the project so Councilor Lund was going to have to make his challenge for \$1,000, adding there wasn't going to be any of that \$500 business. Councilor Lund graciously accepted Councilor Popes challenge and committed a \$1,000 donation.

6. **ChehalisFest.** David Hartz (377 SE Washington) presented council with flyers describing some of the events taking place during ChehalisFest on Saturday, July 29. Mr. Hartz reported a lot had been accomplished with the planning for the event, adding they had about twenty-five vendors, which exceeded their goal of twenty. Mr. Hartz stated the event would start in the morning with a breakfast at the Museum and would swiftly move into the Rose City Car Show. Mr. Hartz thanked Councilor Lund for his gracious gift of donating the film "Ice Age II" starting at 10:00 a.m. Other events included:

- Money scramble – sponsored by Les Schwab
- Watermelon eating contest – sponsored by Sweet Inspirations
- Mint dessert recipe contest – sponsored by Smith's Mercantile
- Dunk tank fundraiser – WF West Cheerleaders
- Hank Williams Tribute - at the main stage
- Belly dancing demonstrations – Gypsy Chicks

Mr. Hartz reported it was also worked out with the city of Centralia to be able to use their Trolley to run between the Historical Museum, the Steam Train, the Veteran's Museum, and the Air Show. Mr. Hartz invited the council to come down and be a part of the event.

7. **Resolution No. 4-2006, First Reading, Surplus City Property.** City Manager MacReynold reported the administration would like to surplus the service weapon of Police Chief Dale Miller. He stated it was tradition to surplus weapons for departing Chiefs and Officers when they leave the city. He stated once surplused the weapons were then purchased either by the individual, or by the department employees to be presented to them at the time they leave the organization.

Councilor Taylor moved that the council suspend its rules requiring two reading of a resolution. The motion was seconded by Councilor Lund and carried unanimously. Councilor Taylor moved that the council adopt Resolution No. 4-2006 on first and final reading. The motion was seconded by Councilor Lund and carried unanimously.

8. **Resolution No. 5-2006, First Reading, Quitclaim Deed for Right-of-Access on the Chamber Way Roundabout Project.** Bob Nacht reported the Louisiana Avenue roundabout required there be limited access to the actual roundabout itself, so as to not interfere with the traffic maneuvers of trying to get around it. He stated the Department of Transportation (DOT) was requesting that the city quitclaim the limited access rights to the Louisiana Avenue roundabouts, which were technically located on the city's right-of-way. Mr. Nacht explained the reason for doing it was the legal requirement DOT had to not allow driveways in the vicinity of the roundabout. He noted they met with DOT some weeks ago, adding the city's concern was whether or not it limited the ability of the city to determine where driveways go on our own rights-of-way. Mr. Nacht reported they also found in the city's development regulations and engineering standards the city wouldn't allow any driveways that close to an intersection, whether it was a roundabout or another intersection. Mr. Nacht stated there was no appreciable affect to the city by quitclaiming the limited access rights. They also discussed how it would affect everything currently there, and also the city's pump station on the Wal-Mart corner. Mr. Nacht reported that DOT identified limited access rights were designed to go up to but not include existing driveways that were already there, adding it also did not preclude the city's ability to access it's own pump station. Mr. Nacht reported the legal description and the language in the quitclaim deed accommodated all of the access rights. It was Mr. Nacht's recommendation that the council pass resolution 5-2006 on first reading, which would allow them to sign a quitclaim

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deed to grant the DOT the limited access rights to the Louisiana Avenue roundabout so as to not interfere with the traffic maneuvers there.

Councilor Dawes asked if they were to wait another two weeks for the second reading if it would foul up the project in any way as far as the timeline. He asked Mr. Nacht if it wouldn't be better to suspend the rules and pass the resolution on first and final reading. Mr. Nacht stated at that point and time it would not affect the timeline. He noted if the council elected to suspend the rules it would have no appreciable affect one way or the other. Mr. Nacht stated because it did not involve a budget adjustment, it would be appropriate to suspend the rules if council so desired.

Councilor Dawes moved to suspend the rules requiring two readings of a resolution. The motion was seconded by Councilor Taylor and carried unanimously. Councilor Dawes moved to adopt Resolution No. 5-2006 on first and final reading. Councilor Taylor seconded the motion. Councilor Harris asked for clarification on the signature of those involved. It was stated on the quitclaim deed "to me known to be the duly elected and qualified Mayor and City Commissioner of the City of Chehalis." He asked if they were referring to the city manager, or would the Mayor sign on behalf of the city council. He noted the language was the same on Resolution No. 6-2006 for a quitclaim deed easement. Mr. Nacht stated it was his expectation that they would be referring to the city council. He clarified that both the resolution and the quitclaim deed were presented by DOT, noting that there were some spelling issues in the documents as well. Mr. Nacht noted he questioned DOT about the forms and they indicated to just use what they gave the city because that was their format. He suggested they waive the informalities of the format of the document, adding in order to get the resolution passed and the quitclaim accomplished they could do it with the intent of fixing the language. Amanda Vey felt that would be appropriate. City Manager MacReynold stated he also talked with City Attorney Bill Hillier earlier and his explanation was that on any property issues, traditionally, the city had the Mayor sign and not the city manager, noting items such as contracts the council could authorize the city manager to execute. Councilor Harris stated anytime they dealt with legal property descriptions, he found it difficult to determine whether or not the legal descriptions were accurate or not. City Manager MacReynold reported in talking with Mr. Hillier, his office was very careful about reviewing them for council. The motion carried unanimously.

9. Resolution No. 6-2006, First Reading – Quitclaim Deed Easement for Storm Water Retention on the NW State Street Roundabout. Mr. Nacht reported back when the state built the freeway in 1952, they acquired a bunch of right-of-way and in the 1980's they determined they didn't need a lot of it so they quitclaimed some of the excess back to the city, which was the area between State Street and the north bound on-ramp. He reported the city did accept the property back in the 80's and it became a portion of the State Street right-of-way.

Mr. Nacht reported the state now, in conjunction with the roundabout design, was taking a look at the area as well as their property on the other side to design a stormwater retention facility for the purpose of taking all the drainage and getting it into a stormwater retention pond. He added they would then convey the water back out to the Chehalis River. Mr. Nacht provided a drawing for council, showing the small area of right-of-way the state was asking the city to quitclaim back to them. He stated there was a one-hundred foot area that went under the Chamber Way right-of-way that the state needed for their pipe to drain the water from one side, back to the other side to the pond. The state requested the city pass a resolution granting an easement for the pipe to their facility, and to quitclaim the small portion of the city's excess right-of-way back to them for the project. Mr. Nacht stated it was part of the whole Chamber Way roundabout corridor, and had to do with stormwater management.

Councilor Dawes stated it appeared the pipe the state wanted to run under Chamber Way would help with some of the runoff the city had experienced in the area of Maryland Avenue. Mr. Nacht stated the design had to take all of that into consideration, but the bottom-line was they couldn't negatively impact anything that currently existed.

Councilor Taylor moved that the council suspend the rules requiring two reading of a resolution. The motion was seconded by Councilor Dawes and carried unanimously. Councilor Taylor moved that the Council adopt Resolution No. 6-2006 on first and final reading. The motion carried unanimously.

10. Proclamation – Health Center Week, August 6-12, 2006. Mayor Ketchum presented Executive Director Steve Clark of Valley View Community Health Center, Donna Karvia, and various board members a proclamation declaring August 6-12, 2006 as National Community Health Care Week in the city of Chehalis.

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11. **Review/Award Bid – Airport Road Utility Extension Project Phase 1.** City Manager MacReynold reported on the importance of Airport Road for future transportation needs, adding Bob Nacht would talk briefly about the background of the project and Tim Osborne of Gray and Osborne would talk more about the bidding process of phase 1 for the utility extension.

Mr. Nacht stated many months ago the city sold a portion of property along the yet to be developed Louisiana Avenue extension. He added part of the sales agreement involved extending utilities to service that property, adding the current utilities were only available up to the driveway of Louisiana Avenue.

Mr. Nacht stated the city previously filled the roadbed for the future extension up to the dike, but ran into a couple of issues with some of the drainage that goes under the filled roadbed. Mr. Nacht stated the Corps of Engineers indicated two of the culverts violated provisions for protection of waters of the United States. He reported before they did the fill project, the city had the wetland mitigation/determination done and there were no wetland issues out there. Mr. Nacht stated they did, however, now have the two culverts that needed to be taken care of. He reported they had been negotiating with the Corps and identified a resolution to their issues, essentially to not interfere with the drainage ditches currently out there. Mr. Nacht stated the resolution involved digging up the 12-inch culvert that was currently under the proposed roundabout, and replacing that culvert with a bottomless pipe. On the north-end, negotiations with the Corps involved removal of the existing 36-inch culvert that allowed the drainage ditch to get under the fill currently there. He stated it would involve leaving the excavated area open for the present time, for two reasons: communication between the extension of Louisiana Avenue to Airport road could not yet be made; and in the future, currently scheduled for construction in 2008, the county would come along under the TIB grant application to rebuild the road system all the way to Mellen Street, to include the rebuilding of the bottomless culvert to satisfy the Corps requirements. Mr. Nacht reported rather than spending any more money on the north-end culvert, administration elected to dig it up and leave it open to satisfy the Corps, adding they would stockpile the material on the fill already there. He noted they would reconstruct the south-end 12-inch culvert by running water, sewer, and stormwater utilities across the proposed roundabout up to a certain point to service the first phase of the development of the Uhlmann property.

Mayor Ketchum asked where the water was that the Corps was referring to. Mr. Nacht stated it was essentially a drainage ditch. He added when they first went through the exercise several months ago the city called it a drainage ditch from the airport property, and there were no arguments at that time. He reported over time the Corps has asserted they had jurisdiction on waters of the United States and classified the two drainage ditches as waters of the United States. Mr. Nacht reported he, Jerry Otto, and the city's wetland consultant went to Seattle and met with the Corps at length and argued the issue to no avail. The bottom line was the city had to resolve the issue to get the utilities and roadway system done.

Councilor Harris asked if in order for water to be declared waters of the United States, did it not have to be able to support fish. Mr. Nacht stated not necessarily, it had to hydraulically communicate with waters of statewide significance. Councilor Harris wondered since the culvert was located almost directly under the center of the roundabout, what kind of impact it would have on any future roadways going east to west. Mr. Nacht stated once the city installed the utilities up to a certain point, the county would take over the project and complete it, and they would be responsible for any mitigation necessary on the Barnes property in order to get that accomplished. Mr. Nacht reported mitigation could relocate the culvert running east to west by moving it over a little. He added one big issue the Corps had was the permitting process and review of the environmental situation.

Councilor Dawes stated those issues were obviously there years ago. Mr. Nacht noted they had volumes of history including research and photos dating back to the 1920's, of that area. Councilor Dawes stated he didn't recall if that was done by the War Department when a lot of stuff was done to the main airport area in the 1940's. He added he knew out in the other area there were issues because the airport had to go back and take care of a lot of things, and he wondered if that was some of it. Councilor Dawes noted those were a real focus of attention for the airport for a number of years because of their affect on the airport property. Mr. Nacht stated those were all issues that were addressed by the wetlands consultant as part of the future of the whole area, adding that was why they proceeded forward, because they felt everything was all right. He stated the issue came to pass in a very short period of time, and it was essentially the Corps assertion that they were just recently given that jurisdiction. Councilor Dawes asked if the proposed roundabout wasn't right on the border of the Barnes property. Mr. Nacht stated it was, adding they looked at the property before they approved the fill, just to avoid that situation.

Mr. Nacht reported they were currently proposing to extend water, sewer, and storm utility lines from approximately the Home Depot driveway through the proposed roundabout, up to the point of where the road starts to curve. He added, in the future, they could decide to just move the roundabout to avoid having to deal with the Corps water issues, which did not affect the current utility issue.

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Mr. Nacht stated the contract put together by DCI Engineers went to bid weeks ago and the bid results were in the Council packets. He reported that Mr. Tim Osborne would speak to the bidding process. Councilor Taylor asked when the paving of the road would take place. Mr. Nacht reported they had to get the utilities into the ground before they allowed the developer to put pavement on top of them. He added the developer would be responsible for a two-lane road all the way to the point of connection at Airport Road. Mr. Nacht noted because of recent developments, in that the city partnered with Lewis County to get a TIB grant application for the extension of Louisiana Avenue and the reconstruction of Airport Road, there became the question of whether the original requirement for the developer would be implemented, or whether they would do something else as an alternative to the traffic mitigation because a certain part of the project was going to be under the county's direction, rather than the city making the developer do it. He noted they would be negotiating alternatives to get the required mitigation accomplished. Councilor Taylor asked if it would connect with the Airport Road. Mr. Nacht stated it was scheduled to connect in 2008, but there were a number of issues, such as where Mellen Street might end up being. He added the county couldn't design Airport Road until Mellen Street was fixed.

Mr. Osborne reported they were asked to review the bids the city received for the Airport Road Utility Extension Phase 1 project. He reported the city received five bids on July 1, ranging from \$700,000 to over \$900,000, with an engineers estimate of about \$800,000. Mr. Osborne stated Balmelli Trucking, Inc. was the apparent low bidder. Mr. Osborne reported they checked their references and the bid. He stated a minor error was found in the bid as noted in the bid summary, which changed the bid by approximately \$4.00. He stated the low bidder did not claim error, but there was protest by second low bidder. He reported the protest had to do with what he felt was an "unbalanced" bid. Mr. Osborne stated they reviewed his letter of protest and the bids, and also talked to his own attorney regarding the bid procedure. He reported that his attorney was very astute in contract law and construction, and in his opinion there was no case law that supported the second low bidders protest, and there were no opinions by the Attorney General regarding the matter. He also spoke with the City Attorney regarding the issue. It was Mr. Osborne's recommendation that the city council accept the low bid by Balmelli Trucking Inc. in the amount of \$694,629.78.

Mayor Ketchum asked if the second low bidder had any recourse. Amanda Vey stated he might have recourse if he were to spend the time, effort, and money seeking an injunction. She reported she did speak with Mr. Osborne earlier in the day and also spoke briefly with City Manager MacReynold, and based on what was discussed it would appear the bid by Balmelli Trucking complied with the bid requirements as well as with the RCW. She noted Balmelli's intention was to comply with the RCW and he did not claim error on his bid. Ms. Vey stated it would appear that his bid was the appropriate low bid.

Councilor Dawes asked what Mr. Osborne meant by an "unbalanced" bid. Mr. Osborne stated his claim was with regard to trench excavation safety systems. He claimed that the bid price of zero implied he had merged the cost into another bid item. The RCW's were very specific in that you have to provide a bid item for a contractor to put the cost of that item of work in. Mr. Osborne stated Balmelli put in the amount as zero, which in Mr. Osborne's opinion meant it was negligible. In the second low bidders opinion it meant that he submitted an unbalanced bid. Mr. Osborne stated Balmelli could have thought that the cost was negligible and inserted zero. He reported the engineer who designed the project estimated the cost would be \$1,000. Mr. Osborne reported there was a bid item provided for it, and the contractor elected to put the unit price of zero. In Mr. Osborne's opinion, the bid item was provided per the law and the contractor was given the opportunity to put the money in there.

Councilor Harris noted it seemed that items No. 21, 22, 23, and 24 were zeroed out or negligible, but quite diminished compared to the other bids and asked if he was holding those expenses over into other things. Mr. Osborne stated the bid had three schedules of work. He added the contractor already mobilized to the project and put a price in for the mobilization under the storm work. As for the traffic control issue on the bid, Mr. Osborne thought the bidder might have written in zero because there was very little work that was actually being done on the pavement.

Councilor Fuller asked if the contractor would be liable if he was cited for not complying with the rules and regulations. Mr. Osborne stated it would be the contractor's liability. Mr. Osborne stated they notified the contractor they city had every intent of requiring trench excavation safety systems per the RCW's, adding Mr. Balmelli acknowledged that by letter, that he was intending to provide it per the RCW's.

Councilor Pope stated in the past contractors had come back and asked for change orders asking for more money. He wondered if Balmelli would be able to do that with those zeroed out bid items. Mr. Osborne stated whenever someone bids a public works project, whether by units or lump sum, it would not preclude the fact that there might be a change on the job that warrants additional money. He stated his recommendation to the city would be that if there was additional work, outside of the contract that was warranted, and the council wanted it done, council could approve a change order. To answer the question of whether there would be a change order, Mr. Osborne stated he didn't know. As for the two items that Balmelli bid zeros on, Mr.

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Osborne didn't believe there was any justification for a change order.

Councilor Dawes moved that the council award the bid for the Airport Road Utility Extension, Phase 1, project to Balmelli Trucking Inc. for the bid price of \$694,629.78. The motion was seconded by Councilor Lund and carried unanimously.

Mr. Nacht then reported on the conceptual master plan of the airport property submitted by Twin City Towne Center, and the conceptual design of the Barnes property. He added there was no adopted plan for that property other than the document that identified what might occur on the Barnes property. Mr. Nacht reported it was developed for the benefit of the future extension of Louisiana Avenue and its connection to Airport Road, most particularly the mitigation requirements of the county for whenever they start their development. He reported they had to have a conceptual master plan for the property, but it was only based on a concept.

12. Staff Reports.

a. **Employee Service Award.** City Manager MacReynold recognized Mayor Ketchum for his ten years of service to the citizens, community, employees, and staff of the city of Chehalis. He presented Mayor Ketchum with a service pin and an award.

b. **2006 Second Quarter Analysis of Revenues and Expenditures.** Jim Larson reported there were no surprises to report, adding all the funds were progressing as expected. Mayor Ketchum asked if Mr. Larson would provide council with the sales tax revenue report they had received in the past. Mr. Larson stated he would give the council a copy of the quarterly sales tax report. He added the sales tax was at its projection, which was always nice. Mr. Larson reported that sales tax was sensitive to the economy, noting if the economy was to have some kind of downturn in the second half of the year things could turn about, but so far it looked good.

Councilor Harris stated they were already way ahead of the proposed budget for connection fees and wanted to point out that any time they were receiving positive cash flow that it would go against the debt service in the wastewater fund. Mr. Larson stated that was correct, they were ahead of where they expected to be in terms of connection fees. He added the new treatment plant was designed with a certain amount of capacity and the faster they got to that capacity the better it would be for the rate payers, adding the numbers represented the fact that it was moving in that direction.

Councilor Harris stated he would like to see if there was a way Mr. Larson could separate out capital facilities projects from the balances, because it really skewed the numbers when trying to figure out what was coming in and what was going out. Mr. Larson noted he and City Manager MacReynold had a discussion about that, and believed they had come up with a strategy that would make it work, and in the future he would be able to isolate capital projects out for the operating budget.

c. **Work Session with Lewis County.** City Manager MacReynold reported he needed to schedule a work session for a briefing from Lewis County on their draft flood management plan.

d. **Executive Session Planned.** City Manager MacReynold requested they have an executive session on August 14, concerning potential litigation, starting at 5:30 p.m.

e. **Ad Hoc Council Budget Committee.** City Manager MacReynold asked the council to consider establishing an ad hoc council budget committee. He reported one of the things he would like to do administratively, as they put the budget together, was to have an ad hoc committee consisting of three council members to meet with the administration during the departmental presentations of their budgets. City Manager MacReynold stated it would give him some insight on their thinking as he put the budget together. Mayor Ketchum felt that was a good idea, adding he would be on that committee along with two others. Councilor Taylor volunteered to be one of the two.

f. **Meeting with County to Discuss Regional Issues.** City Manager MacReynold reported he copied council on a letter received from the Lewis County Commissioners asking that the cities meet with them to discuss regional issues with reference to the flood management plan, and transportation. That meeting was set for August 2, 2006 at 8:00 a.m. City Manager MacReynold encouraged any of the council who were interested in that discussion to please attend the meeting.

g. **United Way Breakfast.** City Manger MacReynold reminded council about the United Way Breakfast scheduled for July 25, at 7:00 a.m. at the Aerie in Centralia. He reported it was the kick-off to their 2006 fundraising event.

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h. **RIM Process Put On Hold**. Mayor Ketchum reported he met with the Lewis County Commissioners and other Mayors of the county last week to talk about RIM. The consensus of the group was that the RIM process they were hoping to form would be put on hold. Mayor Ketchum stated they hoped to bring back something similar to the old Tri-Agency meetings sometime in September. He reported they had commitments from the other Mayors that they would actually show up for the meetings.

i. **Port Meeting**. Mayor Ketchum reported he attended a Port meeting on Thursday where they talked about their overall plan and vision. He stated he was very impressed and it looked like they were moving forward in a positive direction.

j. **Meeting With Fire District No. 6**. Mayor Ketchum reported they met on Friday with Fire District No. 6, adding it was probably one of the best meeting he had ever had with them. He stated they did accomplish a goal and would be getting the two Fire Chiefs and Dick Small together to put together a program. They would also be doing an analysis of the financial impact of annexation on both entities to see where they could go with it.

k. **Council Goal and Vision Session**. Mayor Ketchum reported on Saturday council attended the 2007 goal and vision session. He thanked the council for all the hard work they did. He noted in ten years, it was probably one of the best sessions they had ever had, adding he felt they set good goals and visions for the next year and a half. City Manager MacReynold added how much he appreciated the meeting. He stated it was very productive and they learned a lot. He commended the councilors for their commitment and the work they did. He reported they planned on bringing the goals back to council in a draft form for their review and comment. City Manager MacReynold reported he would like to bring them to the August 14 meeting as a resolution for council to formerly take action on them publicly.

l. **Chief Millers Barbeque**. Mayor Ketchum thanked Tim Grochowski and his crew for the barbeque they put on for Dale Miller.

There being no further business to come before the council, the meeting was adjourned at 7:34 p.m.

Mayor

Attest:

City Clerk

August 7, 2006

The Chehalis city council met in special session on Monday, August 7, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 5:08 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, and Dennis Dawes. Councilor Taylor was excused. Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Joanne Schwartz, Community Services Director; Tim Grochowski, Public Works Director; and Bob Nacht, Community Development Manager. Members of the news media in attendance included Paul Walker of KITI Radio.

1. Briefing on the Draft Floodplain Management Policies in the New Lewis County CFHMP Project. Lewis County Public Works Director Mark Cook reported the county had been in the process for a little more than one year, trying to put together policies for a proposed Comprehensive Flood Hazard Management Plan (CFHMP). He noted a stakeholders group was formed to develop front-end policies that were now being taken to every city and port in the county for discussion. Mr. Cook stated the intent was to get the policies in final form as soon as they could, adding some of the policies were very significant and had some potential far-reaching ramifications as to how to handle floodplain management in the county.

Mr. Cook reported the county contracted with Brown & Caldwell with support from Dewberry & Davis, a National FEMA contractor on the east coast, to work with them on the CFHMP. Mr. Cook walked the council through the areas he believed to be the most contentious. Some of the issues discussed were:

- Adverse impacts by land use decisions made in the upper areas of the floodplain, particularly the Centralia and Chehalis area
- Compensatory storage
- Current policy on the one-foot rise concept
- Floodplain permitting for the last decade
- Increasing challenges – environmental and legal

Mr. Cook stated one of the issues they first looked at was a no-adverse impact approach, which Mr. Cook described as a concept/policy/strategy that broadens one's focus from the built environment to include how changes to the built environment potentially impact other properties. He reported they tried to apply it in a practical manner within the region, trying to find if there was a proposal of offsetting mitigation that would be attractive to down-streamers.

Mr. Cook reported on compensatory storage (RDS-3) and explained how they came up with the proposed figure of 1.5:1 mitigation requirement, adding it was just a figure thrown out to get some discussion going. The concept of the 1.5:1 meant if you were to fill in the floodplain with 100 cubic yards of fill, you would have to create 150 cubic yards of offsetting storage somewhere else. Councilor Harris asked what benefit it would be if the offsetting area was potentially underwater. Mr. Cook noted they would first need to make sure the areas identified for supplemental storage were not in hydraulic continuity with the river. Steve Anderson of Brown & Caldwell stated the storage area would need to be above the groundwater table, and still in the floodplain.

Mr. Cook reported under the city's current one-foot rise, if a fill proposal were received it would have to be at least one-foot above base flood elevation. Under the county's proposal if the city excavated a certain amount of volume from the floodplain, not susceptible to groundwater, the fill would only have to reach the base flood elevation, and that would be all anyone would have to account for in storage. Mr. Cook noted they were having issues communicating that concept because people were thinking they had to mitigate the entirety of the fill, and that was not accurate under the county's policy. Mr. Cook reported if an area was located in proximity to a floodplain you could use the excavated dirt for the site fill. He noted in that scenario the impact would be potentially minimized, but if you were to bring fill in from the hillside that could have some adverse economic impact.

Mr. Cook reported what they tried to do with the proposals was to find a basis in application, primarily in Washington and other areas in the country where they were being applied. He noted they wanted to make sure they were using policies that were already tested somewhere in the nation. Mr. Cook stated the concept of compensatory storage was not in any way new, adding it was fairly longstanding in the nation.

Councilor Pope asked if someone wanted to build in the floodplain and only wanted to fill the area they were building on, would they still need to mitigate it. Mr. Cook stated yes they would.

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Councilor Pope reported there was a situation where the city put in some infrastructure and because the city had a certain amount of impervious ground we were required to create some storage in that area, which took up a large area of land. He noted the county didn't have any kind of drainage system in the area, and the city was getting drainage from everyone else's property around it, yet the city had to mitigate its property. Mr. Cook stated the county currently did not have a comprehensive stormwater management utility, but cities were adopting those to manage stormwater runoff from impervious surfaces. He reported what they were finding as they did their own improvements was they had to create storage just like the city because they were subject to the same state regulations.

Mr. Cook stated if we as a community, determine there was a certain risk of going under the current regulation, relative to potential project delay, and say we want to mitigate those in a comprehensive way, it would make sense for the jurisdictions to jointly participate in creating regional facilities that would initially offset the first proposal where they have reserve capacity for additional proposals. He added that was the very thing they had talked to city staff about as it related to the Airport Road project.

Mr. Cook stated the Airport Road project had a federal environmental statement attached to it to offset the impact of raising Airport Road to a 100-year levy elevation. He reported they learned several months ago the city had an interest in filling further behind the airport levy, and that was when they began discussions about a more comprehensive approach to the mitigation project for Airport Road. Mr. Cook stated if the city and county went together to create a single mitigation site, then potentially the city would not have to come back in every permit application for that development to offset storage and impacts. He reported they had heard from folks downstream that they believed that would be acceptable, and could be facilitated to support getting that kind of regional storage facility in to play. Mr. Cook noted there would be some threshold of impact where the policy wouldn't even come into play, adding there were numerous small proposals that had little to absolutely no impact to the floodplain. Mr. Cook felt the future was for everyone to work cooperatively in the regional facilities.

Councilor Pope asked who would have control over the regional comprehensive floodplain mitigation area, to make decision as to who would be allowed or not allowed to mitigate. He thought that decision was currently in the hands of the city. Mr. Cook stated the partners that were funding and constructing the regional facility would make those decisions jointly. He presumed the allocation of volume would be pursuant to the investment percentage using an interlocal agreement, much like they had done for deferring permit authority to the UGA. Mr. Cook stated the county would spell out very clearly what additional capacity exists and who had control of it. Councilor Pope noted if the city decided to go through the whole process, the Tribe could still veto it within the jurisdiction of the law. Mr. Cook stated one of the discussions they had with the Tribe had to do with the approval of problematic state environmental policy act proposals. He reported once the tribe committed themselves and their comments were accepted, and they accept the outcome of the SEPA mitigation they would not be able to undo it. Mr. Cook noted it was the Tribes perception that land use decisions were being made without their ability to ask for mitigation. He believed after meeting with the Tribes for two and a half hours the county saw very clearly what they thought would be the Tribes future behavior, as it related to working cooperatively to insure that mitigations were in place, adding they would become a proponent for development rather than an opponent.

Councilor Harris noted it was hard to tell who, what, how, or where things were negatively impacted. In reference to the term "no adverse impact" Councilor Harris asked how Mr. Cook proved a negative. Mr. Cook stated if they started with one cubic foot of fill in the floodplain it would displace one cubic foot of water. He used the example, if you had a bathtub full of water and you put a marble into the bathtub, you would raise the level of water in the bathtub. Councilor Harris stated that was correct, but what he was trying to figure out was why the issue was coming from the county's forum and not from the Chehalis River Basin Partnership, noting the Tribes were part of the partnership. Councilor Harris, being on the Chehalis River Basin Partnership, reported none of them were ever made aware of the issue until the meeting they had a few days ago. Mr. Cook felt they might have failed by not communicating well, how significant the changes were likely to be from a policy perspective. He added he thought there was a presumption this was just another county plan, and didn't believe they kept the attention of the project participants like they should have. Mr. Cook noted what might have been helpful was a newsletter to the initial solicited list of participants saying the county was really serious. He noted they did do a follow-up to the mayors because they believed the cities were participating through city managers. Mr. Cook noted they had extended their process and were genuinely reaching out to staff and decision makers saying if this process doesn't make sense to you, what does. Mr. Cook didn't believe that managing their relationships countywide and dealing with two tribal agencies, that they would be successful in keeping their current approach in place. He noted they were currently using a similar strategy as the city, but didn't believe that was going to be successful for them in the long-term.

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Mr. Cook reported they were trying to get the two cities on board at some level with the county, asking if it wasn't a fifty percent proposal, was there any level of mitigation that made sense. He hoped with the additional background information the council could better understand what was motivating the county at that time to go forward with the plan. Mr. Cook reported county staff was trying to find ways to help neighboring cities get positioned so they could receive more funding, adding that was another thing that would come out of the update.

Mr. Cook noted one thing they wanted to differentiate was the federal flood control project itself, because he didn't want to get stuck with a 150 percent mitigation for a project that had been going on for twenty years. He noted at the time the county was developing the policies they were very cognizant that they had a large federal flood control project and thought the benefits of that project were so large in the region, and the adverse potential of having to create offsetting storage was so great they wrote in a proviso under those conditions that the 150 percent storage would not apply.

Additional discussion between the Council and Mr. Cook included:

- Downstream adverse effects
- The flood mitigation identified in the environmental impact statement
- The airport dike, seawall, and levy construction
- The federal flood control project identified at SR6 and Scheuber Road
- Displacement of water and storage

Councilor Pope asked what the costs were going to be to the city for the development, and for future costs. Mr. Cook stated the city could take any proposal that had excavation in it and add fifty percent to it. He added that would be a true cost increase because it was going to cost more per yard to excavate materials. Mayor Ketchum asked if the developers would be paying that additional cost. Mr. Cook stated yes, adding there was no way around it. He added the impact would be minimal for the kind of industries the city would be attracting, if the city were pulling from the more urbanized portion of the northern part of the state. He noted the real estate savings would well offset any problem in increased excavation costs. Mr. Cook felt the city would find they would remain very competitive in the region and would continue to attract large investment proposals because our land was "dirt-cheap."

Councilor Pope stated he read through the city staff's notes and comments, and asked if city administration had anything to add. Bob Nacht reported there was nothing at that time.

City Manager MacReynold asked what the difference was between a floodplain and a floodway. Mr. Anderson explained that the FEMA floodplain was the area that flooded statistically once every one hundred years, and the floodway was simply a computer model used to squeeze in the boundaries of the floodplain to generate a one-foot rise in water elevation. He noted FEMA and the national flood insurance program used the floodway maps as insurance tools to create an insurance risk management strategy, which jurisdictions were using in certain areas of the floodplain to regulate and minimize insurance losses. Mr. Anderson noted the definitions would change as jurisdictions move from one-foot rise floodways to zero-rise floodways.

City Manager MacReynold noted the situation in Chehalis was significantly different than what was happening in Centralia. He asked if there had been any discussion at the county about them identifying sites for jurisdictions to do mitigation, if they couldn't mitigate within their own boundaries, or their UGAs. Mr. Cook reported in the last year the county worked with the Washington State Association of Cities, and the Association of Counties to move proposals through the legislature that would allow them to implement watershed plans, and the water resource inventory area plans that were being constructed across the state for the Chehalis and the Cowlitz. He added as they moved into phase 4 there were a host of projects that would never get built under the current plan because it was just too expensive for the state to try and implement them. Mr. Cook noted they talked about was having the county become a clearing-house for all of those projects. He stated the county would create a Database with all of those projects and when a developer comes in wanting to redevelop sites, they can look at the mitigation requirements and work with other jurisdictions to make provisions to help cities develop.

City Manager MacReynold inquired about some of the language in section RDS-3 where it talked about "Outside of UGAs compensatory storage will be required at a ratio of 1.5:1 and in all floodplain areas on-site. Also for areas inside with UGAs compensatory storage will be required at the same ratio, preferably on-site or within the same hydraulic reach." City Manager MacReynold noted that could mean within the UGA it would be the same. He noted it could be read as one to one, or it could be read as one point five to one. Mr. Cook stated it was intended to mean one point five to one. He noted they intended to

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make mitigation consistent with both the cities and the county.

Councilor Harris asked what "hydraulic reach" meant. Mr. Anderson explained the intent was that it would be connected in approximately the same location. He noted if they were to mitigate farther downstream it wouldn't benefit anyone, the mitigation would have to be provided in a location where the proposal occurred. Mr. Anderson also talked about equal conveyance, which meant you would not only provide the same floodplain storage, but when you have a flow moving through you wouldn't be blocking it either. City Manager MacReynold asked how jurisdictions were going to deal with it if they didn't have that opportunity and were forced to look for a different site. He asked if the county was going to provide sites to meet that demand. Mr. Cook stated until and unless the state regulatory agencies gave a nod to their strategy to off-site mitigation the answer would be no, adding that was where they were struggling. He stated that was where using the federal flood control project was so essential for Airport Road because it already had a final environmental impact statement that had been reviewed and approved not only by local regulatory, tribal, and resource agencies, but by the federal government. Mr. Cook stated if the city walked away from that flood control project and lost that connection, the city would be doing its own environmental impact statement for Airport Road, which could put the project back twelve to eighteen months. He added that kind of delay could potentially kill the TIB grant.

City Manager MacReynold stated from a policy position what Mr. Cook was proposing might not be a good situation for some, adding it could create huge costs for jurisdictions. He noted both the county and the state needed to see themselves as partners in trying to make it work, if that was the right approach. Mr. Cook stated one test would be to continue business as usual and see if there were any roadblocks that occur to any jurisdictions that choose to say the one-foot rise strategy was applicable, and they were not going to change. Mr. Cook noted in that, they may not have a county partner because their interest may not align. Mr. Cook stated it was their intent to come up with a strategy they could all agree on and co-op all the partners into, asking again if it wasn't a one hundred fifty percent storage, what should it be then.

Mr. Nacht asked what it would do if the county's proposed plan did not contain the one hundred fifty percent compensatory storage as a blanket rule, but said every fill project shall be reviewed on its own merit. He wondered if it would be effective, or if there would be other political ramifications if that were to be done. Mr. Cook reported one of the things they had already seen was the reliance of a hydraulic model created by a consultant. He noted the county no longer employed that model because it created problems, and the downstreamers said the model was invalid. Mr. Nacht asked if in a year from now everyone was accepting of the FEMA model, was that something the county plan might embrace. Mr. Anderson stated what they might find with the downstream partners was they would still play to the cumulative impact issue and say from a decimal standpoint each individual project had no impact, but when added all up there would be adverse impact. Mr. Nacht asked if mitigation could be required with no cumulative impact, adding it would go back to a no adverse impact zero rise policy from that day forward based on the model. He noted it wouldn't do what the one hundred fifty percent would do, but asked if the county's plan could be revised to accept something of that nature. Mr. Cook reiterated the county's plan could be revised. He stated to get any revisions they would need to first start the dialog and see if they can co-op the original stakeholders group into revisiting the policies. Mr. Cook noted the policies came through the stakeholders group, not the county. He added if any of the local jurisdictions had counter-proposals they needed to get those to the table. Mr. Cook stated it would be up to that group to make a decision about advising the county on any revisions to the policies.

Councilor Harris asked if any of the other partners, other than the Tribes, had been saying anything, and wondered if this was just a unilateral situation by Lewis County, or was it going to benefit all of the partners. It seemed to him that if Lewis County was trying to be on the cutting edge maybe they should be contacting all the other counties affected by the Chehalis River Basin. Councilor Harris asked if the solutions were so good then why weren't the others looking for them as well. Mr. Cook stated the executive flood committee ceased to function about six months ago, right when they were getting towards the end of the policy development. He had presumed that would have been a vehicle to engage all the members involved. Mr. Cook stated they had requested that the executive flood committee reconvene so they could discuss the significance of the plan, adding they may find them considering similar approaches that complement our own, downstream. Mr. Anderson noted under state law the county had an obligation to have an up-to-date flood plan for funding, regardless of whether the downstream jurisdictions adopt the same regulations. He felt the intent was to make sure they were doing what was best for the county, and at the same time minimize and prevent any impacts downstream, thus the adverse impact approach.

Mr. Cook reported what was best for the county right now was economic development, adding they had to find a way to shift the paradigm from an increasing opposition to a support position for that economic development. He noted we were not there yet and were without a mechanism to do so. Mr. Cook continued to talk briefly on other ramifications of cooperative models and the archeological review process.

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Councilor Pope noted he heard that Washington State was at the top of the list for land development and that Olympia, Centralia, and Chehalis were the primary areas. Mr. Cook reported they were seeing the pressures of urbanization and would see it also in the relationships between the agencies. Mr. Cook stated if they were going to diversify the economy they were going to have to develop the I-5 corridor. In that, they had to figure out how to make all of that compliant, and it was the county's attempt to do that by trying to find a flood strategy that would take us from opposing development to supporting development.

Councilor Dawes believed that opposing development in other jurisdictions played a key roll in things and hoped to get to the point where they realize they were going to have to work together, adding there was plenty for everybody. Councilor Dawes added he knew the issue of the floodplain was more than just making a hole bigger. He hoped the focus of any kind of flood plan the county was putting together would include working with the people in our own area and downstream. Councilor Dawes believed the involved counties should try to work together to come up with the same plan in regards to compensatory storage since it involved the same watershed, flow area, and river.

Councilor Dawes stated he didn't believe anyone could sit down and honestly say they didn't know if the effects our fellow neighbors are feeling downstream were being caused by development done here, or by what mother nature had done to the river over the course of the last fifty years. Mayor Ketchum stated they knew the river was full of silt and it wasn't as deep as used to be, therefore it was unable to take as much water as it used to. Mr. Anderson stated it was a given that all rivers move around and transport sediment, adding that was the background we were operating with and when we start developing in the floodplain we automatically put ourselves in harms way. He noted it was also a given that when we take away storage in the floodplain, we will raise water service elevations.

Councilor Harris stated flooding really depended on where the water dropped, how it dropped and what tributaries it hit. He asked if the county was basing its mitigation on a worst-case scenario. Mr. Anderson stated it goes back to the insurance principle; they regulate a one hundred year floodplain, which was a conscious public policy risk decision the county chooses to regulate, which had been generated at the federal level for years. Mr. Anderson reported they used hydraulic models to see and predict where the flows are going to be. Councilor Harris asked who was producing those models for the city. Mr. Cook reported they negotiated directly with FEMA, and at FEMA's costs they took their model and gave it to another consultant who changed the entire platform. He added the model platform they were given from the county's consultant would not have met that test. He stated FEMA would be paying for it because it would then become the basis to remap the Skookumchuck to the Chehalis Basin. Councilor Harris asked if Mr. Cook was able to give them every piece of information they would need to make that model. Mr. Cook stated they had the handwritten cross-sections that their consultant had several boxes of, but couldn't tell Councilor Harris if everything was given to them because he wasn't with the county in those first ten years. He did however note the model would not be available for another year. Mr. Cook stated once that happened they would be able to do some outreach with down streamers to see if they had higher confidence in the new model.

Councilor Dawes asked if the plan was under a timeline that it had to be done by, or was the model being developed by FEMA so far down the road that the county decision-makers couldn't consider it. Mr. Cook stated relative to the county's timeline they were somewhat inflexible, but had opportunity to go back and petition for a time extension if needed. He stated the model, as it related to the entire county was not sufficient enough in scope that it would cause him to say they would have to wait for it. He added it was not going to change the bulk of the county, only the Skookumchuck and the lower Chehalis regions.

Mayor Ketchum stated each flood was different, adding certain things can happen somewhere else to cause a completely different flooding situation. Councilor Harris noted unless they made it broad-based and hit everything; all they would be doing was changing confluents. He added once you start filling you still have the same amount of water going downstream; you just start forcing the water through different holes. Mr. Anderson stated he wasn't sure he understood what Councilor Harris was trying to point out, but responded by saying the way stormwater and flood flows route through a system was similar to a detention basin. That being, the storage in the detention basins would allow a lower flow through the system than if you didn't have a basin. He added if you took away storage, the flows would increase. Mr. Anderson reported the same thing would happen if you had a lack of compensatory storage, it would force the amount of water downstream to increase. He stated when a flood flows through a system it doesn't just happen at a steady pace, it goes through in a pulse, adding once the storage area filled up with water, at the peak it would start passing down. By keeping the compensatory storage it will help keep the peaks down.

In reference to the plan, Councilor Dawes asked if they were just going to go after part of the problem, referring to the ones that had been identified because they were the more visible, or were they also going to address other issues such as the adverse impact of development taking place on hills that might flow water down to the lower streams. Mr. Cook stated yes, they

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were doing it incrementally, but their plan only dealt with floodplain land and was not intended to take on the entire scope of water issues. He noted the city had its own ordinances that dealt with stormwater runoff. Mr. Cook stated the city might find the ability to compliment comprehensive stormwater capital facility planning with their plan, and if they identified an area for compensatory storage they might find it to be a regional facility for some of the lesser stormwater events, thereby complementing the city's stormwater management plan with their flood hazard management plan. He noted Councilor Dawes' observation was accurate in that they couldn't work them independently they had to be worked together. Councilor Dawes stated from his vantage point, having the lesser knowledge among the council on flood issues, he embraced the statement that they needed to make sure they addressed the ability for all the communities in Lewis County to be able to develop. He noted there would be a residual affect to our neighbors both upstream and downstream, and whatever they decide to do they needed to make sure each entity had the ability to survive because that was the only way we were going to make it.

Councilor Fuller asked if the 1.5:1 was the federal standard. Mr. Cook stated no, they came up with that number as a stakeholder group. Councilor Fuller asked if they looked at a smaller number. Mr. Cook reported that was the discussion they were inviting. He added if the down streamers believed we were not sincere in trying to create offsetting storage, it would fail. Mr. Cook stated they thought through the fifty percent out there because it seemed like a good number to let them know we were serious. He presumed there could be a lesser number, but could not tell the council what that number was, but if there was any attraction to the concept of compensatory storage, they needed to begin that discussion. Mr. Cook stated if they could get every city in the county to sign on to a plan it would make things a lot easier for the administrators. It would also minimize any potential conflict the city might have by adopting a lesser standard as it related to trying to get the city's flood projects funded by the Department of Ecology. Mr. Anderson noted the developers liked consistency as well.

Councilor Harris talked about retention ponds and asked what good they were if they were always full of water. He asked if they were really going to be doing something, or were they just digging holes that will fill up with water. Mr. Anderson noted what Councilor Harris might be referring to was what they called "wet ponds." He stated they do actually design wet ponds because settling of sediments and effluents was better, and a common design for stormwater treatment. Mr. Cook noted Councilor Harris's point was a good one, adding they wouldn't want to approach a compensatory storage proposal that had ground water influence. He added they wouldn't gain anything unless they designed it with that groundwater level already in it.

Mayor Ketchum stated he had questions as to what the city was supposed to do in regards to the Water Energy Resource Development Act (WERDA) funding, which the county received for the design phase of the flood control project. Mr. Cook stated the question that needed to be asked was what was congress going to do.

Larry Keeton, Chief of Staff for Lewis County gave a brief overview of the flood control project issues and how they were tied to WERDA. He reported the flood control project was the one the city hired PIE to do ten years ago. The project consisted of putting a wier on the Skookumchuck Dam, along with a community and transportation levy. Mr. Keeton reported the house passed WERDA several years ago, but the senate held it up for a couple of years based on their issues with the Corp of Engineers, and funding. He reported two weeks ago the senate passed WERDA, but the administration had not accepted the plans yet because it was too expensive on the senate side.

Mr. Keeton reported there was going to be a conference committee that would make a comparison between the two bills from the house and the senate, and they would eventually come up with a WERDA bill. Mr. Keeton stated in their discussion with the Corp, they were told they were never going to get to the dam, but there was a plan for the levies. He reported when they went to the flood control group they looked at how the levy process would be and broke it down into two groups. The first was a community levy that would run through town, and the second was the transportation levy, which was designed to protect I-5. Mr. Keeton reported the federal government was never going to put one hundred million dollars towards the project, but may fund a part of the project.

Mr. Keeton stated the I-5 piece of it was of interest because it was the main transportation corridor for the west coast. Mr. Keeton stated there would be interest in trying to protect I-5, adding that's what he thought Mr. Cook was trying to point out on Wednesday, adding if they walk away from the project they lose that ability to do that kind of protection. He stated he thought that was where they were trying to tell the city to go.

Mr. Keeton stated the county had concerns because they worked with the Corp of Engineers and entered into a design agreement. He noted the county was not interested in being the sole bill payer for that project, and the cities needed to be players. The reason being was that if congress ever did fund the project and the state brought up it's portion, the cities and the county were going to be tasked to maintain those levies, if they were ever built. Mr. Keeton believed DOT would get tapped

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to fund a part of those and to maintain their portion, but the county would also be required to maintain their portion as well.

Mayor Ketchum stated they knew, as the city and the county, we could not come up with a hundred million dollars for the diking, adding he heard there might be some money there to do some kind of design phase. Mayor Ketchum stated he and the others had several questions after they left the meeting on Wednesday concerning the design, the diking system, and the development of I-5. He noted they were told if the cities kept considering the diking system, we would lose control of the design and developing of I-5. Mr. Keeton stated that was correct because it was one project.

Mayor Ketchum asked what it was they were supposed to decide on. Mr. Keeton stated the first question was; does the city enter into an interlocal agreement with the county to look at a flood control project; and secondly, when the design gets to a point where they can actually construct, do the cities and county say yes we want to go forward with construction. Mr. Keeton noted as a part of the design agreement there was a "project management plan," which was developed by the Corp that talked about transportation levies (Airport Road), community levies, and the Skookumchuck dam. He reported the way the PNP was put together the county could control what the focus and design was on. He noted one of the interesting pieces was, for this project the senate put \$150,000 into the Corps budget for design, and the house put in zero. Of that \$150,000, \$75,000 would go to the Corp for design. Mr. Keeton reported that was \$211,000 that the state legislature put into the county's budget for the flood control project. He noted there was another entity trying to take that money, but the county was not interested in giving it up yet, not until they know if the county will fall out or whether they want to play in the game.

Mr. Keeton reported there was a meeting scheduled on August 17 for the city administration to meet with the county to come up with some solutions on what they, as a group, think we can do. They would then take those recommendations back to their councils. Mr. Keeton noted they also scheduled a meeting on August 23 for the councils to send their representatives, to bring back some options and recommendations. Mr. Keeton stated the city could then make a decision because after that meeting the board would have a sense of whether or not they would move forward with the Corp, or not.

Mr. Keeton stated if it does move forward it would come back to each entity as an interlocal agreement. He noted the flood control group actually terminated in 2003 because it never renewed the interlocal agreements with all the other entities. Mr. Keeton stated the new interlocal agreement would be different than the previous one, adding it would point the county as lead, but also made the county an equal partner with the cities so the they and the other players get a vote.

Mr. Cook stated if they don't pursue the federal flood control project, they lose the ability to supplement the EIS for Airport Road. From a strategic perspective if they go to the design agreement they would at least have the ability then to lobby the legislature at the next session to implement the transportation levy segment. Mr. Cook stated they were all going to have ramifications, but they needed to talk through it and take action as a community.

City Manager MacReynold stated it was pretty straight forward, and if the Mayor couldn't be at the meeting then someone from the council should be. Mayor Ketchum stated they could get Councilor Taylor to attend on August 23. Mr. Keeton noted Councilor Taylor and the city manager had been the ones to attend in the past.

Mayor Ketchum asked if they should adjourn in to executive session regarding potential litigation. City Manager MacReynold noted there was no city attorney present and recommended holding off until August 14. City Manager MacReynold scheduled an executive session for August 14, at 5:00 p.m. Mayor Ketchum noted they would have to come up with some kind of discussion point to take back to the meeting on August 23.

There being no further business to come before the council, the meeting was adjourned at 6:40 p.m.

Mayor

Attest:

City Clerk

August 14, 2006

The Chehalis city council met in regular session on Monday, August 14, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 5:02 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Chad Taylor, and Dennis Dawes. Councilor Lund was excused. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Bob Nacht, Community Development Manager.

1. **Executive Session.** Mayor Ketchum announced council would convene into executive session for one hour pursuant to RCW 42.30.110(1)(i) – potential litigation, and RCW 42.30.110(1)(g) – quarterly public employee review, and no decision would be announced following the conclusion of the executive session.

Mayor Ketchum closed the executive session at 6:06 p.m. and announced council would take a two-minute recess. Mayor Ketchum reopened the regular meeting at 6:09 p.m. Additional staff included: Bill Kolden, Human Resources Director; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Fire Chief; Tim Grochowski, Public Works Director; and Dave Vasilauskas, Water Superintendent. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

2. **Consent Calendar.** Councilor Taylor moved to approve the consent calendar comprised of the following:

- a. Minutes of the special meeting of July 17, 2006, and the regular meeting of July 24, 2006;
- b. Claim Vouchers No. 83019-83199 in the amount of \$392,848.49 dated August 7, 2006; and Payroll Vouchers No. 26869-27058 in the amount of \$662,776.40 dated July 31, 2006;
- c. Authorize city manager to sign agreement with Gray & Osborne, Inc., for construction management services for the Airport Road Utility Extension Project – Phase 1 in an amount not to exceed \$58,700;
- d. Authorize city manager to sign professional services contract for “on-call” engineering services with Gray & Osborne, Inc.;
- e. Award Coal Creek Road Water Main Maintenance Project to Martin Sand & Gravel, Inc. in the amount of \$17,802.69; and
- f. Authorize city manager to sign management services agreement with Jerry Boes for certain capital facilities programs.

The motion was seconded by Councilor Dawes and carried unanimously.

3. **Establishment of Local Basketball Team.** Timothy Joseph reported he was trying to establish professional basketball in Lewis County, and had an interest to start pushing local talent. Mr. Joseph talked briefly about the talent here in Lewis County, and what they would be able to put back into the community. Mr. Joseph passed out a list of local people and businesses who were backing their efforts.

Mr. Joseph stated ESPN was looking at them for a 2008 contract, and they were also in negotiations with the CBA. He noted the NBA was constantly knocking on his door, trying to make feeder teams. Mr. Joseph stated he didn't have a problem with that as long as it pushed local talent.

Mr. Joseph stated whether they played in Chehalis or not, they would still be playing in Lewis County. He noted all the other towns had given them their blessing, and wanted them to come to their gyms to play, adding the city of Winlock was pushing hard because of their growth. Mr. Joseph reported because of all the local talent they wanted to start a farm-system here in Lewis County.

It was Mr. Josephs hope to be able to put money back into education for the children, and the community. He noted they were not leaving Lewis County and hoped to be accepted by the city of Chehalis. He added they had a viable product that would give people hope, while giving the kids in our community something to do.

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Mayor Ketchum asked what it was that Mr. Joseph would like the city to do. Mr. Joseph stated they just wanted the city to accept them. He asked if the city could do a resolution similar to what Napavine did to show support for their basketball team. He added Napavine wanted them to be exclusive there.

Mayor Ketchum stated he would leave it up to the council and bring it back on the next agenda in two weeks. Mr. Joseph thanked the council for their time.

4. Consolidation Planning Agreement Between City of Chehalis and Lewis County Fire Protection District No. 6. City Manager MacReynold reported the planning agreement was a very important step for the city, and a long-term strategy to work out the issues between Fire District No. 6 and the city in reference to fire service in the future annexation area. He reported a committee was formed to meet with the fire district and they came up with a proposed agreement on how to determine the best way of providing fire service in that area. City Manager MacReynold encouraged the council's support and approval of the agreement.

Councilor Dawes stated he had a chance to look the agreement over and felt it was a great step forward, and commended those involved in getting it to that point. He noted the agreement called for a shared 50/50 cost, but it didn't say anywhere in the agreement what those costs were, adding he wasn't real excited about authorizing blank checks. Councilor Dawes stated at the time they receive the request for qualifications would most likely be when the city signs off on a monetary amount. City Manager MacReynold stated that was correct.

Councilor Pope moved that the council suspend the rules requiring two readings. Councilor Harris seconded the motion. Councilor Dawes asked why they had to suspend the rules when it was just an agreement. Bill Hillier noted all they had to do was pass a motion on it. Councilor Harris withdrew his second and Councilor Pope removed his original motion. Councilor Pope moved that the council pass the proposed agreement on first and final reading. Councilor Harris seconded the motion.

Mayor Ketchum stated there was a tremendous turnabout and the committee had come a long way in the last six months. He added it was nice to be able to talk, listen, and iron issues out across the table instead of arguing about them. Mayor Ketchum stated he felt the committee came up with a good plan and hoped they would be able to find a neutral party to take it to the next step, and hopefully get annexation up and running. Councilor Dawes felt it was safe to say it came a long way in a short period of time. The motion carried unanimously.

5. ChehalisFest. David Hartz of the Book 'n' Brush reported on the event that took place on July 29. He noted it was the second such event since he had been in town and hoped it was the beginning of many annual fests. He presented council with some random photos taken during the event, noting he unfortunately didn't get the one with City Manager MacReynold or Councilor Dawes eating during the mint dessert contest.

Mr. Hartz reported they had a successful festival with approximately thirty vendors, and had forty-five vehicles show up for the car show. He noted Councilor Lund was very successful with his matinee movie at 10:00 a.m., having about 255 attendees. Mr. Hartz thought they may have had a few more people attend last year, but they had a breadth of people because they were staying longer this year.

Mr. Hartz thanked the committee who helped out with the event, adding they were already planning for next year, which would take place on Saturday July 28. Mr. Hartz wanted the event to be fun so families could look back and talk about what they did at ChehalisFest.

Councilor Taylor reported he took his family down and they had the best time, adding it almost had the feel of a fair. He stated Mr. Hartz did a good job. Mr. Hartz stated he had a wonderful committee, everybody had to jump in and carry a significant load, but that was part of the fun of doing it.

Mr. Hartz stated as he attends other festivals in the area, his eyes would be open to recruit good vendors. He thanked the council for allowing them to put on the festival.

Councilor Dawes reported it was a real food event for him starting out cooking breakfast at the museum, and then taking part in the dessert contest. He noted the one thing he did learn was when you take part in a dessert contest you only take one bite of each, although he couldn't quit eating the one that ultimately won because it was so good.

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Councilor Harris applauded Mr. Hartz for bringing such a positive attitude to Chehalis, and also thanked the committee for all their hard work. Mayor Ketchum stated it was amazing to see the downtown so alive. Mr. Hartz suggested bringing in Chehalis Avenue next year so it wasn't just a downtown affair.

5. **Chamber Way Update.** Tim Osborne of Gray & Osborne, Inc. reported they continued to review the bid construction documents that included the illumination design, a roundabout design, and specifications. He noted the critical path remained the same:

- Completion of the design drawings, which were about 90 percent complete
- Right-of-way acquisitions
- An interlocal agreement for construction management services with Washington State Department of Transportation (DOT)

Mr. Osborne noted the city manager had a meeting scheduled with DOT to talk about the interlocal agreement. He stated

the right-of-way acquisition was probably the most critical time element issue, adding there were four parcels that still needed to be acquired at NW Louisiana Avenue. Mr. Osborne noted one had been acquired from Wal-Mart on the Northwest corner, and a possession and use agreement had been signed for the Southeast corner, leaving CCA Retail and CCA Retail two to negotiate with.

Mr. Osborne stated CCA Retail was the corner sub-leased by Wendy's, also referred to as the Sangha Agreement. He noted the city's right-of-way attorney, Ken Ahlf, had presented possession and use agreements to all three parties. Mr. Osborne noted they would have until the end of the week to sign, and if not Mr. Ahlf would file a petition for condemnation with Lewis County. He noted the appraisal services for those three entities had been initiated.

Mr. Osborne stated if the agreements were signed that week, the city would have the right-of-way secured and would be able to go to bid. DOT would still need to certify the right-of-way, but even if that condition occurred, the city would still be able to build the project in 2007. If the agreements were not signed court action would be required, adding once the petition was filed with the court it would take about two months in which the property owner would have sixty days to sign the agreements. He reported if they don't, they would lose their right to recoup their attorney and expert witness fees. Mr. Osborne stated if they still refuse to sign, the worst-case scenario would be the city would have to go through the court to acquire possession. He stated it could take six to nine months, but it was very rare and the city attorney didn't anticipate it. Mr. Osborne noted in all scenarios the project would still be built next year.

Mr. Osborne reported they looked at doing some interim improvements along the corridor, which include widening some pavement sections to put in some extra turns. He noted they took the drawings from a few years ago, when the city was looking at doing something similar, and did some refinements to them and would be talking them up to DOT on Monday to discuss the interim improvements. Mr. Osborne noted the improvements would require both city and DOT approval and hoped the costs would be grants eligible. City Manager MacReynold noted the improvements would be done prior to the holiday season to help mitigate the traffic difficulties in that area. Councilor Dawes stated it was just a few years ago when he and Tim Grochowski asked for turn lanes on that same corridor and were told it didn't fit into our criteria. Councilor Dawes added it would make a definite improvement.

6. **Sister City Update.** Joanne Schwartz reported the delegation from Inasa-cho, Japan would arrive at Sea Tac Airport early Friday morning. She reported the delegation would include 16 people: 5 adults, and 11 junior high kids (9 girls and 2 boys). Ms. Schwartz reported on the various events they would be attending, which included:

- Friday – Introductions/gift presentation at the Activity Building
- Saturday and Sunday - Free day with host families
- Sunday - Evening potluck at Stan Hedwall Park
- Monday – Day trip to Mount St. Helens, and an evening steam train ride
- Tuesday – Day trip to Northwest Trek Wildlife Park
- Wednesday – “Chehalis Day” starting with a tour of IP Callison & Sons, the vintage motorcycle museum, shopping, lunch, tour the Chehalis Middle School, dinner with host families, and a farewell potluck dessert party
- Thursday - Delegation leaves early out of Portland

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Mayor Ketchum stated it was a council decision back in 1990 to start the relationship between Chehalis and Inasa, and really hoped the council would come and take part in the activities to show their interest in the program. He also thanked Councilor Lund for donating passes to the theatre for the kids and their host families. Councilor Taylor stated he had some Mariner's baseballs he would like to provide for the goodie bags. Ms. Schwartz thanked Councilor Taylor for his donation.

Ms. Schwartz noted over the years they had a number of city staff and councilor's go to Japan and wanted to make it clear that they were paying their own way. She stated they hoped to put a group together to go to Inasa in the spring. Mayor Ketchum also reported 2010 would be the 20-year anniversary.

City Manager MacReynold recognized Ms. Schwartz for her work on the program, adding it was one of the jobs his predecessor took great pride in. Ms. Schwartz stated expanding the sister city committee by two people really helped out and she could not have done it without Caryn Foley, adding it was a real team effort.

7. **Briefing on Façade Improvement Program.** Ms. Schwartz was excited to report they had received seven applications for the façade program. Five applications had been approved and they were already seeing some work being done downtown. Ms. Schwartz reported the five applications totaled almost \$22,000. She stated the Historic Preservation Commission was working with one of the applicants on their design, and another application just came in for review. Mayor Ketchum asked if the work being done to the building on Pacific Avenue was part of the program. Ms. Schwartz stated it was. The list of applicants included:

- Joe and Bud Kuehner - for their apartment building
- Harry Pallas - for a building on N. Market Boulevard
- Frank and Barbara Mason – (2) for work they will be doing on their buildings
- Helen and Jim Fechtner - for their building on N. Market Boulevard

Ms. Schwartz reported she knew there were others putting applications together, adding there was a lot of enthusiasm. She stated council was to be commended for their vision.

8. **Southwest Washington Fair Booth.** Ms. Schwartz reported for a number of years, even before the Lewis County Convention and Visitors Bureau, the city had a booth at the Fair. She noted every year the city of Chehalis had taken Tuesday as its day to man the booth. Ms. Schwartz recognized all the people working in the booth which included: Rowen and Brian Guenther, Keith Blackwell, Tim Grochowski, the ladies from United Way of Lewis County, Rick Alexander, Jerry Boes, Bill Kolden, and Councilor Harris. Mayor Ketchum stated if anyone ever had the chance to do it they should, adding it was a lot of fun getting to meet different individuals, while promoting and bragging about Chehalis. Ms. Schwartz stated she was proud that Chehalis was the only entity that was able to take a day and field the whole day.

9. **Council Reports.**

a. **Wi-Fi Update.** City Manager MacReynold stated a month ago he came to council with an idea of exploring the possibility of doing a Wi-Fi project in our downtown area. He noted there was interest at the county level, and with the Chehalis Community Marketing Committee. He stated he would be working on putting a committee together of six or seven people to include: one member each from Local Access, Lewis County, Comp-Prime/Quik Internet, The Chamber, and the city. The committee would also include one or two representatives from the downtown businesses.

City Manager MacReynold noted he had had some communication with Leavenworth's Chamber of Commerce and found out it was their downtown businesses that actually provided the service, not the city.

Councilor Dawes asked if he was still looking at citywide access. City Manager MacReynold stated he was only looking at the downtown area for right now. He noted in a discussion with Comp-Prime they didn't feel the city would need that many actual antennas or technology sites, maybe one or two others, with what already existed in the downtown area. Councilor Dawes stated he was just thinking of the businesses in the south-end, and it would be nice to offer it to them as well, adding it may be an incentive to get some people to stay in the motels. City Manager MacReynold stated Lewis County had an interest in looking at a larger area, but until they got together he didn't know what areas they were looking to expand to. Councilor Dawes stated anything they could do for the business out there would be helpful, noting it might be something they could partnership in to help offset some of the costs.

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b. **Chehalis Foundation – Kiddy Pool Update**. Councilor Pope reported the response from the community had been wonderful. Since the last report they had raised over \$62,000 in donations for the pool.

c. **Cascade County Cook-off/Steam Train Ride/Museum Update**. Councilor Dawes reported he had a fun time while attending and judging the Cascade Country Cook-off BBQ held in the Wal-Mart parking lot over the weekend, adding those people really take their barbequing seriously.

Councilor Dawes reported he also had an opportunity to take a steam train ride on Saturday. He added they had done a lot of work and were still in the process of getting the old Milwaukee Depot restored. Councilor Dawes stated he sent a thank-you note letting them to let them know the city really appreciated what they are doing over there.

Councilor Dawes reported he would be at the Museum's fair booth on Wednesday. He stated everything was moving along in a very positive direction with their interim director.

d. **Discussions with Lewis County on Flood Management, Flood Control, and Transportation**. Mayor Ketchum reported he and other city administrators met with the Lewis County Commissioners and the city of Centralia to discuss flood management, flood control, and transportation. He reported it was an informative workshop, and felt it was a good start by the county to get more communication going between all of the entities.

e. **City Audit Update**. Mayor Ketchum reported he and Councilor Harris met with the Washington State Auditors the week before for their introduction session, adding they were already busy auditing the city's finances.

f. **Community Spirit Awards**. Mayor Ketchum reported, at the Chamber Forum, he and Councilor Taylor presented Chehalis community spirit awards to Marlene Arata from the Parkside Salon & Spa, and to Michael and Kristy Devers and Shawn and Andy Hamilton, owners of the Kit Carson Restaurant. He noted the Chehalis Community Marketing Committee selected the businesses to receive the awards.

There being no further business to come before the council, the meeting was adjourned at 7:03 p.m.

Mayor

Attest:

City Clerk

August 28, 2006

The Chehalis city council met in regular session on Monday, August 28, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 6:05 p.m. with the following council members present: Dr. Isaac Pope, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor's Fuller and Harris were excused. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Bill Kolden, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; and Bob Nacht, Community Development Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

1. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:
 - a. Minutes of the special meeting of August 7, 2006;
 - b. Claim Vouchers No. 83200-83360 in the amount of \$4,699,337.93 dated August 21, 2006;
 - c. Confirm the appointment of Lee Grimes to serve on the city's Lodging Tax Advisor Committee; and reconfirm the memberships of Rick Burchett, Natalie Ketchum, and Wayne Galvin.

The motion was seconded by Councilor Taylor and carried unanimously.

2. **Hub City Grand Prix and Cup Event.** Chamber President Todd Christensen reported they completed their first Hub City Grand Prix, which was part of the hub city car show that took place on August 18, 19, and 20. He reported they had 243 cars show up for the hub city car show, and 188 professional racers representing nine different states. Mr. Christensen reported they sent out requests to several jurisdictions, to put together teams to represent their entity, for some fun competitiveness on the racetrack. Judy Schave reported because of a change in the racing schedule the Chehalis Fire Department team ended up with only two representatives, Pat Gilligan and Brian Slater. Other team members included Shamus Gilligan, Dana Schave, Marci White, and herself. Mr. Christensen reported they had a total of seven community-based teams that raced for the hub city cup. The Lewis County Quarter Milers team ended up taking home the trophy, while Pat Gilligan representing the Chehalis Fire Department ended up in fourth place. Mr. Christensen reported it was a great event from all indications, in communications with the college, city of Centralia, and other partnering organizations. He added they planned to continue to put on the event and would make an invitation to the city next year to have some fun competition on the streets of Centralia.

3. **Consideration for Façade Improvement Program.** Doug Burton (175 Alderwood Dr.), also representing his partners DJ and Chris Hartman, came before council to ask them to consider including the "Old School Block" into the downtown historic district. Mr. Burton reported that particular district, located at the corner of Pacific and Prindle Avenue, housed the original school of Chehalis and wondered if the lines of the historic district could be moved one street over to include that block. They hoped it would be considered so they could apply for some of the façade improvement program funds being afforded to people wanting to bring some of the older buildings back to life.

Mayor Ketchum asked if there was still funding available and if the application process was closed. Joanne Schwartz reported the application process was still open and there was still some money available. City Manager MacReynold reported from an administrative perspective it was a very valid request considering the historic nature of the building, but because there was no guidance the Historic Preservation Commission and administration felt it was better for the council to make the call. He recommended that the council not change the historic boundaries, but grant a variance on this particular building so they can be considered.

Councilor Dawes stated he had no problem with the request, but wanted to make sure they weren't setting a precedent, since there might others in historical buildings wanting to do the same thing. Ms. Schwartz reported one of the things that made the building very viable was that it was contiguous to the historic district.

Mayor Ketchum stated since they had given everyone in the historic district an opportunity to apply and the timeframe had passed, it might be a good move. He added, as Councilor Dawes indicated, it could potentially open up a box that would require council to take a look at each individual case as it came up.

Councilor Dawes suggested they refer any questions and "what ifs" back to administration and the historic commission, and have them come up with an answer for that. He added there were a lot of old buildings in the city and if there

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was money out there to improve the facades that would be great. Councilor Dawes indicated he would like to see council approve the request of Mr. Burton.

Ms. Schwartz noted when she put the program together and wrote the guidelines she knew something would slip through, although the current issue would be difficult to deal with.

Councilor Pope asked if there was a limited amount of money for the program. Ms. Schwartz stated yes. Councilor Pope agreed with councilor Dawes that they should approve the request of Mr. Burton.

Councilor Dawes moved that the council approve the request for Mr. Burton to apply for the façade improvement program, and for staff to send the application through the process. The motion was seconded by Councilor Taylor and carried unanimously.

Ms. Schwartz asked if Councilor Dawes was suggesting that everything be referred back to the Historic Preservation Commission if it was located outside the boundaries. Councilor Dawes stated since the council appropriated a certain amount of money, and businesses within the boundaries were given the chance to apply for it, he would like to see whomever approves the façade improvements have the ability to approve any available funds as they see fit to those outside the boundaries who meet the criteria in every other way except by location.

4. **Downtown Streets and Sidewalks**. Frank Mason wanted to commend council on the city streets, adding he was totally impressed by the way the downtown area was looking. Mayor Ketchum stated he was glad to see people were noticing the work being done.

5. **Historic Properties Plaques**. Wayne Galvin, from the Historic Preservation Commission, reported one of their projects each year was to identify properties that had been fixed up by the owners, conforming to the historic character of the house, or the district in which they live. In recognition of their work, plaques were given to the following:

- Rick and Anna Alexander – O.K. Palmer House, 673 N.W. Pennsylvania Avenue
- Frank and Barbara Mason – Charles and Ollie Hays House, 168 West Main Street
- Mark Tolomei – Christian O. Gingrich House, 262 N Market Boulevard
- Stuart Simon State Avenue Association, LLC – Forget-Me-Not/L&E Bottling Building, 391 State Avenue

Ms. Schwartz gave a brief description and historical overview on all of the homes that received plaques.

6. **Convoy of Hope**. Lewis County Convoy Director Chris Wohlwend, representing the Centralia/Chehalis Ministerial Association, reported the convoy of hope was really a burden that developed with ten to twelve churches that met regularly throughout the year. He reported the convoy was a way to help out the community by demonstrating care and love. Mr. Wohlwend stated Convoy of Hope was an international and domestic relief agency that put together outreaches that provide guidance on how to help community's partner together.

Mr. Wohlwend stated they had an outreach scheduled at the SW Washington Fairgrounds on Saturday September 16, 2006 beginning at 10:00 a.m. The idea was to treat every needy family as a guest of honor and with dignity. Each family would receive:

- Two bags of groceries
- Lunch
- Health fair with doctor check-ups and follow-ups
- Dental hygiene and teeth pulling
- Hair-cuts and makeovers
- Clothing
- Job Counseling and resume assistance
- Drug and alcohol counseling and addict transition counseling and resources
- Christian counseling and prayer
- Pregnancy scans
- Kids carnival

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- Family oriented music from a variety of bands and groups
- Security for the event

Mr. Wohlwend reported volunteers would be recruited to bag around 35,000 pounds of food along with clothing and hygiene kits for the event. He stated they were expecting about four or five thousand guests and had thirty-five churches involved throughout Lewis County. Mr. Wohlwend stated they were in need of about 800 volunteers who would be meeting on Friday, September 15, at 6:30 p.m. at the fairgrounds.

7. **Establishment of a Local Basketball team.** Mayor Ketchum reported they talked about the matter two weeks prior, at which time he asked the council to consider what was presented to them. Councilor Taylor stated it sounded like a positive thing and he would be in support of it. Councilor Dawes stated he would like to see the proposed resolution be directed more towards a "Lewis County" theme, rather than Chehalis. Mayor Ketchum asked if the administration could reword the resolution showing that Chehalis supported it, but make it a Lewis County theme and put it back on the next regular meeting agenda. Councilor Dawes stated he was just looking to show our support to a countywide effort because that was what Mr. Joseph indicated two weeks prior. Administration stated they would bring the resolution back to the council with the recommended changes.

8. **Resolution No. 9-2006, First Reading, Designating Certain Property for Environmental Mitigation Sites.** Mayor Ketchum noted they would be hearing the report on designating certain property for environmental mitigation sites, but would not be voting on the resolution because there were still some adjustments that needed to be made.

Bob Nacht reported one reason they would not be taking any formal action was because they just received the written legal description, which would be added to the agenda at the next regular meeting. He reported the city, in 1997, passed a resolution designating 66 acres along National Avenue as a wetland mitigation site, adding they wanted to expand that to the SR-6 property. He stated it was noted in the agenda report that Lewis County has had initial contact with the Corps of Engineers regarding use of the SR-6 site for a wetland mitigation project for the reconstruction of Airport Road, which would connect with Louisiana Avenue to get the regional traffic mitigation accomplished. Mr. Nacht reported the resolution would come back to council at the next regular meeting for their consideration.

9. **Budget Timeline.** Jim Larson reported administration was proceeding with the budget, adding much of the timeline was dictated by statute. He stated the departments had been given forms and directions and were preparing their departmental requests, which would be due September 1. Mr. Larson reported City Manager MacReynold would review the requests and make recommendations for the council budget committee's review. He noted the rest of the timeline for the budget would need to be completed by mid-December.

City Manager MacReynold stated as he goes through the departmental budgets with each department he would like to have the council budget committee members present to go through those with him. He felt that was an important step that allowed both administration and the budget committee to learn the budget together, while giving input and feedback as they go through the process. He also hoped at the first meeting in November the council would be able to approve a budget, before the holiday season. He encouraged council to have that as their goal.

Mr. Larson noted they would have additional challenges as they try to accommodate the reorganization into the budget process, adding he was trying to make that work and would be providing everyone with the best information he could.

10. **Sales and Use Tax Adjustment.** Mr. Larson reported in one of the last few distributions there was a major adjustment made by the State after they found they had paid the city about \$50,000 in error. He reported he worked through the State and found out when the city received that money and backed it out of those months, rather than show that big adjustment all at once.

11. **Growth Hearings Board Decision on Urban Growth Areas (UGAs).** Mr. Nacht stated he could only relate what had happened as of 5:00 that afternoon. He reported the Growth Hearings Board initially invalidated the UGAs for Napavine, Chehalis, and Winlock. Mr. Nacht stated the Growth Hearings Board did reverse their decision on the Winlock UGA, but not the Napavine or Chehalis UGA. As of 5:00 that afternoon, in conversation with Mark Scheibmeir, he would be contacting the Growth Hearings Board to get a clarification on the Chehalis UGA as to whether or not they really meant to invalidate all of our UGA proposals, or only those that, future-wise, actually appeal.

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Mr. Nacht reported he also had a meeting with Bob Johnson from Lewis County that afternoon and asked him informally to come up with a standardized needs assessment document for the cities to use that would be defensible by the county whenever they were appealed by the hearings board. Mr. Nacht noted they would be pursuing that through the county's planned growth committee. He reported it would go a long way to eliminate some of the decisions on appeal that they were currently experiencing.

Mr. Nacht reported because of scheduling and timing they would most likely be proposing all of the invalidated UGAs to the county again this year for consideration by the county to re-designate them as UGA, even though they had been invalidated before. He hoped it would be more successful with a more standardized needs assessment. Mr. Hillier noted although the time had passed, from a legal perspective, what they were looking for was a motion for reconsideration, adding Winlock was able to do it because they filed it within the 30-day window. Mr. Hillier stated there was an opportunity because of a Supreme Court case that came through in the interim that stated since they considered the motion for reconsideration and ruled in a different direction, the city could seek what was called "clarification." He stated it was their goal to send a letter to have them clarify the decision made.

City Manager MacReynold reported at this year's city manager's conference one of the big discussions was on growth management hearings boards. He noted they were repeatedly making decisions that were clearly way beyond their authority. He added the Supreme Court continued to put them on notice that they had to quit making those kinds of legislative decisions, and that local governments and the legislature were the only ones that could make those decisions. City Manager MacReynold felt they were about to see some changes at the legislative level.

Mr. Nacht reported they would be pursuing the reintroduction of our UGAs at the county level, assuming they wouldn't be successful on clarification, or appeal.

12. **Sister City Delegation Visit.** Ms. Schwartz reported they had a terrific week and the weather cooperated throughout the event. Mayor Ketchum noted the city presented the delegation with a wooden carving of a bear with a plaque on it. The delegation then presented the city with a picture, which represented the autumn season and what they could supposedly see in the sky. They also presented a cloth wall hanging with the same theme on it. Ms. Schwartz reported in Inasa they had a museum that contained each gift the city had ever given them.

Ms. Schwartz reported on the events that took place and showed a 20-minute video put together by John and Jamie Matagi, of the delegation on their various outings during their visit. Mayor Ketchum reported they were fortunate to have Mr. Matagi on the sister city committee because he spoke Japanese.

Ms. Schwartz thanked city staff and administration for their help before and during the event, and also acknowledged the people who donated items for the goodie bags. She also thanked the committee and the host families for their involvement.

Bill Stefon (130 SE 16th Street) reported it was a good program and the city needed to keep it going. He felt the sister city program was a good use of city funds.

Ms. Schwartz reported she was starting to put together some publicity to see if anyone from our end was interested in going over to Inasa, Japan in the spring. Mayor Ketchum added the 20th anniversary would take place in 2010. He thanked *The Chronicle* for the nice article they published highlighting the city's relationship with Inasa, and the Centralia-Chehalis Coop for arranging transportation for the group. Mayor Ketchum also thanked the Steam Train for opening up the train just for them that day.

13. **Council Reports.**

a. **Chehalis Foundation Update.** Councilor Pope reported the foundation was looking at Dobson and McFadden Parks for a project involving wildlife enhancement, along with some selective cutting of some of the trees. He stated while taking a tour of Dobson Park they found a gift stone located up behind the reservoir that was given to the city in July of 1908, adding the 100-year celebration would soon be coming up.

Councilor Pope reported they had a wildlife biologist going through to select the trees that should be cut and hoped they could put in a walking path starting down behind the Scout Lodge that would go up to the first level where the gift stone was

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located, continuing the path on up to the other park. He noted the wildlife biologist's report would not be available until sometime in the future.

Councilor Dawes stated when they found the stone they looked at the date and thought it would be a great tie-in with the centennial. He noted there was a good landing there where the stone was located and thought there was a lot that could be done to that area to make it very attractive for family type outings.

Mayor Ketchum stated he would have liked to have gone on the tour and requested that in the future, if tours and events come up for the council, that administration gives them a couple days notice.

Councilor Pope stated they should receive a report from the foundation once it was completed. Councilor Taylor reported The Foundation was an amazing group of people, and had done some amazing projects. He thanked Councilor Pope and everyone on the foundation for their work.

b. **The Foundation Salmon Bake.** Councilor Pope reported the second annual salmon bake would be on September 16, starting at 3:30 p.m. at Lintott/Alexander Park. He noted along with the dinner they would have some arts and crafts, and some Native-American youth dancers.

c. **Utility Base Charges.** Councilor Lund asked if the city was still considering changing the utility billing process for "Snow Birds" and people who are in nursing homes, or no longer living at home. City Manager MacReynold reported not that he was aware of. He added the city has had a conversation at the staff level about it, but didn't believe any work had been done on it. Mr. Larson reported it was hard to tell why there is no consumption on some accounts, but he had staff go through a years worth of records and identified every time there was a customer with no consumption during a billing period. He put that information together and gauged what kind of impact that would have, as a whole, on rates because the city would obviously be losing some revenue.

Mr. Larson reported the city charged a flat "base" rate on water and sewer rates, whether or not a house was vacant. He stated it was an important part of our total rate structure from the rate study that was done a few years ago. Mr. Larson noted many cities do not have the same practice, and there could be some advantages to that for older people and those who leave town for a short while. He noted the problem was the city had to be careful in making those kinds of decisions and needed to look at the total impact it could have on everyone who pays a utility bill. Mr. Larson stated the change in practice would translate into approximately a one percent increase in rates, in order to make up that difference in lost revenue. Councilor Pope understood if there was no consumption you wouldn't have to pay for any consumption, but you still had to pay the base fee because that was revenue to help take care of the city's indebtedness and maintenance of the system. He stated if a homeowner doesn't pay a base fee, his own rates would have to be increased to pay for it, adding he didn't feel that those who have to live here year round should have to pay for someone else's leisure. He believed the base pay should never be changed. Mayor Ketchum stated the base pay was also based on what the Department of Ecology had the city do in order to get funding for grants, and the zero percent loans. Mr. Larson stated if council really wanted to have a policy discussion on the issue it would be best to put it on the agenda at a future date.

Councilor Dawes stated he was under the impression there was a staff decision that was already made to do that, or something similar to that. He agreed with Councilor Pope, he wanted to find out what the repercussions would be if they decided to make any kind of change. Councilor Dawes reported raising the rates of those who were staying here might not be a very wise thing for the city to do, until they know for sure what affects would be. Mr. Larson reported that was why he had his staff go through the exercise, so they could have an informative discussion on it.

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d. **Transportation/Flooding Meeting with County.** Mayor Ketchum reported he would be meeting with the county and other mayors and city managers to talk about transportation and flooding on September 11, at Ferryman's Inn in Centralia. City Manager MacReynold encouraged at least one or two other council members attend the meeting along with the Mayor, himself, and one staff person.

e. **Lewis County Emergency Personnel Field Training Exercise.** Council was invited to join in on the Lewis County Emergency Personnel Field Training Exercise at Napavine School, Saturday September 30.

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There being no further business to come before the council, the meeting was adjourned at 7:40 p.m.

Mayor

Attest:

City Clerk

September 11, 2006

The Chehalis city council met in regular session on Monday, September 11, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 5:35 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Chad Taylor, and Dennis Dawes. Councilor Lund was excused. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Tim Grochowski, Public Works Director; and Bob Nacht, Community Development Manager.

1. **Executive Session.** Mayor Ketchum announced council would be in executive session for one-half hour pursuant to RCW 42.30.110(1)(i) – potential litigation and there would be no decisions announced.

Mayor Ketchum closed the executive session at 5:54 p.m. and announced council would take a ten-minute recess and reopen the regular meeting at 6:05 p.m. Additional staff included: Bill Kolden, Human Resources Director; and Joanne Schwartz, Community Services Director. Members of the news media in attendance included Carina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

2. **Moment of Silence.** Mayor Ketchum asked that everyone remain standing for a moment of silence in remembrance of September 11, 2001.

3. **Proclamation – United Way of Lewis County Campaign, September and November 2006.** Mayor Ketchum presented Campaign Manager Chris Heck a proclamation designating the months of September and November as United Way of Lewis County Campaign months in the city of Chehalis.

4. **Proclamation – Chehalis Basin Watershed Week, September 17-23, 2006.** Mayor Ketchum presented Councilor Harris, representing the Chehalis Basin Partnership, a proclamation declaring September 17-23, 2006 as Chehalis Basin Watershed Week in the city of Chehalis. Councilor Harris invited everyone to attend the Watershed Festival at Riverside Park in Centralia on September 23.

5. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of August 14, 2006;
- b. Claim Vouchers No. 83361-83461 in the amount of \$129,492.71 dated September 4, 2006; and Payroll Vouchers No. 27059-27247 in the amount of \$621,221.45 dated August 31, 2006; and
- c. Approve city manager to sign agreement with Pfaff Architects for initial scope of work to include schematic design and design development for an amount not to exceed \$53,410.00.

The motion was seconded by Councilor Taylor and carried unanimously. Councilor Dawes reported he was happy to see the library project moving forward.

6. **Vietnam Traveling Wall.** Director Lee Grimes from the Veteran's Museum reported the museum had contracted with the Vietnam Traveling Wall to be at the museum from June 21 to June 24 of 2007. He reported it would be the large wall, which was 4/5ths the size of the actual wall in Washington. Mr. Grimes stated it was going to be a big event, and was looking forward to working with the city, adding they wanted it to be a very successful event. He noted they had a large program scheduled and would need some city involvement, such as a proclamation for that week, and a couple of speakers from the city to welcome the Wall to the city, and to the museum.

Mr. Grimes noted it was a great financial commitment on behalf of the museum, costing about \$12,000 to get it here. He reported there were many committees formed to help out, adding it was going to be a lot of work, but well worth it.

Mayor Ketchum asked if the Wall would be placed inside the museum, or out. Mr. Grimes described the Wall as being 380-foot long, which will entirely cover Veteran's Way, so it would need to be located outside the museum.

7. **Resolution No. 8-2006, First Reading – Expressing Support for Professional Basketball Being Brought to Lewis County.** City Manager MacReynold reported at the last meeting, after some discussion, the council directed administration to create a new resolution to include some recommended wording changes. He reported the resolution before them included those recommended changes and encouraged the councils approval.

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Councilor Taylor moved that the council suspend the rules requiring two readings of a resolution. The motion was seconded by Councilor Harris and carried unanimously.

Councilor Taylor moved that the council adopt Resolution No. 8-2006 on first and final reading. The motion was seconded by Councilor Pope and carried unanimously.

Mayor Ketchum personally thanked Mr. Joseph for his efforts to bring some new and hopefully positive entertainment to the area.

8. Resolution No. 9-2006, First Reading – Designating Certain Property for Environmental Mitigation Sites.

City Manager MacReynold reminded the council at the last meeting Community Development Manager Bob Nacht walked them through the proposed resolution, but had to wait on more clarification on the legal descriptions before adopting it.

Mr. Nacht reported the actual revisions were outlined for councils review from the original resolution passed back in 1997, which designated National Avenue Property as a wetland mitigation site. He reported the complete text of the new resolution now had the legal description of the SR6 property in it, and also reserved a portion of that property for future wastewater treatment facilities, if necessary. Mr. Nacht reported the resolution would allow commercial or economic development in the city of Chehalis and in some cases the urban growth area, to have a place to perform environmental mitigation should it be necessary. He added there were a lot of wetlands and floodplains out there and it would give them the opportunity to do mitigation projects without having to look for an area to do it. Mr. Nacht noted eventually the city would end up with a wetland park at no expense to the citizens of Chehalis, which was the original intent of that site, and would be accomplished through the SR6 site as well.

Councilor Pope moved that the council adopt Resolution No. 9-2006 on first reading. Councilor Taylor seconded the motion.

Councilor Dawes noted a big part of the resolution was adding the SR6 site and asked if the National Avenue site was maxed out, as far as availability. Mr. Nacht stated no, there was one actual project out there that involved three or four acres of the 66-acres. He reported there was also another area out there that was reserved for high quality wetland preservation, which was the thirteen acres at the south-end. Mr. Nacht noted nothing at the SR6 site had been used so far, however one of the issues that prompted the change was that Lewis County intended to use a portion of the site for the flood control project for Airport Road. He noted the provisions within the resolution provided that if someone does a project on a portion of the site and someone else comes along that can enhance that project, they would be able to do that as well.

Mayor Ketchum inquired about the work going on at National Avenue and Coal Creek Road. Mr. Nacht reported that particular project actually had to do with a small realignment of Coal Creek, which goes through the National Avenue site, adding it was an engineer designed project under the direction of the Department of Fish and Wildlife.

The motion carried unanimously.

9. Resolution No. 10-2006, First Reading – Surplus Property. Judy Schave reported the city had five pieces of equipment that were no longer used or needed, adding once the resolution was passed they would be sent to public auction. The resolution included one vehicle from public works, and three vehicles and one sweeper from community services.

Councilor Dawes moved that the council suspend the rules requiring two readings of a resolution. The motion was seconded by Councilor Pope and carried unanimously.

Councilor Dawes moved that the council adopt Resolution No. 10-2006 on first and final reading. The motion was seconded by Councilor Pope and carried unanimously.

10. Ordinance No. 809-B – First Reading, Creating a General Services Department; Ordinance No. 810-B – First Reading, Creating a Community Development Department; and Ordinance No. 811-B – First Reading, Creating an Economic Development Office. City Manager MacReynold reported because the community was exploding with development it was quickly becoming more challenging to meet the daily service demands, making it the perfect opportunity to look at the current staffing and organization. He noted, coming in as a new city manager you don't want to make too many changes to soon because you really don't know the lay of the land, but based on what was happening he felt compelled to do something. He

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briefly walked council through the highlights of the process, recognizing he had talked to everyone about the reorganization and had given everyone a lot of time to think about it. Some of the highlights included:

- Creating an organization with only five departments – General Services, Public Works, Police, Fire, and Community Development
- Adding an economic development office – sole focus of promoting business in our community
- Continue services of the City Clerks office, and the Municipal Court
- Continue contract with city attorney

City Manager MacReynold reported the current community services department would be eliminated, along with the finance and human resources departments, which would be consolidated into the general services department. He reported the general services department would be made up of:

- Finance
- Human Resources
- Risk Management
- Facilities
- Recreation
- Information Services
- Administrative Support
- Grants Administration

City Manager MacReynold reported public works would be exactly the same structure except the engineering division would be pulled out of the current community services and put into the public works department.

The fire department would be exactly the same as the current structure, to include the addition of emergency management/disaster preparedness that was added in 2006, coming from the current community services department.

The police department would be the same exact structure except code enforcement/animal control would be added, coming from the current community services department.

The community development department would be added as a new department and would be the smallest of the departments. The new department would include:

- Planning division
- Building inspections
- Permit center
- Historic preservation
- Hearings examiner support
- Administrative support

City Manager MacReynold reported municipal court would be exactly the same structure as the existing department, the same with the current contract of the city attorney. The clerk's office would remain the same except the payroll function would be pulled from the clerk's office and placed back into the finance department.

City Manager MacReynold reported as part of the budget process he would be recommending three additional positions as part of the reorganization. Those additional positions would be:

- An accountant/payroll position for the finance division
- A planner for the planning division
- Another permit technician for the permit center

He noted with the level of work taking place, and the fact that there was a lot of work being done in the annexation area already, it was putting very significant demands on that current division.

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City Manager MacReynold stated the new organization made sense and would provide efficiencies. He noted as they move into the new building and look at the kind of services the city would be providing there, they could explore opportunities for cross-training administrative support and sharing of services. City Manager MacReynold asked for council's consideration, adding it was an exciting opportunity and he appreciated the council's support.

City Manager MacReynold also talked briefly about some of the changes in the reorganization, noting there were a couple of people whose current situations were going to change. He added throughout the process he tried to focus on the strengths in the organization. In the case of the finance division, which used to be a department, he stated Mr. Larson was a good finance person and wanted him to focus his attention as the treasurer and finance officer. He reported he was going to ask the current director of community services to take charge of the new economic development office, adding it was an opportunity for that person, whose done it for so many years, to do what she loves and cares about.

Mayor Ketchum stated he wanted to thank everyone that had a hand in putting his or her fingerprint on the blueprint. He noted they had talked many years about the people working for the city of Chehalis and it just showed their professionalism, love, and commitment to the city. He was glad for everyone's input and for helping the new city manager come up with a new structure that would hopefully take the city where it needs to go.

Councilor Taylor moved that the council pass Ordinance Nos. 809-B, 810-B, and 811-B on first reading. Councilor Pope seconded the motion.

Councilor Dawes stated there was always concern at staff and council levels when you talk about change, but thought the way it was handled was a key factor in how it was accepted by both staff and council. He felt everyone's concerns and worries were addressed, and were happy to see the plan come about. Councilor Dawes stated he was very supportive of it.

Councilor Harris wanted to thank City Manager MacReynold for having the insight and the strength to go ahead and do the reorganization now, rather than trying to change things later. He stated he really didn't expect to see this happen for at least another six-months to a year, with everything that's currently happening with the city. The motion carried unanimously.

11. **Community Rating System (CRS) Repetitive Loss Progress Report.** Mr. Nacht reported it was a required annual report that needed to be done to recertify the CRS program. He noted Bobbi Boone had been diligently working on the recertification process, adding they were fortunate not to have any major floods to contend with. Mr. Nacht stated the report was for information only and no council action was required. He stated the city and residents of Chehalis could continue to enjoy the twenty percent flood insurance premium reduction that we get on account of the CRS program.

12. **Chamber Way Roundabout Project.** Tim Osborne passed out a few exhibits for council to follow along on, in reference to: the Chamber Way Roundabout Project; the Chamber Way Maintenance and Safety Improvements; and the Airport Road Utility Extension/Improvement Project.

a. **Chamber Way Roundabout Project Update** – Mr. Osborne reported the stamped and signed design documents were received by the city last week from the Department of Transportation (DOT), which indicated DOT was ready to go to bid, pending right-of-way acquisition. Mr. Osborne reported the critical path was still to obtain the right-of-way in order to get the project out to bid, adding there was still one parcel left to acquire.

Mr. Osborne reported in order to get the project out, the next step was the interlocal agreement that needed to be signed between the city and DOT, which was currently in process. He stated that he, City Manager MacReynold, and Tim Grochowski met with DOT and went over some proposed revisions to those documents, and it was in DOT's court to reprocess and resubmit those interlocal agreements back to the city.

Mr. Osborne briefly talked about the current schedule. He reported they were looking at two different schedules, one for an early start date and one for a late start date. Mr. Osborne walked council through the process, which included:

- Design (completed)
- Possession and use agreements for the last parcel
- Right-of-way certification
- Construction season beginning in April

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Mr. Osborne reported even if the right-of-way phase drags on for another four to five weeks, they could still maintain the schedule. He noted the schedule was predicated on knowing where the weather restrictions were, from November to March. Mr. Osborne reported they were very optimistic construction would be complete in 2007.

b. Chamber Way Maintenance and Safety Improvements – Mr. Osborne reported that he, City Manager MacReynold, and Mr. Grochowski, met with DOT to talk about the interim improvements on Chamber Way, noting a concept was drawn up for DOT to entertain. The State first said they couldn't move quickly enough and simply could not get the work done. Much to their delight, at the last meeting with DOT, the State agreed to let the city act as the lead agency. By doing that the city could take control of bidding out the project. He reported the city's planning department had initiated the SEPA (environmental review) process and final determination was scheduled for September 25, 2006. Construction items would include:

- Roadway widening
- Fill sections (both ends of project)
- Guardrail installation/relocation, jersey curbing
- Minor signalization adjustments (by DOT)
- Rechannelization/signing – painting and striping
- Cutting out gravel shoulders/rebuild with asphalt

Mr. Osborne reported other work would include temporarily relocating pedestrian traffic to the south side only, and the required interlocal agreement with DOT, which city staff had started the process on. He reported it would have to be a very aggressive schedule to have substantial completion prior to the holiday season. Mr. Osborne stated the proposal was to:

- Complete the bid documents by September 13 or 14
- Solicit bids
- Open bids on September 25
- Award project and initiate construction on or before October 9
- Twenty-one days later to be substantially complete with pavement and channelization markings
- Open roadway November 1, prior to the holiday season

Mr. Osborne asked if council had any objections to the bid documents being set up to allow nighttime, or weekend work. The Council had no problem with that, authorizing Mr. Osborne to do what he needed to do. Mr. Osborne reported they would solicit bids from the city's Small Works Roster with the help of the public works director. He added he had talked to at least four of the five the contractors on the list that indicated they would be willing to bid on the project, or at least consider the bid, even with the aggressive schedule. Mr. Osborne used design maps to show and explain the improvements to the council.

Mayor Ketchum thanked Mr. Osborne for being the city's spokesman to work with DOT, adding he appreciated DOT's willingness to become a partner with the city to work with us, and not against us. Mr. Osborne noted the project had momentum going in, and appreciated the staff's help.

Councilor Dawes noted he was glad to see something happening, adding the money being spent on the improvements wasn't being thrown away because a lot of it would be incorporated into the project.

Mr. Osborne reported it was a very busy time to bid the projects and expected the prices to come in high, just because of the competitive nature of the bid. He added they had four bidders out of the five, which should create a competitive environment. City Manager MacReynold stated with that in mind, he asked for the council's consideration on the two motions that were before them. He noted because it was such a constricted timeframe, he asked council to consider authorizing him to approve the lowest possible bidder, and to authorize him to enter into an interlocal agreement to get WADOT on board to do the construction management.

Councilor Taylor moved that the Council authorize the city manager to enter into a contract with the successful low bidder to construct "Maintenance and Safety Improvements" in and along a portion of Chamber Way conditional on: 1) The engineer's review and recommendation to the city manager for award of this project; 2) The city having sufficient monetary resources to fund this project; and 3) The bidding complies with applicable provisions of RCW 39.04.155, as pertains to the city's use of its Small Work's Roster. The motion was seconded by Councilor Pope and carried unanimously.

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Councilor Dawes moved that the city Council authorize the city manager to enter into an interlocal agreement with the Washington State Department of Transportation (WADOT) to provide construction management and administration services on the Chamber Way Maintenance and Safety Improvement Project for the city of Chehalis and pay the cost thereof, conditional on: 1) The engineer's review of the scope of work and fees associated therewith, and 2) The city having sufficient monetary resources to fund the costs of this work. The motion was seconded by Councilor Harris and carried unanimously.

c. Airport Road Utility Extension/Improvement Project. Mr. Osborne reported on:

* Utility Installation Status Report:

- Storm: 80 percent complete
- Sanitary: 50 percent complete
- Water: 5 percent complete

* Construction Cost Status:

- Original engineer's estimate: \$809,000
- Low Bid: \$695,000
- Current estimate (including change order no. 1): \$758,000
- Percentage complete based on original bid: 44 percent
- Percentage complete based on increased scope (change order no. 1): 40 percent complete

* Change Order No. 1 Items:

- Unknown utility conflict resolution (buried electrical conduit/storm lines that served the Airport)
- Excavation and removal of unsuitable (old Airport runway)
- Lowering the water main, hydrants, services
- Install air/vacuum release assembly (on water main to make the system perform better)
- Revise fire hydrant stubs (relocated to main, not service laterals)
- Revise sanitary sewer stubs depths
- Additional construction surveying to be provided by the contractor

Mr. Osborne reported when they proposed it to the contractor he wanted \$82,000 for the work, but they were able to negotiate it down to \$63,000, which Mr. Osborne felt was fair. He added the change order would allocate another 20 additional contract days to finish the job. Councilor Dawes stated he knew there was a pretty elaborate drainage system in there from when it was constructed back in the 40's, adding the old original drawings from the War Department showed the runway construction depth and other stuff.

Mr. Grochowski wanted to publicly thank Mr. Osborne for stepping in and fast tracking the projects, adding they were always there when he had questions. He felt the city owed them a lot of gratitude for the job they were doing on both projects.

13. Council Reports.

a. **Chehalis Foundation Second Annual Tribal Salmon Bake**. Councilor Pope reported the Foundation was having its second annual Tribal Salmon Bake on Saturday, September 16 beginning at 1:30 at Lintott/Alexander Park. He reported besides dinner and the arts and crafts they would also have some dancing by the Chehalis Tribe Youth Dance Corp, and a performance by a drum group. He invited staff and the council to come out and support the Foundation.

b. **Eagle Scout Project at the Lewis County Historical Museum**. Councilor Dawes reported they had a small group of volunteers who did a little painting at the museum, which really brightened up the place. He reported an Eagle Scout took the job on as a project, which would be finished the following weekend.

c. **Convoy of Hope**. Mayor Ketchum reminded council and staff about the volunteers needed to help out at the Convoy of Hope. He reported volunteers needed to be at the Fairgrounds at 6:30 p.m. on Friday, September 15. The actual event would start at 10:00 a.m. on Saturday, September 16, at the fairgrounds.

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d. **Regional Transportation Meeting.** Mayor Ketchum reported he attended a regional transportation meeting that afternoon, which included several state and local government representatives. He noted it was a good meeting, and hoped it wasn't another one of those "make you feel good" meetings. He hoped they might actually do something to get all the entities involved, to try and work out the problems with transportation. Mayor Ketchum reported they were now talking about using the Transportation Coalition as the main group, working through them with the counties to try and get things moving.

e. **September 11th Community Remembrance.** Mayor Ketchum reported at 7:30 that evening, at Washington Park in Centralia they would be holding a ceremony in remembrance of the 9-11 victims.

There being no further business to come before the council, the meeting was adjourned at 7:08 p.m.

Mayor

Attest:

City Clerk

September 25, 2006

The Chehalis city council met in regular session on Monday, September 25, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 5:06 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Joanne Schwartz, Community Services Director; and Tim Grochowski, Public Works Director.

1. **Executive Session**. Mayor Ketchum announced council would be in executive session for one hour pursuant to RCW 42.30.110(1)(i) – potential litigation and there would be no decisions announced.

Mayor Ketchum closed the executive session at 6:14 p.m. and announced council would take a two-minute recess and reopen the regular meeting at 6:17 p.m. Additional staff included: Bill Kolden, Human Resources Director; Jim Larson, Finance Director; Bill Nacht, Fire Chief; Rob Gebhart, Asst. Fire Chief; and Bob Nacht, Community Development Manager. Members of the news media in attendance included Paul Walker of KITI Radio.

2. **Presentation of Quilt**. Justine Bremgartner presented Councilor Lund with the quilt he won from a raffle ticket he purchased from Ms. Bremgartner back in May. The raffle was part of a fundraiser to help preserve the Historical Saint Urban Church in Winlock. Ms. Bremgartner reported they hoped to start construction sometime in October, but still needed to raise about \$12,000. Ms. Bremgartner raised almost \$1,000 from the raffle that would go towards the efforts to preserve the church.

3. **Proclamations**.

a. **Crop Walk Day - October 1, 2006**. Mayor Ketchum presented Crop Walk Co-chairperson Dorothy Smith with a proclamation declaring October 1, 2006 as Crop Walk Day in the city of Chehalis.

b. **Fire Prevention Week – October 8-14, 2006**. Mayor Ketchum presented Fire Captain Larry Allen with a proclamation declaring October 8-14, 2006 as Fire Prevention Week in the city of Chehalis.

c. **Domestic Violence Awareness and Prevention Month**. Mayor Ketchum presented Human Response Network Executive Director Rochelle Miller and Board Member Lewis Zieske with a proclamation declaring October as Domestic Violence Awareness and Prevention Month in the city of Chehalis.

4. **Consent Calendar**. Councilor Dawes asked if it was proper to approve a resolution on the consent calendar. Bill Hillier stated they could on second reading if there was no monetary affect. Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of August 28, 2006; and minutes of the regular meeting of September 11, 2006;
- b. Claim Vouchers No. 83462 – 83619 in the amount of \$1,814,522.39 dated September 18, 2006;
- c. Resolution No. 9-2006, second reading, designating certain property for environmental mitigation sites; and
- d. Authorize city manager to sign change order no. 1 for the Airport Road Utility Extension Phase 1 project in the amount of \$40,216.00 (without sales tax).

The motion was seconded by Councilor Lund. Councilor Pope commented on item no.10, the airport road utility extension/improvement project – change order no. 1. He stated through the bidding process, it seemed that after the council received and approved a bid the contractors turn around and submit change orders that raises the total cost above what the engineer's original estimates were. He asked if there was a way to prevent that from happening. City Manager MacReynold stated they could pray a lot, but in the case of item no. 10, the real problem was caused by what was happening under the ground that administration didn't know about, adding they ran into the 1940's runway. He reported they did do some core samples and hoped they wouldn't run into any problems, but they did. He added there were also some changes in where some of the drainage and pipes were going to be located. City Manager MacReynold reported they had ran into some challenges and initially speculated the change orders would be around \$80,000, but were able to negotiate them down to \$40,216. The motion carried unanimously.

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5. **Citizens Business.** Tim Joseph from the Lewis County Raptures came before the council to report they were officially on the International Basketball League website. He invited the council to the press announcement on Friday, October 6, at 11:00 at the Outpost Restaurant. Mr. Joseph introduced their first official player Curtis Hill, a 6'5" forward out of New Jersey.

6. **Ordinance No. 809-B, Second Reading – Creating a General Services Department; Ordinance No. 810-B, Second Reading – Creating a Community Development Department; and Ordinance No. 811-B, Second Reading – Creating an Economic Development Office.** Councilor Taylor moved that the council pass Ordinance Nos. 809-B, 810-B, and 811-B on second and final reading. The motion was seconded by Councilor Lund. City Manager MacReynold thanked the press for the good job they did covering the reorganization. He also thanked the council for their input. The motion carried unanimously.

7. **Resolution No. 7-2006, First Reading – Adopting the Lewis County Comprehensive Emergency Management Plan (CEMP) 2005 Revision.** Deputy Fire Chief Rob Gebhart and Ross McDowell, Lewis County's Deputy Director – Division of Emergency Management gave the council a brief update on the changes to the 2005 CEMP. Mr. McDowell reported every four years they had to revisit the entire CEMP to bring information up to date, adding the updates had to be out to all the agencies by September 30. Mr. McDowell indicated most of the changes were just housekeeping, adding a lot of the updates had to do with personnel changes. He noted there was a separate area in the back of the book that required an annual hazardous material plan. Mr. McDowell reported there were also some things changed according to the National Response Plan, formerly known as the Federal Response Plan. He reported Deputy Chief Gebhart had done a great job helping out with the updates and felt they had a good partnership going.

Councilor Dawes moved that the council suspend the rules requiring two readings of a resolution. The motion was seconded by Councilor Pope and carried unanimously. Councilor Dawes moved that the council adopt Resolution No. 7-2006 on first and final reading. The motion was seconded by Councilor Pope and carried unanimously.

8. **Resolution No. 11-2006, First Reading – Adopting the Chehalis City Council's Goals and Visions.** City Manager MacReynold reported the council met in a work session on July 22, facilitated by Michael Pendleton, to develop the council's vision statement for the city, and goals for 2007. He stated it was a good meeting and the council came up with a good vision for the city, adding it also gave the administration a sense of what the council was thinking about in terms of the direction they would like to see the city move in, and what the council's goals were for 2007. City Manager MacReynold reported administration would be meeting to develop action plans on how to implement the 2007 goals and would report back to council on the plan before the end of the year. He thanked council for their hard work and their positive action on the resolution. Mayor Ketchum stated out of the ten years he'd been on the council, it was one of the best goal sessions he had ever been involved with.

Councilor Pope moved that the council suspend the rules requiring two readings of a resolution. The motion was seconded by Councilor Lund and carried unanimously. Councilor Pope moved that the council adopt Resolution No. 11-2006 on first and final reading. The motion was seconded by Councilor Lund and carried unanimously.

9. **Employee Service Awards.** City Manager MacReynold reported there were two employees who would be receiving recognition for their years of service to the city. Tracey Paddock, Community Services Office Manager – 20 years; and Melody Guenther, Court Clerk – 15 years.

10. **Fire Consolidation Feasibility Study Update.** Chief Bill Nacht reported the recently formed committee composed of himself, Rick Wirta, District No. 6 Fire Chief, and Richard Small met on September 14 to prepare a request for qualifications (RFQ) to select a consultant to conduct a consolidation feasibility study. Chief Nacht reported the committee already had a first rough draft of what they had come up. Chief Nacht reported on the planned schedule of events that would include:

- Advertising the RFQ on October 15
- Closing date for RFQ - November 20
- Complete the review of the proposals by December 15
- Notice to proceed – January 1, 2007
- First draft of the study results to be reviewed by the city and the district by April 5
- Final report to the city and the district by May 7

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Chief Nacht reported the agreement stated the consultant would have four months to do the study, adding it would be a big job and there would be a tremendous amount of information to go through. He noted within the agreement there was a caveat for the committee to allow an additional two months if the consultant requested it.

11. **Collection of Utility Base Fees on Vacant Buildings.** Jim Larson reported he and his staff tried to identify a way to approximate how many buildings would have their services terminated, with no bill, if the city were to change the policy to allow vacant buildings not to be charged a base fee. He stated they looked at two winter months and two summer months during 2005 and counted all the accounts that had no consumption. Mr. Larson noted the worst-case scenario would be that the city could lose up to \$200,000 per year between the combined wastewater and water utilities. He reported that was not foreseen in the city's rate model developed by FCS Group three years ago. Mr. Larson reported any change of that magnitude would have to be offset somewhere. He stated there were alternatives, if council were to elect to do so, to increase rates in the neighborhood of four and a half percent, in addition to all of the rate increases already adopted through 2010.

Mr. Larson reported administration was not advocating any particular course of action. He stated council might look at other options to try to recover the \$200,000 such as cutting costs or instituting some other fees, but it was clear they wouldn't recover anywhere near the amount of money they would be losing. Mr. Larson stated council would be looking at some hard choices in order to pay the bills and the debt service the city was committed to pay.

Councilor Pope stated Mr. Larson appeared to come up with the same figures he had come up with, in the sense that the money paid for base fees was to pay the city's indebtedness. He noted to change that would mean to affect the costs to the rest of the community, and only benefited a few people. Councilor Pope stated to even consider raising rates to do something like that seemed unreal to him. He suggested they continue to do what administration was currently doing, to maintain the base pay.

City Manager MacReynold stated he agreed with Councilor Pope and administratively his recommendation to the council would be to not make any adjustment. He realized there were snowbird situations in our community and they needed to respect that, but we would have to pay the price. City Manager MacReynold reported they were currently looking at some other options with reference to sewer, adding they had been in discussions with Darigold trying to see if they can resolve some issues with them, which may help the ratepayers. His administrative recommendation was to not take any action.

Councilor Dawes reported he was one of the councilors who had asked to have the matter looked into because he had received some e-mail's, as did some of the other councilors. He had hoped the person who sent the e-mails would have come to the meeting in order to hear the information and ask questions, rather than communicating back and forth over email. He noted from his position he wanted to look through budgets and what they were doing with WestFarm Foods to minimize anything that had to do with rates. Councilor Dawes stated he would not be in favor of doing something that would raise rates four and an half percent. He added he appreciated staff looking into the matter and getting them an answer. Councilor Dawes stated he would report back to the citizen, adding he would refer them back to staff if they had any more questions, or wanted a technical rundown.

Councilor Lund asked how much of the \$200,000 was for residents living outside the city limits of Chehalis, adding there were several industrial buildings located outside the city that could be sitting empty. Mr. Larson stated he didn't know, but he and his staff could look back through the records to find that out, adding his figures did include both commercial and residential. Councilor Lund stated he would like to know how much of it was outside the city, and at least try to do it for the citizens who live inside the city, if it penciled out. Mr. Larson stated they could get that information, but would have to do it as time allowed. Mayor Ketchum noted that was a good idea.

City Manager MacReynold stated the four and a half percent was a worst-case scenario, adding if they examined it further they might find something different. Councilor Pope asked Mr. Larson if he had the number of how many people were actually snowbirders, adding it didn't make sense to continue to try to find wiggle-room for just a few people. Councilor Lund noted he wasn't asking for it to be done for snowbirders, his concern was for those who live in nursing homes who are using up their life savings to take care of themselves. He added it would be a big savings for them not to have to pay base charges.

Councilor Harris stated what they didn't know was what the number would be. He also asked what would qualify as 'vacating' the property. He noted they would certainly run into problems with people coming and going monthly, making it difficult to measure what would be coming in. Mr. Larson noted that was why they came up with the worst-case scenario.

September 25, 2006

12. **Council Reports.**

a. **Chehalis Basin Partnership.** Councilor Harris reported each council member should have received a copy of the Chehalis Basin Partnership Watershed Management Plan, adding it was a plan of what the partnership would be working toward. He suggested the council look the information over and in a few weeks he would have a better chance to fill them in on it. Councilor Harris noted they were trying to set the next meeting of the Basin Partnership at the Quinault Indian Nation so they could hear their concerns.

b. **Comments On Long-Term Employees.** Councilor Lund stated he agreed with what City Manager MacReynold said earlier about employees who had been with the city for a long period of time. He commented on how the Nacht brothers, Bob and Bill had brought a lot of enthusiasm and a vast amount of knowledge to both our fire and community services departments. Councilor Lund noted their father would be very proud of both of them.

c. **Meetings Planned.** Mayor Ketchum reported there was a meeting scheduled for Thursday, September 28 with the railroad and another meeting, the same day, with Lewis County Planned Growth Committee.

d. **2007 Budget Work Sessions Scheduled.** The council scheduled three budget work sessions starting on Thursday, October 12, from 5:00 to 7:00 p.m., to be continued on October 19 and 26, from 5:00 to 7:00 p.m.

There being no further business to come before the council, the meeting was adjourned at 7:14 p.m.

Mayor

Attest:

City Clerk

October 9, 2006

The Chehalis city council met in regular session on Monday, October 9, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 5:06 p.m. with the following council members present: Terry Harris, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Fuller and Dr. Isaac Pope were excused. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Tim Grochowski, Public Works Director; and Dave Vasilauskas, Water Superintendent.

1. **Executive Session.** Mayor Ketchum announced council would be in executive session for one hour pursuant to RCW 42.30.110(1)(b) – real estate acquisition and there would be no decisions announced.

Mayor Ketchum closed the executive session at 6:01 p.m. and announced council would take a five-minute recess and reopen the regular meeting at 6:06 p.m. Additional staff included: Bill Kolden, Human Resources Director; Joanne Schwartz, Community Services Director; Bill Nacht, Fire Chief; Rob Gebhart, Asst. Fire Chief; Barbara Lovelady, Fire Department Administrative Asst.; Bob Nacht, Community Development Manager; and Andy Sennes, Property Manager. Members of the news media in attendance included Paul Walker of KITI Radio.

2. **Presentation of Quilt.** Justine Bremgartner presented Councilor Lund with a quilt that he won from a raffle ticket he purchased from Ms. Bremgartner back in May. The raffle was part of a fundraiser to help preserve the Historical Saint Urban Church in Winlock. Ms. Bremgartner reported they hoped to start construction sometime in October, but still needed to raise about \$12,000. Ms. Bremgartner raised almost \$1,000 from the raffle, which would go towards the efforts to preserve the church.

2. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:

a. Minutes of the regular meeting of September 25, 2006; and

b. Claim Vouchers No. 83620 – 83737 in the amount of \$355,028.10 dated October 2, 2006; Payroll Vouchers No. 27248-27447 in the amount of \$621,028.88 dated September 29, 2006.

The motion was seconded by Councilor Lund and carried unanimously.

At 6:08 p.m. Mayor Ketchum announced there would be a five-minute recess to set up for the Capital Facilities Committee presentation. Mayor Ketchum called the meeting back to order at 6:13 p.m.

3. **Capital Facilities Committee Presentation.** Chairman David Zylstra thanked everyone for coming out to see the presentation. He introduced two of the committee members Corine Aiken and Fred Rider, adding they had a pretty diverse group of members that started meeting in September 2006. Chairman Zylstra stated the committee had some pretty intense discussions and their findings would reflect what the members of the group came up with.

Chairman Zylstra explained the process they used, and talked briefly about the outline and what the committee's mission statement was from the council. Chairman Zylstra stated the committee was given an objective by the council, in the form of a resolution in September 2006, to conduct a comprehensive city building/facilities study covering the next 20 years, and to make recommendations regarding the needs, priorities, locations, and means of financing for new or remodeled space, including the library and the newly acquired county public services building. Chairman Zylstra presented a PowerPoint tour of the city facilities that included:

- City Hall
- Library
- Fire Station
- Police Station
- Community Services
- Public Works
- County Building

Councilor Harris noted the committee did an amazing job looking at possible sites, adding he had sat through most of the meetings. He wanted the public to understand the committee looked at every square foot of property in the city to try to

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figure out where to best locate the new fire station, noting the three sites in the presentation were the three that made the final cut. Chairman Zylstra reported they also had to consider how large to build the downtown fire station. He noted they didn't want to overbuild but wanted to make sure they had adequate fire suppression coverage in town and in terms of future annexation and the urban growth area south of town. Chairman Zylstra added the city also received a lot of rating bureau points for having good fire protection for the downtown historical area.

Chairman Zylstra reported there was a lot of discussion about the location being close to the train tracks, noting there were concerns voiced in the past about that issue. He stated the committee felt, given the historical test of time, there really wasn't a problem building the station in the area of its current location. They talked about the possibility of a derailment, but still felt there was a benefit to locating it near the current site.

Chairman Zylstra shared with council the over all master plan concerning the use of the county building, the city triangle, fire station, properties division, and public works department. He presented a flowchart showing the implementation of how the recommendations would be phased in.

Chairman Zylstra concluded the presentation by talking about different sources of funding they could use to accomplish what they outlined in their proposal. The committee felt the city should try to self-finance as many of the initial programs as possible by tapping the public facilities reserve fund. He reported the real centerpiece of the plan involved the sale of city surplus properties. Chairman Zylstra reported former Police Chief Dale Miller put together a roster of surplus properties of the city to be considered for possible sale. The city identified four or five such properties that met the criteria and authorized appraisals to be done, adding at some future point those properties would be offered up for sale with the funds being redeployed to more productive use. Chairman Zylstra stated they certainly encouraged the pursuit of grant funding, adding the city also needed to make it known they were always looking for donations from anyone who might want to give back to the city. He noted at some point the city would need to pay for some of the project with a bond issue, either a general type levy or by council manic bonds.

Councilor Lund stated he appreciated Chairman Zylstra's leadership, adding he was a great leader when he was on the city council, and proving it again by the great work he did with the committee. Mayor Ketchum thanked Chairman Zylstra and the committee for putting the proposal together, and for their hard work. Chairman Zylstra stated they had a great group and it was a lot of fun. Committee member Fred Rider added there were some really strong-willed people on the committee, and not all of it was as peaceful as Chairman Zylstra alluded to, but it was all for the best of the community. Mr. Rider noted when someone raised their voice it was because they were passionate, and because of that they received a true rendering of what they wanted to see, as citizens, happen in the community. Mr. Rider noted this was not the first time a committee was formed to come up with a plan and asked that the council please not let their recommendation die. He added some of the citizens on the committee were on one or two of the other committees and there were some promises made that if they participated one more time the council would not let it disappear.

4. **Employee Service Awards.** City Manager MacReynold recognized Francis Landry for his 15 years of service with the city, adding he was a journeyman electrician/equipment maintenance technician with the water department.

5. **Update on Chamber Way Maintenance and Safety Project, and the Chamber Way Roundabout Project.** City Manager MacReynold reported Tim Osborne was ill and unable to make it to the meeting. He asked Tim Grochowski to give a brief overview of the projects, adding he would make arrangements for Mr. Osborne to be at the next council meeting to give a more detailed report.

Mr. Grochowski reported the Chamber Way maintenance and safety project was underway and already way ahead of schedule. He added the contractor, Dulin Construction, Inc., was working through the night and almost had the turn lane in off of State Avenue. He reported there were a few changes with respect to guardrails, and adding some shoulder and asphalt here and there, but added those additional costs for fill would be grant eligible through the roundabout construction phase. Mr. Grochowski complimented Gray & Osborne for their work on the project, adding they were great group to work with.

City Manager MacReynold reported on the roundabout project stating they continued to wait for the appraisal to be completed, which should be done by the end of the week. At that point the city would be able to acquire the possession and use agreement for the Wendy's property, which would allow them to proceed. Mr. Grochowski stated, according to the Department of Transportation, they were still looking to advertise in December 2006, open bids in late January 2007, award the bid in February 2007, and start construction on the roundabouts the first part of April 2007.

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6. **Police Chief Applications.** City Manager MacReynold stated the period of application for the police chief position had closed. He reported they received 32 applications, with 19 considered to be strong candidates. He noted they were currently doing a paper review and would narrow it down to whom they would interview. City Manager MacReynold expected it to all happen within a month.

7. **Budget Workshops.** City Manager MacReynold reported the first budget workshop would be on Thursday, October 12, at 5:00 p.m. in the community services activity building. He asked if council would like to see all of the budget line-item detail during the department presentations. Mayor Ketchum noted the ad hoc committee had done the line-by-line item during budget committee meetings with departments and asked if council would like the same detail or something else for the council budget workshops. Councilor Lund stated he was upset and thought it was wrong that three councilors had the chance to go through the budgets with the departments, and the rest didn't. Mayor Ketchum reported it changes every year whether or not they have a council budget committee or not. Councilor Harris stated he wouldn't mind getting the paper work the budget review committee had just for review purposes, adding he would like the short version. Councilor Lund stated he wanted the long version. Mayor Ketchum asked that the council receive everything the budget committee received.

8. **Council Reports.**

a. **Capital Facilities Committee.** Councilor Harris thanked everyone on the Capital Facilities Committee and the city staff for giving of their time, energy, and efforts. He also thanked Jerry Boes for coming back on board to continue to work with the committee.

b. **Holiday Decorations.** Councilor Harris reported he and Andy Sennes spent the day down at Crystal Valley in Albany, OR touring the facility where they make decorations. He thanked Bob Nacht for his past dedication to the holiday decoration program because up until a couple of years ago the city wouldn't have had much of a program without him. Councilor Harris reported they would be spending a lot less money than they originally thought, by doing a lot of the work themselves. He reported he would be back sometime after the holiday season to talk about a five-year plan to light the town up from one end to the other.

c. **Transportation Coalition Meeting.** Councilor Taylor reported the Transportation Coalition would be meeting Tuesday at 7:00 a.m. at Kit Carson to talk about formalizing the coalition a little more. He added anyone on the committee, or anyone interested in transportation should attend.

d. **Former Chamber Manager/Christmas Decorations.** Councilor Lund stated if Paul McBride were still alive they wouldn't have to be worrying about Christmas decorations, because he did a great job as Chamber Manager taking care of them and putting them up.

There being no further business to come before the council, the meeting was adjourned at 6:46 p.m.

Mayor

Attest:

City Clerk

October 12, 2006

The Chehalis city council met in a work session on Thursday, October 12, 2006, in the community services activity building. Mayor Tony Ketchum called the meeting to order at 5:08 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Robin Fuller arrived at 6:07 p.m. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Bill Kolden, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Fire Chief; Rob Gebhart, Asst. Fire Chief; Barb Lovelady, Departmental Administrative Assistant; Randy Kaut, Interim Police Chief; Steve Buzzard, Municipal Court Judge; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; and Bob Nacht, Community Development Manager.

1. **Review of the 2007 Recommended Budget.** City Manager MacReynold identified some of the accomplishments from 2006. Councilor Dawes noted, in reference to the accomplishments, he would still like to see the WiFi implementation be citywide, if at all possible. He felt they could partner with the businesses south of town to lessen some of the costs. City Manager MacReynold also identified the vision and 2007 goals established by the council, adding as Councilor Taylor recently quoted, "It gave the administration and the city a good road map for the future." Councilor Dawes asked if the goal to change the look of the downtown area couldn't also be done citywide.

City Manager MacReynold noted as they go through the budget presentations, councilmember's could make recommendations to cut, change, or add to the budget. He noted those recommendations would be logged and at the first formal meeting they would go through the proposals, having the person who made the proposal speak to it, and then have the council vote on it.

Councilor Dawes asked if the salary survey information had been received yet. City Manager MacReynold stated they had received some of it, and would have Bill Kolden talk about the changes later in the meeting.

City Manager MacReynold reported there were no proposed increases in property taxes for 2007. He added there would be an 8.9 percent increase in the 2007 general fund revenues with an 8.5 percent proposed general fund budget. City Manager MacReynold stated the 2007 proposed budget would maintain the 10 percent Council directed reserve fund requirement for the general fund. He reported the 2007 proposed budget was a balanced budget that would maintain and improve service, and maintained the required reserves in all funds. Councilor Pope noted because there was no increase in property tax they could add that to the city's current banked capacity and could call on it at any time. City Manager MacReynold stated that was correct.

Bill Kolden provided council with information about the 2007 proposed salary ranges for management and support staff. He talked briefly about the three new positions being proposed, and a couple of positions that would be reclassified because of the reorganization process. The three proposed positions included:

- Planner position
- Permit Technician position
- Accountant position

Mr. Kolden reported he was still waiting on the final results from the reclassification study. He added the numbers in the spreadsheet were based on current salary ranges, while the proposal was based on the structure itself. He reported as they went through the process they not only looked at what the comparables were for positions in similar cities, but also looked at internal equity issues. Councilor Dawes asked if the salaries for the proposed new positions were based on a survey. Mr. Kolden reported the council received a packet on the proposed new positions for community development director, planner, and permit technician. He added the rest of the positions currently existed and were not a result of the class comp study. Councilor Dawes asked if any of the salaries being presented would be affected by the class comp study. Mr. Kolden stated yes, as could any position in the city right now since they didn't have the final results of the class comp study. Councilor Dawes noted it was kind of hard to put a budget together when they don't have all of that information. Mr. Kolden stated they should have the results by the end of October. Councilor Dawes stated it would be nice to get that finalized.

Mayor Ketchum asked if administration knew, within each one of the positions, what pay step the employee was at. Mr. Kolden stated it would depend on the employee's length of service in that position. Mayor Ketchum asked if Mr. Kolden could tell him what pay step each of the employee's was at. Mr. Kolden stated he could. Council and staff continued discussing salaries, how they were budgeted and how step increases and reclassifications were handled. City Manager MacReynold wanted to point out that as an employee moved up there was a five percent increase requirement according to the city policy. He

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noted that same policy also talked about what happens when you move an employee into a different position. City Manager MacReynold reported the policy clearly stated they could not lower an employee's pay, but would freeze their pay for how ever long it took to catch up to the their new pay range. Councilor Lund stated he liked that policy because it wasn't fair to move somebody somewhere and cut his or her pay.

Jim Larson pointed out the salaries on the spreadsheet were at the 2006 salary range. He stated for 2007 they assumed the salaries would be adjusted for the CPI that was published in July, which was 4.3 percent. He noted the uniformed police COLA was capped at 4 percent for 2007 per their current contract that runs through 2007.

Jim Larson reported on the general fund revenue highlights, which included:

- No percentage increase in property tax
- Property tax was higher – no proposed increase
- Sales tax base continued to expand
- Some utility taxes were going up – telephone, gas, and water/sewer
- Some additional revenue for providing services in the UGA

Council and administration continued discussing ways to budget capital improvement projects in the utility funds to make it easier to see where money was coming in and going out, and to separate the projects out from each other. They also talked about the two REET funds. Mr. Larson explained the reason why it was down so significantly in 2007 from 2006 was because the amount in 2006 included the money taken out of the public facilities reserve fund (301) that had accumulated over the years. Mr. Larson noted they planned on using the REET 1 money to help pay for the remodel of the county building, and the REET 2 money to help pay for the safety improvements on Chamber Way.

Judge Buzzard and Becky Fox then presented the municipal court budget. They were followed by Bob Nacht who presented the community development budget, and by Chief Nacht and Barbara Lovelady who presented the fire department budget.

There being no further business to come before the council, the meeting was adjourned at 7:05 p.m.

Mayor

Attest:

City Clerk

October 19, 2006

The Chehalis city council met in a work session on Thursday, October 19, 2006, in the community services activity building. Mayor Tony Ketchum called the meeting to order at 5:02 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, Rob Fuller and Dennis Dawes. Councilor Taylor was excused. Staff present included: Merlin MacReynold, City Manager; Bill Kolden, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Randy Kaut, Interim Police Chief; Tim Grochowski, Public Works Director; Lilly Wall, Recreation Manager; and Tracey Paddock Community Services Office Manager. Joanne Schwartz, Community Services Director arrived at 6:30 p.m.

1. **Continue Review of the 2007 Recommended Budget.** Several Department budgets were presented to the council including police, city clerk, general services (finance, human resources, recreation, and facilities), city manager, city attorney, city council, and non-departmental. During the work session, the council, by consensus made the following changes to the recommended budget.

- appropriation of an additional \$5,600 to the city clerk's budget for professional services, for a total of \$15,600 in that one account. The funding would be used to out-source the process of updating the Chehalis municipal code, and to incorporate and update the Chehalis development regulations into the Chehalis municipal code.

With no other funding source identified for the above change, it was assumed that the money would come from the ending fund balance.

City Manager MacReynold noted during his presentation that he initially wanted to build into his budget \$20,000 a year to conduct performance evaluations on departments and offices, but unfortunately they had to cut it out to balance the budget. He briefly explained the process of evaluating one office or department per year. City Manager MacReynold stated he wasn't requesting it as part of the 2007 budget, but would look at the budget mid-year. He noted if they were doing okay financially he would be coming back to council to request that it be funded, adding if he couldn't figure out how to fund it within the existing budget, he would come back and talk to council about how he was going to do it.

City Manager MacReynold reported by having an independent party come in and do one evaluation a year it would help them to understand if the organization they set up was working. Councilor Dawes stated it would be money very well spent and he would like to see an objective professional group come in and do it for the right reasons. He hoped by his one vote they would look at the ending reserve fund balance at the end of the year and see there would certainly be enough under-spent to take care of the consideration City Manager MacReynold was looking at.

Councilor Dawes asked if the compensation absences were done away with. Mayor Ketchum noted the fund was pretty much out of money; Mr. Larson added it would be by the end of the year. Councilor Dawes talked briefly on the firemen's pension fund stating he believed there were very few of the pre-LEOFF people left. He noted about a year ago the council made a budgetary decision to start paying the Medicare Plan B fees for the pre-LEOFF retirees, and asked if that was what the \$600.00 per month was that was coming out of the firemen's pension fund. Mr. Larson assumed it was some kind of benefit payment for pre-LEOFF people.

Councilor Harris thanked the ad hoc committee for taking the time to go through the whole budget line-by-line, and getting it simplified to where it was much more understandable.

There being no further business to come before the council, the meeting was adjourned at 7:00 p.m.

Mayor

Attest:

City Clerk

October 23, 2006

The Chehalis city council met in regular session on Monday, October 23, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 6:07 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Mark Scheibmeir, Asst. City Attorney; Bill Kolden, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jeff Shine, Development Review Specialist/Building Inspector; Rob Gebhart, Asst. Fire Chief; Larry Allen, Fire Captain; Pete Mc Chord, Firefighter/Engineer; Neil Marsh, Police Officer; and Becky Fox, Court Administrator. Members of the news media in attendance included Aaron Vantuyl of *The Chronicle* and Paul Walker of KITI Radio.

1. **Consent Calendar**. Councilor Dawes moved to approve the consent calendar comprised of the following:

a. Minutes of the regular meeting of October 9, 2006; and minutes of the special council meeting of October 12, 2006; and

b. Claim Vouchers No. 83738-83911 in the amount of \$1,956,106.87 dated October 16, 2006.

The motion was seconded by councilor Lund and carried unanimously.

2. **Update on Urban Growth Area (UGA) Ruling from the Growth Management Hearings Board**. Mark Scheibmeir gave a brief update on the UGA ruling from the Growth Management Hearings Board. He reported the initial handling of the city's last round of expansion of its UGA was met unfavorably by the Growth Hearings Board, but on reconsideration they changed their opinion to some extent. Mr. Scheibmeir noted even though the petitioning parties did not ask to completely undo the city's request, the Growth Hearing Board did it anyway, adding they effectively acknowledged they just didn't look at the materials close enough. He reported they restated their position and granted three of the city's requested expansions of its UGA, which were relatively minor. Those included Alexander Park and two properties along Wallace Road that had been cut in half by the original UGA boundaries. Mr. Scheibmeir reported the city was not successful in the remaining portions that it sought to amend. He reported the city's Poplar Tree Plantation was not allowed, two areas of freeway the city had hoped to include were denied, and some lands that had either been sought by individual land-owners to be included for project related purposes, or in one instance an area the city sought to include to simply straighten the boundary lines. He believed the city had already taken steps to ask the county to include all of those areas in the next round of adjustments to the UGA.

Mr. Scheibmeir stated the message brought home from the Growth Hearings Board was that documentation of requested changes was strategic, they just couldn't simply ask for changes even if our request made common sense. He reported they would have to have projected population growth to support further expansion of our UGA. Mr. Scheibmeir noted a comment was made during the process that it looked like Chehalis was sitting on a significant amount of unused UGA already, so why were they asking for more. He reported a large amount of the city's unused UGA was in the industrial park area, and if the city proceeded with annexation of that area, the city would suddenly have very little unused UGA.

Mr. Scheibmeir reported there was a separate technical issue relating to agricultural lands as seen in ongoing disputes over agricultural land recognition throughout the county, which had some bearing on the city although it was not clear as to what extent. He reported some of the land the city was seeking in its next expansion, ones that were denied previously, could potentially be deemed agricultural land, and as a result of the recent State Supreme Court ruling the city would have a better handle on it than it would have had a year ago. Mr. Scheibmeir stated they would need to be careful in the documentation to show proof that the city was growing in a way that we have a real need for additional UGA. He noted it wouldn't be our actions, since the county would be acting on behalf of the city. He added if the city could show to the county why we need the land, the county would accept and adopt our proposed expansion.

3. **Lewis County Historical Museum**. Debbie Knapp and Edna Fund from the Lewis County Historical Museum presented council and staff with invitations to the Annual Membership Dinner of the Lewis County Historical Museum taking place on Sunday, November 5, at 5:00 p.m. at the Fords Prairie Grange. Ms. Fund thanked the city for its support on the Ezra Meeker campaign. She added there was still some time to see the exhibit, although it would be closing on October 31.

4. **Adult Literacy Week, October 22-28, 2006**. Mayor Ketchum presented Keith Blackwell of the Lewis County Literacy Council a proclamation declaring October 22-28, 2006 as Adult Literacy Week.

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5. **Certification of Appreciation – Amy Allison.** Assistant Fire Chief Rob Gebhart and Captain Larry Allen presented Amy Allison with a certification of appreciation for the quick and decisive actions she took when the school bus she was driving caught fire on September 25, 2006.

6. **Resolution No. 12-2006, First Reading – Surplusing City Property.** City Manager MacReynold reported the police department was asking that the service weapon belonging to Police Officer Neil Marsh be surplused so it could be presented to him at the time of his retirement.

Councilor Taylor moved that the council suspend its rules requiring two readings of a resolution. The motion was seconded by Councilor Lund and carried unanimously. Councilor Taylor moved that the council adopt Resolution No. 12-2006 on first and final reading. The motion was seconded by Councilor Lund and carried unanimously.

7. **Ordinance No. 812-B, First Reading – Amending the 2006 Budget.** Jim Larson stated there would be some changes to the 2006 budget in a number of funds. He reported there was one change for the Chamber Way Safety Improvement Project that included two budget adjustments to two different funds using real estate excise tax money. Mr. Larson noted to make sure they appropriately used the real estate excise tax money, when they identify a project in a fund, they would then transfer the money for that project into that fund. He noted it might seem a bit complicated, but it was a guaranteed way to make sure the city spends the money appropriately.

Mr. Larson also highlighted the increase in the wastewater fund, adding it was largely due to the fact that they were running ahead of schedule on the treatment plant project.

Councilor Fuller asked Mr. Larson to explain the increase in the garbage fund. Mr. Larson reported the increase in that fund was a timing issue. He noted when they developed the 2006 budget they were looking at the history of the payments and he was not clear at the time that the final payment of the year wouldn't actually happen until the following January. He explained that as long as a bill for services came in before January 20 of the following year, for services that happened before December 31 of the current year, it would be paid out of the current years budget. Councilor Dawes noted it was similar to the 13th month, for services provided prior to the 31st of December, but received by January 20.

Councilor Fuller asked about the short-term loan for the kiddy pool. Mr. Larson reported the loan had actually been repaid. He added the loan would be recorded as an expense and the repayment would be recorded as revenue.

Councilor Dawes moved that the council pass Ordinance No. 812-B on for reading. The motion was seconded by Councilor Lund and carried unanimously.

8. **Lodging Tax Advisory Committee Report.** Mayor Ketchum reported the Lodging Tax Advisory Committee report would be pulled from the agenda. He asked that administration bring back more information in two weeks. City Manager MacReynold recommended they discuss the matter at their workshop on Thursday, October 26, since they would be discussing the 2007 economic development office budget at that time.

9. **New Utility Billing System Contract.** Mr. Larson reported the current utility billing system was from the 1980's and the vendor who provided it would no longer be supporting it. He added it was a crucial piece of software for the city and we could not afford to have it go down and not have a way to fix it. Mr. Larson reported the new technology would provide a lot of additional services to customers. Some of those features would be:

- Use of Credit Cards
- Access of accounts on the internet
- Cash receipting system that will simplify the process at the front counter

Mr. Larson reported they received six responses to the request for qualifications and disqualified some of the responses right from the start for being too expensive, or for not enough experience with cities. He reported they narrowed it down to two vendors whose prices were very similar. From the two vendors they chose Springbrook Software because they had a larger installed base in the area, and the staff that would be working with it liked it more than the other.

October 23, 2006

Mr. Larson reported the city's business license system was also with the same company currently supplying our utility billing software, which would also no longer be supported. He reported the cost of adding on a new business licensing software program would be an additional \$10,700. He noted it was a simple system, but the alternatives would take considerable staff time to develop and implement if the old system were to fail.

Mayor Ketchum asked if that was included in the \$52,000. Mr. Larson stated that was correct. Councilor Fuller asked if there would be any future change in the way the city currently read its meters. Mr. Larson reported the new system would not change the way staff reads meters, adding they were already using many touch-read meters. He noted in the future there would be opportunity for radio-reads and other methods that would simplify the process. Councilor Fuller asked as part of Mr. Larson's analysis if he determined how much the debit and credit fees were going to be. Mr. Larson reported the decision to actually implement debit and credit was independent of the system, but the new system would allow them to do it. He reported the system would have opportunity to cut handling costs, which would free existing staff to facilitate other things that the city was doing.

Councilor Taylor asked if the optional items listed were items they could buy and add on to the software. Mr. Larson reported Springbrook provided all types of software and those items were other programs the city could choose to buy from them, but was not proposing to do so at that time. Councilor Taylor noted he was looking at the payroll items. Mr. Larson reported the city's current payroll software was totally adequate and there was no sense in replacing a system that was working well.

Councilor Dawes asked what the original budgeted amount was. Mr. Larson reported it was about \$45,000, adding the additional cost would be absorbed without having to do an additional budget amendment.

Councilor Fuller asked if the business licensing software was part of the original estimate. Mr. Larson stated it was not.

Councilor Taylor asked if the website capability would be included in the cost, and wondered if a landlord would have the ability to go on-line and have a renters account shutoff. Mr. Larson stated it was included, and no, they could not shutoff utilities, they could only request that it be done. He reported the landlords would have full access to all of their rental accounts.

Councilor Fuller noted there was a one-year maintenance cost of \$4,000 and asked if that included all repairs and maintenance. Mr. Larson noted if the system had problems, or the system was not operating, as it should, it would be covered in that fee, adding the maintenance fee with Springbrook Software was not as high as some of the other vendors.

Councilor Taylor moved that the council authorize the city manager to execute the software license agreement and software maintenance agreement with Springbrook Software for a new utility billing and cash receipting system. The motion was seconded by Councilor Harris and carried unanimously.

10. Update on the Chamber Way Maintenance and Safety Project, and the Chamber Way Roundabout Project.

Tim Osborne reported on the Chamber Way Safety and Maintenance Project stating the contractor had completed the clearing and grubbing, the fill sections, asphalt paving, and had taken down some guardrail. He stated the contractor was scheduled to put in the new induction loops for the signals for the change in the lane configuration. Mr. Osborne reported the new guardrail would be in place by Wednesday, and channelization striping would follow closely thereafter, weather permitting. He noted they were still on target for opening up the project the first part of the following week.

Mr. Osborne reported on the Chamber Way Roundabout Project stating there were three schedules presented to council several months ago with regard to the portion being designed by Washington State Department of Transportation (WSDOT). At that time WSDOT showed construction in the spring of 2007. He reported even though they were still waiting for one final parcel of property, they still anticipated construction starting next spring. Mr. Osborne stated the critical path was for the city to complete the right-of-way acquisition and have it certified by the state; and the city needed to enter into an interlocal agreement for construction with WSDOT. With the execution of that agreement, construction should start next spring. Mr. Osborne anticipated advertising the project in January 2007, and going into construction about April 1.

Mr. Osborne reported the Airport Road Utility Project was still on schedule and within budget. He added there was a change order signed by the city for around \$43,000 that made some utility adjustments to the water main and some side sewers. He reported all of the utility lines were installed, but there was some fill sections that needed to be taken out of a drainage swale.

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Mr. Osborne anticipated the contractor to complete the project in about a month's time, adding with the change order they were still within budget.

City Manager MacReynold reported he received an email from Mr. Ahlf saying the surveyed information and amount was in. He reported he needed to review the information with the city attorney and the engineer to insure the city was okay with the number given, adding the possession and use agreement would be processed that week.

11. **Capital Facilities Update.** City Manager MacReynold reported the council had received a report and recommendations from the Capital Facilities Committee who spent about one year studying and developing their recommendations for the council. He stated he was working with Project Manager Jerry Boes, and city staff on how to move those recommendations forward.

Mr. Boes updated the council of the various projects, which included:

a. New Library Design – Mr. Boes reported he had a kickoff meeting with Norm Pfaff, an associate architect from Seattle, and the Library administrative staff. They discussed a lot of issues, but still needed to gather a lot of information from the Library staff. He reported over the next two weeks they would be meeting with them to get that information put together. They hoped to have a defined timeline by November 6 on how long it was going to take to get the design finished, and what the estimated costs would be.

b. Lewis County Public Services Building/City Hall – Mr. Boes reported the city was notified in writing by Lewis County that they would be vacating our building on January 31, 2007. He reported that he, City Manager MacReynold, and Andy Sennes met over the month of September with Norm Pfaff to work out some floor plans for possible remodel of the county building and city hall, adding they would be meeting with department heads on Wednesday to get their input into the floor plans. Mr. Boes stated unless there were some major changes with what they had, Mr. Pfaff would be moving forward to get cost estimates on what it was going to cost to implement what was being presented to council. He reported Mr. Pfaff anticipated having the cost estimates back to the city within the first or second week of November.

City Manager MacReynold noted administration had taken a different approach to the facilities move. He reported they were going to make it happen, and based on the committee's recommendations the city needed to do it within the existing city budget. He noted administration would be taking a minimalist approach, adding they would only be doing what had to be done to make it happen. City Manager MacReynold noted over time they may need to make some adjustments to make it work, but would be taking a very frugal and fiscally conservative approach. Council and administration talked briefly about the plans and some of the more expensive parts for the remodel.

c. Surplus Property - Mr. Boes reported on the possible surplus of some city property. According to Bill Hillier, the city would not be able to surplus the property until they first put a value on it, so he hired Eric Conrad to do appraisals on five parcels of property that should be completed by the end of the month. Mr. Boes noted once the appraisals come in he would turn them over to City Manager MacReynold and it would be a council decision as to what to do with those properties.

Councilor Pope noted there was going to be some controversy over some of the properties. He added there would be a process the city would go through if they decide to surplus the properties, and also a process to go through by which they would be sold. He added the properties were not individually earmarked for any particular one individual. City Manager MacReynold stated that was correct. Councilor Dawes noted State law was pretty clear on what the council could do, adding if the property were going to be surplus they would put a minimum amount of what would be accepted. City Manager MacReynold stated they would first go through the public process of bringing it to council to make it surplus property, and then go through a public process to sell it.

Councilor Pope asked if council could get more detail on where the properties were located and what they abut to. Bill Hillier stated the city could get a PATS printout that would give them the assessed value, square footage, history of the land as well as access. Mr. Boes reported a lot of that information would also come with the appraisal itself.

Councilor Pope asked if any of the potential land was gifted to the city. Mr. Boes reported former Chief Miller did a lot of research and none of the land they were looking at was gifted.

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d. New Fire Station – Mr. Boes reported the city had been negotiating with the Swart family to secure the property across from the current fire station. He reported there were some issues with annexation that would also need to be resolved to help determine what the city would need for a “headquarters” fire station.

Mr. Boes reported that the financing of a new fire station would also be a key factor, but they really wouldn't know where they would go with that until they received the cost estimates back on the expenses of the remodel. Mr. Boes thought sometime mid-year 2007 they would have some of those questions answered and could start putting a financial package together to bring to council as a proposal, or a recommendation on how to move forward on those projects.

Councilor Pope asked if anyone asked or made any effort to talk to the business owners in the area of the Swart building, to ask how it was going to impact their businesses. Mr. Boes didn't know if anyone had contacted the business owners in that area. Councilor Pope felt there should be some inquiries made.

Councilor Fuller asked if all of the parking areas in the lot would go away, adding he agreed with Councilor Pope that it needed to be looked at. Mr. Boes stated that would be an issue. He noted he contacted the police department and found out there were fifty parking spaces and they were all leased. Mr. Boes reported there were other parking spaces available behind the theatre, but they defiantly needed to look at, and mitigate those issues.

Councilor Harris asked what the possibility was of vacating the street in front of the current fire and police station and use that area as an apron, building the new building a little farther south. He added that would leave most, if not all, of the parking lot. Mr. Boes said it was certainly a possibility, but a lot of that would be determined by what the city wants to do with the existing police and fire building once it's vacated. Councilor Pope suggested tearing it down. Mr. Boes stated if they did, they could make more parking spaces in that space for those who would be displaced. He reported if they did vacate the street it would pretty much eliminate that building from having access, other than the street that runs next to the railroad tracks.

Councilor Pope asked if there was a positive decision with annexation how it might impact the decision on locating the new fire station in town. Mr. Boes stated it wouldn't have an impact on the location of the fire station, but it could have an impact on the size. He hoped the issue of annexation and with District No. 6 would be resolved sometime in the next year so they could get a better understanding of what the needs would be.

e. Financing – Mr. Boes reported the Library was well on it's way with a million dollar benefactor to help build the Library, and a fund raising committee in place. He hoped that the remodel of city hall and county building could be done with capital facilities reserve funds, adding they would have a better idea once they received the cost estimate back. Mr. Boes reported he would be putting together a proposal for the council to consider on how to fund the cost of the county building at \$1.3 million, and the construction of the new fire station.

Councilor Dawes felt the purchase of the county building should be taken care of and not tied to a bond. He thought the way they were approaching it just seemed backwards, adding it made more sense and might be more appealing if the city paid for the building first. City Manager MacReynold stated he appreciated Councilor Dawes' point, adding once they knew the real numbers on the costs they would seriously look at that. He stated he felt similar to Councilor Dawes, that it seemed odd they would wait to pay that debt and figure out later how to approach it and tie it to a bond around a fire station. City Manager MacReynold reported they would be looking at other options to try and figure out how to deal with it and bring those options back to the council.

Connie Van Auken inquired about the surplus property, asking at what point could they bring their concerns to the attention of the council about the surplus property. Mr. Hillier reported there would be a mandatory public hearing and there would be notice of that well ahead of time. Councilor Pope asked if she could write a letter to the city manager about her concerns. City Manager MacReynold stated it would be helpful if it was in writing and he would share that with council, but the final decision on the issue would come from the council.

12. **Landlord Utility Billing Concerns.** City Manager MacReynold reported this was an on-going issue and Mr. Larson had been working on it for some time. Mr. Larson reported he had met with the Lewis County Rental Association last year and their number one priority was to have the city move to a monthly billing cycle. As a result of that suggestion, the city did a survey of the populous that came back overwhelming against going to a monthly billing cycle.

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Mr. Larson reported he met again on the 17th with the Association and their chief concern was that the city holds the landlord ultimately responsible for utility bills incurred on property whether it be by a tenant or not. He reported they also disliked the city's billing practices because a tenant can leave the landlord with as much as four months of unpaid utility bills. Mr. Larson also expressed a legal concern that he was unaware of, which involved collecting unpaid utility bills in court where they were seen as an unrelated third party. Mr. Hillier stated that was incorrect. He reported if a landlord comes in and pays the delinquent bill that account is assigned to the landlord. Mr. Hillier noted if they go to court and the Judge needs to see a document that the account has been assigned to them, the city can provide that information to the landlord. He added it's an assignment of that account, and they have absolutely every right to collect it.

Mr. Larson reported some of the ideas they discussed might not be legal and would need to be run by the city attorney before they would consider them. Ideas included:

- Billing tenants more frequently
- Using the new utility billing system to allow budget plans
- Shorten up the billing cycle
- Allow landlords to have the ability to turn off water five days after late notice
- Have the city notify landlord when checks are returned unpaid by the bank
- Have city report tenants that leave with an unpaid bill to the credit bureau
- Have the city get out of the deposit business and allow the landlord to collect whatever deposit they see appropriate in order to protect themselves from the risk

Councilor Dawes asked if the city had any way of knowing how many tenants may have moved from one residence to another that may have been delinquent in the past. Mr. Larson reported the city keeps a list of all the tenants who move out who owe a bill and if that person comes in asking for service at another location they are not given service until after they satisfy the debt they owe to the landlord, but there was really no way to prevent someone else in the family from coming in and opening the account in their name. Councilor Dawes suggested they go to someone who deals with this, such as the PUD, and adopt some of their policies. He felt the people who are causing the problem should be getting the brunt of it, and be paying it. He added if the new system couldn't track that kind of information they should probably go back and reconsider their vote. Mr. Larson noted another thing to consider was doubling the deposit collected from a renter, which would prevent many of the landlords from paying a final bill.

Mr. Larson discussed the summary analysis of final bills paid by landlords from 1993 - 2005, which included:

- Total number of instances 705
- Average number of instances per year 56
- Average cost per instance \$162
- Rate increase required to cover those cost - .52 cents per month per account
- Most losses to a single landlord - 62 instances totaling \$10,179

Mr. Larson reported he was simply reporting on the input from the meeting with the Association and was not making any recommendations. He added if council wanted to explore any of the issues further they could do that.

Councilor Pope stated he had a problem with the issue because in doing business he himself has sustained a tremendous loss of revenue, adding that was just a part of doing business. He also stated the cost of a landlord doing business should not be a cost to the city, adding that was a private business. Councilor Pope noted the landlords collect a deposit for first and last rent and asked why they couldn't included enough in that to cover losses they might incur.

Mr. Larson reported the decision would ultimately be up to the council.

Councilor Harris asked if the new system would allow him to look at other citizens accounts on-line. Mr. Larson stated it would be password protected.

Councilor Taylor stated he had a different point of view on the issue. He saw the city as the business because the city was the seller of the water that opened up the accounts to the customer. Councilor Taylor thought the city should have some due diligence in making sure the customer can pay. He noted if the landlord was opening up the water account then they would

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be responsible for the water, but they're not. Mr. Larson stated that was a good point, adding they had a discussion about that very thing.

Councilor Fuller noted Mr. Larson stated the city was collecting deposits solely for the landlord. He asked who he was collecting the deposit for on an owner occupied account. Mr. Larson stated it really didn't benefit the city, except in a circumstance where a landlord might buy a property where the prior owner had not paid all of the utility bills. Councilor Fuller agreed with Councilor Pope that there was a cost of doing business, but also disagreed in some ways. He felt the city needed to find a way to shorten the time-length because the longer a bill was delinquent the less chance there was to collect the bill.

Councilor Dawes stated he saw the city as the one who was doing the business. He reported the city had two utilities that had two totally different policies. Those utilities included the city utility bill and the PUD.

- The city utility bill – where the city collects either from the tenant, or the landlord pays it; and
- The PUD - which collects deposits and keeps records; sometimes they write off the bad debt; and sometimes they collect it when the tenant comes from another residence in the city

Councilor Dawes thought maybe they could put their minds together and come up one way to do it. He also stated he didn't understand how anyone could just go in and look at someone else's water account, adding he thought that information was private. Mr. Hillier stated it was a private matter, but if the city changed its ordinance to authorize the property owner to have access to accounts they would have every right to it. Mr. Larson reported the current ordinance stated the account would always be in the name of the property owner, even though the city might put a name in the system to bill the account to. He believed if the city needed to change the ordinance to allow property owners to have access to that information, it would be a good step to take.

13. **December 26, 2006 council meeting.** Mayor Ketchum reported they would hold off on the decision of whether or not to have a city council meeting on Tuesday, December 26 until the first meeting of December.

14. **Chehalis Foundation.** On behalf of the Foundation Councilor Pope thanked the city for helping with the kiddie pool, and also thanked the community for their donations.

There being no further business to come before the council, the meeting was adjourned at 7:38 p.m.

Mayor

Attest:

City Clerk

October 26, 2006

The Chehalis city council met in a work session on Thursday, October 26, 2006, in the community services activity building. Mayor Tony Ketchum called the meeting to order at 5:04 p.m. with the following council members present: Daryl Lund, Rob Fuller, Chad Taylor, and Dennis Dawes. Councilor Pope arrived at 6:05 p.m. and Councilor Harris was excused. Staff present included: Merlin MacReynold, City Manager; Bill Kolden, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Fire Chief; Tim Grochowski, Public Works Director; Dave Vasilauskas, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Lilly Wall, Recreation Manager; and Judi Smith, Public Works Office Manager. Members of the news media in attendance included Paul Walker of KITI Radio.

1. **Lodging Tax Advisory Committee Funding.** Mayor Ketchum asked if there was anyone in the audience who wished to speak on the Lodging Tax Advisory Committee Funding issue. He reported he had received the information he requested from the committee and the issue would be back before the council on November 13.

2. **Continue Review of the 2007 Recommended Budget.** City Manager MacReynold stated the meeting would be the last of the three scheduled budget workshops. He reported a public hearing was set for November 13 along with the first reading of the budget ordinances, adding the second and final reading would be held on November 27.

Budgets presented to council included: the economic development office and the public works department budgets.

In closing City Manager MacReynold thanked the department directors for their part in putting their budgets together. He also thanked the Council, and especially the Ad Hoc Committee, which included Mayor Ketchum, Councilor Taylor and Councilor Dawes. He noted the Committee helped him work with the departments to go through the budgets and gave him some very good feedback, which helped him to reduce the department requests almost \$100,000.

Mayor Ketchum stated he was very proud of the budget. He noted the budget included increased services to the city of Chehalis without raising any type of taxes. It also allowed the council to keep the reserves at the recommended ten percent, which made it a real sound budget. He also thanked Councilor's Dawes and Taylor for their participation on the Ad Hoc Committee.

There being no further business to come before the council, the meeting was adjourned at 6:30 p.m.

Mayor

Attest:

City Clerk

November 13, 2006

The Chehalis city council met in regular session on Monday, November 13, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 5:02 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Fuller was excused. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Bill Kolden, Human Resources Director; Judy Schave, City Clerk; Randy Kaut, Interim Police Chief; and Bob Nacht, Community Development Manager.

1. **Executive Session.** Mayor Ketchum announced council would be in executive session for one hour pursuant to RCW 42.30.110(1)(b) – real estate acquisition and there would be no decisions announced.

Mayor Ketchum closed the executive session at 5:54 p.m. and announced council would take a five-minute recess and reopen the regular meeting at 6:00 p.m. Additional staff included: Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Fire Chief; Rob Gebhart, Asst. Fire Chief/Fire Marshal; Becky Fox, Court Administrator; and Tim Grochowski, Public Works Director. Members of the news media in attendance included Amanda Haines of *The Chronicle*.

2. **Public Hearing – 2007 Property Tax Levies and the 2007 Proposed Budget.** At 6:02 p.m. Mayor Ketchum closed the regular meeting and called the public hearing to order. City Manager MacReynold asked Jim Larson to briefly report on the property tax portion of the proposed budget. Mr. Larson reported there would be no increase to property taxes, adding the dollar amount they would be collecting would not go up, except on the increased value that would come in from new construction. Mr. Larson noted the city was allowed a one percent increase, which the council elected not to include in the budget. Councilor Dawes wanted it made clear that although the collection might go up because of new construction, the individual property tax owners would not see any increase.

City Manager MacReynold, recognizing the significant work it took to put the proposed budget together, thanked the department directors and their staffs; the Ad Hoc Budget Committee, Jim Larson, and the City Council. Some of the high points of his budget message included:

- The 2007 budget was balanced at a little over \$24 million, which included a decrease of about \$6.7 million, or 21.8 percent from the 2006 budget. Figures continued to be high for the construction of the new wastewater treatment plant and associated facilities that would continue throughout next year.
- There were no new taxes, or general user fees built into the budget.
- Based on the proposed budget the 2007 property tax rate would not change from the \$3.01 per thousand of assessed value consisting of \$2.53 for general operations and .48 cents for the ten-year emergency medical services levy approved by the voters in 1999.
- A cost of living increase for non-represented employees of 3.87 percent (90 percent of the CPI-U from July 2005 to June 2006), adding the proposed increase was covered within the proposed budget. Current negotiations were taking place for non-uniform represented employees, and in 2007 the contracts for the represented police and fire department employees would expire and would need to be negotiated.
- The reorganization proposed by administration and unanimously approved by the city council on September 25, 2006 that would take effect on January 1, 2007.
- The proposed budget, with the implemented reorganization, would include three new positions: A planner position and permit technician position in the new Community Development department; and an accountant/payroll specialist in the new department of General Services.

City Manager MacReynold stated he was honored to continue to serve the city of Chehalis, the city council, and the employees of the city, adding he looked forward to working with everyone in 2007. City Manager MacReynold stated he was pleased to present the city council and citizens of Chehalis with his first proposed budget that was balanced, improved services, maintained reserves, and would not raise taxes.

Mayor Ketchum asked if anyone would like to speak in favor or against the proposed 2007 budget. With no response, Mayor Ketchum closed the public hearing at 6:10 p.m. and reopened the regular meeting.

3. **New Reporter for *The Chronicle*.** Mayor Ketchum introduced Amanda Haines as the new reporter from *The Chronicle*.

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4. **Consent Calendar**. Councilor Dawes moved to approve the consent calendar comprised of the following:

a. Minutes of the special meeting of October 19, 2006; and minutes of the regular meeting of October 23, 2006; and

b. Claim Vouchers No. 83912-84088 in the amount of \$545,608.32 dated November 6, 2006; and Payroll Vouchers No. 2748-27609 in the amount of \$600,451.38 dated October 31, 2006.

The motion was seconded by Councilor Pope and carried unanimously.

5. **Citizen Business**. Tim Joseph from the Lewis County Raptures presented the council with their 2007 season schedule.

6. **Ordinance No. 812-B, Second Reading – Amending the 2006 Budget**. Mr. Larson reported there were two key differences from the first reading of Ordinance No. 812-B. The first was the additional \$40,000 to pay employee accumulated leave cash outs for one police officer and one firefighter, adding the money in the compensated absence reserve fund had been exhausted. The second change was to incorporate into the public facilities reserve fund sufficient money to pay for the right-of-way acquisition, which had been finalized sometime during the last two weeks.

Councilor Dawes moved that the council approve Ordinance No. 812-B on second reading. The motion was seconded by Councilor Lund and carried unanimously.

7. **Lodging Tax Advisory Committee Report**. City Manager MacReynold reported it was surprising to him the level of intensity and the politics focused around the lodging tax dollars. He appreciated the dilemma the council and the people who received the money faced, and as an outsider he noticed how challenging the whole discussion had become. Joanne Schwartz briefly discussed the issue reporting the city had three local motels that collected a four percent tax, which was remitted to the State and eventually distributed back to the city to use for tourism. She noted the guidelines were very specific about how the funds could be spent, which included promotion and advertising to bring people back into the community to stay in the motels, and in some cases the money could be spent on operations.

Ms. Schwartz reported they advertised in *The Chronicle* seeking applicants for the money and received five applications with funding requests. She reported since the building of the Best Western, and the increase in tax from two percent to four percent, the city's dollars had gone up significantly and she anticipated anywhere between \$90,000 to \$95,000 in 2007.

Renata Johnson, President of the Lewis County Convention and Visitors Bureau (CVB), stated the CVB was established to combine tourism dollars from Centralia, Chehalis, and Lewis County. She stated the idea was to put those dollars together to get more bang for the buck without duplicating efforts, adding by combining the events and attractions they had more to promote regionally.

Ms. Johnson noted part of the CVB marketing efforts was to drive people to their website, adding in 2006 they had over 50,000 people access it. She asked if the city didn't fund the CVB would the city like to have them remove anything to do with tourist attractions in the city of Chehalis. She asked if the city didn't fund the CVB who would provide:

- Brochures
- Welcome packets
- Information sites
- Festival and event guides
- Information to the Washington State Guide
- Information for the Centralia-Chehalis tourism book

Ms. Johnson noted if any of those things were important to the Council, they really should consider funding the CVB, and if they were not, that was fine. She asked if Chehalis was still planning on promoting tourism in cooperation with Centralia and Lewis County, or was the city going to go off on its own and do everything itself. Ms. Johnson stated if the city was planning on cooperating, the CVB was a perfect vehicle to do that because the organization was already in place.

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Ms. Johnson reported the city had three representatives on the CVB Board and if the city wasn't happy with what was being done, maybe the city needed to look at reappointing other people who had time, energy, and a marketing background to provide information, and could cooperate with the other entities. She noted if there was a personality conflict the city needed to be frank about it, adding there wasn't anyone on the Board who wouldn't step down in order to keep the organization afloat.

Ms. Johnson stated if the city voted against funding the CVB they would be knocking out one of the three legs of the organization. She requested the city at least consider what the city funded in 2006, which was \$40,000 because she felt the return on the investment was worthwhile.

Mayor Ketchum turned the gavel over to Mayor Pro-tem Taylor to run the meeting so he could discuss the matter. He reported he had called all of the council members last week to inform them he wanted to discuss the CVB at the next meeting, so his statements wouldn't be a surprise. Mayor Ketchum stated if they didn't vote and fund the CVB the city would not have a plan in place to take over what the CVB currently does. He didn't believe in the last year the CVB was totally embraced by all the entities, or by all the possible users that could use that facility, and that was one of the reasons why it was failing. He asked if the city used the CVB's website for anything like parks and recreation, or downtown events.

Mayor Ketchum stated he felt the committee was working fine until government got involved, adding government needed to get out of the committee so they could go back to their base roots, which at that time seemed to work. He also felt there needed to be stipulations with the money if the city were to fund the CVB. Those stipulations included:

- If either Centralia or the County gave less funds than the city of Chehalis, the city's commitment would be void
- The committee removes all elected city and county officials, all city and county employees, while having representation from the Veteran's Museum, the Railroad Association, and the Lewis County Historical Museum. If that can't happen then the city's commitment would be null and void.
- If the first two stipulations were accomplished, then the CVB would need to come to the city within the first quarter of the 2007-year and provide an advertising and promotion plan describing how all tourism funds and any additional funds would be spent for advertising and promotion for the city of Chehalis marketing area. If they don't come back to the city during the first quarter of 2007 with a plan, then the commitment would be null and void.

Mayor Ketchum noted it was going to come down to the city of Chehalis getting blamed for the entity failing. He stated he was tired of Chehalis always being blamed for everything, and felt they needed to start making the committee accountable.

Councilor Dawes asked if there had been any solid commitments from Centralia, or the County. Ms. Johnson stated there were no commitments yet because they had not had their meetings. Councilor Dawes noted he had reservations, adding Councilor Ketchum raised some very good points. Councilor Dawes stated he would like to know what the funding commitments were from the other two entities because he had been told others were not very happy with the way things had gone, and there wasn't much support. He also felt there was some gamesmanship being played, letting someone else be the first to make the decision so they wouldn't be blamed, adding he hoped that wasn't what was happening.

Councilor Dawes stated he was still trying to figure out what the city got for the \$40,000 spent last year, adding to date he had never received any information about it. He reported he received newsletters from the Veteran's Museum, the Lewis County Historical Museum, the Centralia-Chehalis Railroad, and the Chehalis Community Marketing Committee during the course of the year, and this was the first he had heard from the CVB, not to tell him what they had done for the city, but to ask for more money, which he had concerns about. He asked if the council really wanted to throw good money after bad when they had concerns with the way it's been going. Councilor Dawes agreed, sometimes government can foul up an operation, but he still didn't know if he could really support funding a situation that he was very uncomfortable with, adding he wasn't even sure if they knew where they were going.

Councilor Dawes added if they were going to put a bunch of contingencies on it, it might muddy up the water a bit. He felt the three groups should be able to work together, but from what he had seen in the last year that wasn't happening. Councilor Dawes felt they should hold off a bit and reconsider it down the road, after something was brought to the council to show that the city was getting a return for its dollars.

Councilor Dawes noted anytime you have a small area you had agencies competing for the same thing, and when you get government involved some of that objectivity goes out the window. Councilor Dawes stated what was good in one area

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would have a good residual affect somewhere else, but sometimes we don't believe that unless we're getting most of the good, because that's what people thrive on.

Councilor Pope reported the structure of the CVB came into existence back when he was the Chamber President, adding it was a way to have the Chamber of Commerce not do what they were supposed to be doing. Councilor Pope stated if you looked at the track record of the CVB you would see it had been a failure all along. He reported over the years it had gone up and down and never was very consistent, adding anyone could put out brochures, but the council wanted more than that for our city. Councilor Pope stated they should worry less about what Centralia or the County thinks and more about what the citizens of our community think since they were the people who elected them, who they work for, and who they try to make the best quality of life for in our community. He agreed with Councilor Dawes in that whatever good happens in Chehalis would have a residual affect somewhere else. Councilor Pope reported there was nothing wrong with trying something new and they should. He noted if during the year it was proven that the other entities were going to ante up and there was some structure to it to make it stick, the city could always give the money at that time. Councilor Pope felt they needed to do what was best for the citizens of Chehalis, adding he was not in favor of giving another \$58,000 to the CVB.

Mayor Ketchum asked if it was good for the city to not have a plan. Councilor Pope stated they could develop a plan, adding they could pay someone else just as much as they pay the CVB to develop a plan. Councilor Dawes asked what kind of plan they were looking at because the ones they were funding all had very active programs where they reach out to the community. He noted in the city's reorganization they established an Economic Development Department and Centralia did the same exact thing. Mayor Ketchum stated that had nothing to do with tourism. Councilor Dawes stated they were two different things, but they went hand-in-hand because if you don't have anything attracting people, they won't come. He noted he wasn't against the concept of the CVB, but was against the way it currently existed because it wasn't working.

Councilor Harris stated he was wearing three different hats: being the Chair of the Lodging Tax Advisory Committee; a city representative to the CVB; and a council member who would be voting for what he thought was the best use of the tax dollars for the citizens of Chehalis. He reported it was a very uncomfortable position for him.

Councilor Harris reported the idea behind the CVB was wonderful, adding there was nothing precluding the city from benefiting if all three partners worked well together. He agreed with what Mayor Ketchum said about getting government and politics out of it, unfortunately they were fatally attached to one another because every year the political bodies had to decide whether to fund it or not. Councilor Harris noted the CVB finds itself in a difficult position of how to budget from year-to-year when it has three different agencies saying 'prove to me.'

Councilor Harris noted as a Councilor they can't just hand somebody money and trust them to produce exactly what they think they need to produce. He believed the CVB failed to do what it needed to do, and he, as a Board member on the CBV had failed. He reported there were various reasons behind it, some of which were political, some of which were personal, most of which had to do with time. Councilor Harris stated unfortunately they only had six to eight months to take it, develop a new Board, build a plan, and hire a director to get it going. He didn't believe a year was enough time, but felt they could have done better with their time. Councilor Harris stated in no way did he want to insult their former director, adding he thought she did a wonderful job with her ability and what they had given her to do with the amount of time she had. He asked how they expected the CVB to hire a marketing director when the ability to advertise for that position had strings attached to it every year with no guarantee they would have a job the following year. Councilor Harris reported it was necessary to have a director who was marketing driven, and they weren't going to get someone if they may not be working in another year.

Councilor Harris wondered where they would put the facility if they took the politics out of it. He added wherever it was located, whether in Centralia, Chehalis, or Lewis County the entity who provided the building had the right to do whatever they wanted in that building (which brought up the issue of when Centralia hired an individual and placed her in the CVB building to promote conventions specifically for the city of Centralia). He noted the board talked about coming up with a listing of the convention facilities throughout the County so if anyone called or came through the front door, they would be handed that listing to determine where they wanted to be, but that listing was never produced.

Councilor Harris believed the city could work with both Centralia and Lewis County on promotional items and thought the idea of a CVB was an excellent idea. He noted he wasn't upset with either of the other two entities, but put the blame solely on the Board, adding he wished they could have had more time.

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Councilor Harris noted he took some offense to what Ms. Johnson said regarding what would happen if the three partners should split, asking should the other two just ignore the third partner. He hoped the good neighbors wouldn't do that since they all benefit from programs that are in each other's communities. He understood what Ms. Johnson was talking about, but didn't care for it, adding he wasn't going to give into "If you don't fund us we're going to cut you out."

Councilor Lund stated he agreed with what Mayor Ketchum said when he talked about having a plan. He felt all three entities needed to work together and figure out a way to make it work and not just drop out because someone doesn't like how some things are working. He suggested Dr. Hank Kirk come out of retirement and take charge of the CVB.

Mayor Ketchum moved that the council fund the Lewis County Convention and Visitors Bureau in the amount of \$40,000 with the three stipulations he stated during his opening statement; to fund the Veteran's Memorial Museum in the amount of \$12,000; the Centralia-Chehalis Railroad Association in the amount of \$17,000; the Lewis County Historical Museum in the amount of \$13,700; and the Chehalis Community Marketing Committee in the amount of \$12,000, requiring the last three, during the first quarter of 2007, to provide the city council with an advertising/promotion plan describing what all tourism funds and any additional requested funds would be spent on for advertising and promotion of the city of Chehalis marketing area. The motion was seconded by Councilor Lund.

The motion failed 3 to 3 with Councilor's Harris, Pope, and Dawes voting against the motion.

Councilor Dawes noted Councilor Fuller, who was absent, put a motion in writing on the issue for the council's consideration. He noted Councilor Fuller suggested using the 2005 budget levels to include an advertising promotion plan describing how the funds would be spent for advertising and promotion of the Chehalis market area.

Councilor Dawes noted some of the 2007 requests from the agencies were less than some of the recommendations and asked Councilor Harris how that came about. Councilor Harris reported it came about while he and Councilor's Fuller and Dawes were going through the vouchers. He noted he mistakenly told Councilor Fuller he thought it was for promotions and not for operation, adding it wasn't for operations unless the city had ownership in the program. Councilor Harris noted their discussion might have gone a different direction if he had given Councilor Fuller that information because there was a lot of concern about the fact that the money was going for operations and not promotions. He noted Councilor Fuller wanted to have them come back each quarter and tell the council what they were going to do with the money rather than giving it to them and then seeing if they earned it.

Councilor Harris (referring to page 35, paragraph 3 of the agenda) noted the additional money was suggested to the Council because they wanted to cross promote, adding if they weren't going to fund the CVB there would have to be some additional promotion needed. He reported some of the amounts were increased because the recommendation by the Lodging Tax Advisory Committee was not to fund the CVB.

Mayor Ketchum noted in paragraph 3 it talked about forming a committee and thought that committee was supposed to be formed and running by now. Ms. Schwartz noted that recommendation was based on not funding the CVB in 2006. Mayor Ketchum stated after council approved it he was asked specifically if that formation should still happen even though the money was given, and he specifically said yes. Ms. Schwartz reported if they were to look at the agenda from last year which was sort of the same language, it stated if the CVB was not funded, a group that be identified and formed. Once the CVB was funded that sort of went away. Mayor Ketchum noted he was e-mailed by an individual from the Lewis County Tax Advisory Committee asking if that committee should still be formed and he responded yes. Ms. Schwartz stated that information was never imparted to her, adding she would have probably been the one to pull that together, but she was never tasked with that.

Councilor Lund stated there was a question about the tourism money not being used right and asked if the State Auditor doesn't go over that to make sure it was being spent properly. City Manager MacReynold reported he reviewed the information with Ms. Schwartz and believed the city was clearly in compliance with the law.

City Manager MacReynold noted it seemed to him what council was really trying to get at with the CVB was to have an organization that pooled the resources of the three jurisdictions involved to market the communities. He added marketing was a very special talent and skill set, and there were organizations throughout the State that did a good job at it. He was curious why the CVB had not taken on more of a contract management approach by writing an RFP or RFQ, whichever the law required, and have the marketers who do this kind of work come to the CVB and make a pitch as to how they would sell our communities with the money they had. City Manager MacReynold stated the CVB, as an organization, could oversee that contract to make sure it

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happens. He noted they probably had talked about it before, but it seemed to him that they could get at what they were trying to do with that money without talking about hiring a new staff person. He reported what they needed was somebody to market our communities, adding they weren't talking about small change, but rather \$100,000 between the three communities. City Manager MacReynold stated he would throw that out for their consideration.

Councilor Harris stated that was pretty much what he was alluding to when he talked about having an impartial marketing person or firm do something without the attachment. He thanked City Manager MacReynold for putting it into perspective.

Councilor Pope stated in the past that was suggested and that suggestion got railroaded right out the door, adding he himself thought it was a good idea.

Councilor Dawes noted that was the logical path he would like to see something like that go. His lack of support for the particular request was because he didn't believe it was working in its current form. Councilor Dawes stated he couldn't support putting more money into something that he didn't believe was working. He added the theory was excellent, but noted they had three entities putting different amounts in, which tells you somebody was always going to feel like they were getting the shorthand dealt to them. Councilor Dawes noted they needed to find a way to do it that was equal, but he didn't see that being done right now.

Councilor Lund stated he liked what city Manager MacReynold said, which was another good reason why the city hired him. He noted maybe the issue should put on hold so that the CVB could talk about some of the ideas that were brought forward, and then come back to the city with a proposal.

City Attorney Bill Hillier stated as a point of order it would be appropriate that each one of the requests be brought up on a motion on its own merit, adding it may take four motions, but it was a better way to handle it. Councilor Dawes asked if he couldn't just make one motion and go with the committee's recommendations. Mr. Hillier stated he could, he was just making a point of order.

Councilor Dawes moved that the Council follow the recommendations of the Lodging Tax Advisory Committee and fund to Veterans Memorial Museum in the amount of \$14,000; the Chehalis-Centralia Railroad Association in the amount of \$22,000; the Lewis County Historical Museum in the amount of \$15,000; and the Chehalis Community Marketing Committee and the amount of \$12,000. Councilor Pope seconded the motion.

Councilor Lund noted he was not going to vote, or would vote against the motion because he felt they should follow the city attorney's advice and take each recommendation as a single motion. He also felt they should also take another look at funding the Lewis County Convention Bureau.

Councilor Harris, for the record placed what Councilor Fuller had suggested which was to give the 2005 funding amounts to four of the organizations including: the Veterans Museum, the Centralia-Chehalis Railroad Association, the Lewis County Historical Museum, and the Chehalis Community Marketing Committee. Councilor Harris noted it didn't speak directly to the motion, but agreed he didn't just want to put the money out there and not have some form of production accountability behind it. Mayor Ketchum asked if Councilor Harris was amending Councilor Dawes motion. Councilor Harris stated no. It was just out there for discussion to see if any one wanted to.

Councilor Pope felt they weren't ready to make a decision and rescinded himself. Mayor Ketchum asked if Councilor Pope would like to table the matter for two weeks. Councilor Pope stated he would like to table it and let the CVB bring back a plan. Councilor Dawes removed his motion, adding he didn't know why they as a Council wouldn't be ready to act on the four, and not take up the CVB.

Ms. Schwartz reported on the Veterans Memorial Museum, which requested \$14,000. She reminded Council the Vietnam Traveling Wall was coming to Chehalis in June, adding it was a very big deal for our community at large. She noted the \$20,000 the Lodging Tax Advisory Committee chose to recommend was based on the need for extra funding to offset some of the expenses of the wall. Ms. Schwartz stated the increase to the Chehalis Community Marketing Committee was based on a collaborative effort, and in case Council chooses not to fund the CVB she suggested some extra funding be added to do some ads, which might need to be done and thought it would be helpful to have it already budgeted, assuming she might be the one

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having to do it.

Mayor Ketchum stated it was his understanding that Ms. Schwartz was supposed to be directly promoting economic development for the next year and not necessarily tourism. Mayor Ketchum asked if he was off base. City Manager MacReynold noted through the reorganization they talked about three key elements of the economic office, which included: retention and promotion of business; economic development; and tourism. He noted tourism was a key element in economic development.

Councilor Harris moved that the council fund the Veterans Memorial Museum in the amount of \$20,000. The motion was seconded by Councilor Pope and carried 5 to 1. Mayor Ketchum voted against the motion

Councilor Harris moved that the Council fund the Chehalis–Centralia Railroad Association in the amount of \$22,000. The motion was seconded by Councilor Pope and carried 5 to 1. Mayor Ketchum voted against the motion.

Councilor Harris moved that the Council fund the Lewis County Historical Museum in the amount of \$15,000. The motion was seconded by Councilor Dawes and carried 5 to 1. Mayor Ketchum voted against the motion.

Councilor Harris moved that the Council fund, the Chehalis Community Marketing Committee in the amount of \$12,000. The motion was seconded by Councilor Dawes and carried unanimously.

Councilor Harris reiterated for the record that all of the amounts were liquid and they could always add to them or take away from them if necessary. He added if any eligible agency had some form of special program or something they thought could pull something in they could always revisit the issue.

Mayor Pro Tem Taylor noted it was the first reading and the matter would be back before the council at the next meeting.

Ms. Schwartz clarified what Councilor Harris commented on stating if an entity came forward with a proposal to fund a program or project which met all the criteria, that information would be given to the Lodging Tax Advisory Committee for review and consideration and would then be brought to the Council with a recommendation. She noted there would be opportunity throughout the year for anyone who might come forward to request funding.

Councilor Dawes noted one observation he made during the process was even though they may have voted on opposite ends he didn't believe they were on opposite ends of the thought process. He added the city of Chehalis was not against the Lewis County Visitor and Convention Bureau itself, but felt the current form needed improvement.

Councilor Pope noted he would like to see a request come back from the CVB with a plan. Mayor Ketchum felt that that was what they had discussed.

Mayor Ketchum thanked the council for their open and gentleman like discussion, adding it was a good discussion and he appreciated that they were able to agree to disagree, and they hadn't had that for a long time. Mayor pro tem, Taylor returned the gavel to Mayor Ketchum and the meeting continued.

8. Increased Funding for Façade Program. City Manager MacReynold reported the program had been very successful and Ms. Schwartz was a key player in that. Ms. Schwartz first introduced members of the Historic Preservation Commission that were present, which included: Dr. Hank Kirk, Ms. Barbara Mason, and Ms. Barbara Scott. Members not present included: Mr. Wayne Galvin and Ms. Marilee Knutson. She noted they currently had one opening to fill and would bring that matter back to counsel at the next meeting.

Ms. Schwartz reported the members had worked very hard and to date had reviewed and processed 22 applications with one pending to come in. She reported they had expended the original \$100,000 and were now asking for additional funding for the program. Ms. Schwartz stated in her agenda report she asked for \$35,000 more, but as of that day she would be requesting \$40,000 instead. She noted she received a phone call from Jeff Robertson who owns the old Elk's building downtown and he was requesting to do a façade improvement on that building. Ms. Schwartz stated the \$40,000 would cover all of the requests that she had received so far. She reported the largest request received was for \$20,000 for the old Party Papers building, adding they were doing a \$50,000 renovation to the building.

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Councilor Taylor asked if they should put more money in the fund so they don't have to keep coming back. Ms. Schwartz stated that would be a council decision. Councilor Taylor asked how much money was left in that fund. Mayor Ketchum stated at the end of 2007 they should have \$513,000. Councilor Dawes asked if that included the \$100,000 already approved. Mayor Ketchum stated yes, but it didn't include the extra \$40,000 Ms. Schwartz was currently requesting. Councilor Taylor stated all the stuff downtown was looking amazing and suggested they throw in another \$100,000. Ms. Schwartz reported she was putting together a list of all of the repairs for the committee and would e-mail that same information to the Council.

Councilor Harris noted the thing they had to keep in mind was it was intended for seed money and was never going to be replaced unless they figured out how to replenish it. Ms. Schwartz reported the way the project was written was it was based on a \$5,000 grant and anything higher would require some sort of match. Councilor Harris stated he knew the money would be used and would be beneficial, but they needed to realize it was a depletable fund and they should try to make them larger "match" projects and hopefully get some money back into the CDBG fund.

Councilor Dawes stated the \$5,000 to the businesses was an investment, adding the money wasn't just being given away. Councilor Dawes stated he knew Councilor Harris didn't mean it that way, but sometimes it's taken that way. He noted if that person invests that money and turns around and makes it much more attractive then people would be drawn in.

Mr. Larson noted the way the motion was written in the agenda report was that there was no automatic budget adjustment happening, adding it was more of a declaration of intent. He added at some point it would have to become part of the 2007 budget, suggesting they do a budget amendment midyear or sometime during 2007. Mr. Larson stated one of the things that was important to remember was they had essentially committed all of them \$100,000. He added much of that was not going to get spent in 2006 and they really wouldn't know until the end of the year. Mr. Larson stated the best way to handle it would be to do a budget amendment midyear 2007, noting the number would be larger because it would include the \$40,000 plus whatever was unspent out of the \$100,000 appropriated in 2006.

Councilor Taylor moved that the council approve an additional \$70,000 of the 1983-1995 CDBG fund for the façade improvement program. Councilor Dawes seconded the motion. Ms. Schwartz noted that would approve an additional \$35,000 that would be uncommitted. Councilor Lund recused himself from voting, noting he may apply for the program.

The motion carried unanimously.

9. Ordinance No. 813-B, First Reading - Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2007; Ordinance No. 814-B, First Reading - Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2007; Ordinance No. 815-B, First Reading - Adopting the 2007 Budget. City Manager MacReynold stated he and staff would be available to answer any detailed questions Council might have regarding the budget ordinances. He encouraged council approval of the proposed 2007 budget.

Councilor Taylor moved the council pass Ordinance Nos. 813-B, 814-B, and 815-B on first reading. The motion was seconded by Councilor Lund. The motion was carried unanimously.

Mayor Ketchum stated they worked very hard on the budget and was very proud of it. He noted the Ad Hoc Committee sent it back to the city manager asking him to cut out a few hundred thousand dollars before the council would accept it. Mayor Ketchum reported he was proud they were not raising taxes, but would be increasing the services to the citizens of the Chehalis, and in some cases providing more services to the county. Mayor Ketchum thanked everyone for his or her hard work.

10. Resolution No. 13-2006, First Reading - Declaring State of Emergency. City Manager MacReynold reported the city recently had some flooding and asked Assistant Fire Chief Rob Gebhart to report on the situation. Assistant Fire Chief Gebhart reported Lewis County experienced a pretty devastating flooding event. He noted there was an impact to the city of Chehalis and on Tuesday when the water started coming up they started receiving calls about noon from the Chehalis Avenue Apartment residents. He noted at that particular time Chief Nacht was working at the EOC for the county and they had about 38 active rescues going on in the East end. Assistant Fire Chief Gebhart reported Sheriff Mansfield asked that the city open up their EOC, and in order to do that they needed to do a declaration of emergency.

Councilor Lund moved that the council suspended its rules requiring true readings of our resolution. The motion was seconded by Councilor Pope and carried unanimously.

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Councilor Lund moved that the council adopt Resolution No. 13-2006 on first and final reading. The motion was seconded by Councilor Taylor and carried unanimously.

11. **Possible Real Estate Property Acquisition.** City Attorney Hillier reported there had been discussions about the possibility of acquiring an option on real property to follow through with the overall plan of property acquisition for future facilities for the city. He noted this was just a step in that process; adding council had considered it and felt it was appropriate. Mr. Hillier added it would be appropriate to bring it forward as new business and a motion should be entertained to authorize the city manager to sign the option agreement.

Councilor Dawes moved that the council authorize the city manager to enter into an option agreement to purchase real property between the city of Chehalis and the Swart family. The motion was seconded by Councilor Lund and carried unanimously.

12. **Employee Service Award.** City Manager MacReynold recognized Ryan Chaney, Community Services Property Maintenance Technician I – for 10 years of service to the city of Chehalis.

13. **Briefing on Flood Damage Reduction Project.** City Manager MacReynold reported Bob Nacht had been trying to get on top of the issue, adding the city was a partner with Lewis County, and the city of Centralia. He noted the city of Centralia had opted not to take part in the program with their recent council action. City Manager MacReynold reported Mr. Nacht had spent some time with the county staff and felt it would be important for him to bring the council up to speed on what was happening, and to talk a little about what our options were since it was important for the future development of our airport area.

Councilor Taylor reported he was on the Flood Reduction Committee and one of the things that scared the city of Centralia was the possibility of having to pass a tax to pay for a \$100 million project, adding the city of Chehalis might have to pass it too if we were to proceed with the project. He felt that was why the city of Centralia opted not to participate in the program. Mr. Nacht stated that was part of it and that was also alluded to in their letter to Lewis County.

Mr. Nacht reported as City Manager MacReynold pointed out, the city of Centralia had opted out of the flood damage control project. He noted a few years ago Centralia, Chehalis, and the county got together with the Corps of Engineers, the Department of Ecology, the State Department of Transportation, and others to try to put the project together. Mr. Nacht reported they had worked on it for a number of years and the county had invested around \$12 million into the project. He reported the current issue they were facing was the Corps of Engineers indicated they needed to go to the next step. In order to go to the next step, which would be to start designing the project, they needed a commitment from the locals that they were actually going to fund the project. Mr. Nacht reported a letter was sent out by Lewis County to both cities asking them to commit one way or the other on the funding issue. He reported the city of Centralia opted to say no because they couldn't afford it. Mr. Nacht reported on account of Centralia's decision the project was essentially a no go, adding it was not necessarily a bad thing because there were some other options available.

Mr. Nacht reported a majority of the benefit area was within the city of Centralia. He used a map to show the area that would have been impacted by the project in the Centralia. He noted if Centralia was not going to participate in the project, and all of the benefit area goes away, the cost-benefit ratio diminishes below a point that the Corps of Engineers would participate in the project. He reported the remainder of the benefit area was relatively small, and the county would get very little if any benefit from the project because they don't have urbanized area where the damage reduction would occur. He indicated the county would not be a willing participant in that either.

Mr. Nacht stated if the project were to go away it would actually open the door to the county, the State Department of Transportation, the city of Chehalis, and the Airport Board to lobby the Legislature for funding. He added the city of Centralia could piggyback on that if they wanted to, which would simply resurrect the project itself through a different mechanism. Mr. Nacht noted the Corps of Engineers would no longer be the primary sponsor of the project, adding Lewis County would become the lead with all the other partners. He noted the project would have to restart from square one, stating the work that had been done under the Corps of Engineers direction, would not automatically count towards anything else. However, if they were to adopt an environmental impact statement it could be used for future projects, but it would not automatically satisfy the requirement.

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Mr. Nacht stated if the project does go away, the TIB grant application that Chehalis and Lewis County went together on to enhance Airport Road and reconstruct Louisiana Avenue, including the connection over the dike, would also go away. He noted the flipside would be once the Department of Transportation identifies and officially makes the decision on the Mellen Street interchange in Centralia, Chehalis and the county would start the process of identifying the connection to the Dike. Mr. Nacht noted the big issue was the Mellen Street interchange, adding as soon as that was put to bed then the Airport Road connection could be entertained.

Mr. Nacht reported funding mechanisms for that could include any number of things, but because the issue was new enough they had no idea what the funding mechanisms would be. He noted the city of Chehalis had designated two wetland and floodplain mitigation areas (one on National Avenue and one on SR6), adding those mitigation areas were specifically designed to allow the county's Airport Road reconstruction project to occur through the environmental process. He added that would go away with that project. However, it could be resurrected and all the environmental documentation that was done for that could be resubmitted under a different project scenario.

Councilor Dawes noted it seemed odd that the State started doing all of that stuff under the Corps of Engineers, but yet it would have to be redone under the corps standards with the river being there. Mr. Nacht reported the issue would be whether the corps was sponsoring the project or whether the corps was simply a reviewing agency. Councilor Dawes noted either way, he couldn't believe the corps would do all that work and not have it be up to their standards. He added it seemed like a duplication of efforts. Mr. Nacht reported the other issue was the corps was saying the environmental impact statement had not been finalized and the county had not designed the mitigation project. He added the corps stated if this city and county wanted a flood damage reduction project done they would have to go to the next step. Mr. Nacht reported it was going to cost money to get there and the corps was asking if the locals were willing to put up the money and the answer was no.

Mr. Nacht reported by going through the process with the State there would be a benefit to the transportation system, the I-5 corridor, the widening of I-5, and the last segment of I-5 to be widened from the Mellen Street to 13th Street, adding there was a good chance of getting it funded through that process.

Mayor Ketchum asked what the council needed to do. City Manager MacReynold stated he would prefer to have some direction from the Council of whether or not they wished the administration to continue to support the project as proposed or if they were going to also withdraw support. Mayor Ketchum didn't believe they could go forward putting a \$100 million tax on the citizens. It was the consensus of the Council that they not move forward with the project.

Councilor Taylor noted he had been on the committee for about six years and they kept going back and forth with the corps. He added the Department of Transportation had been great to work with, but it was a never ending pile of tasks and projects and EIS's, and the projects were costing hundreds of millions of dollars and he didn't believe the citizens of Chehalis or Centralia were willing to pay it. He added the benefit district unfortunately was in Centralia although it benefited the whole county, but they couldn't levy a tax over the entire county.

Councilor Taylor asked if all of the houses that had been raised in Centralia and Chehalis would be taken out of the cost-benefit ratio now since they wouldn't flood. Mr. Nacht reported the level of damage would be readjusted, but they were still in the area.

City Manager MacReynold recommended to the Council that they not continue support of the project and that they direct administration to explore other opportunities. The consensus of the council was that it was a good idea. Councilor Harris felt they still needed to figure out other ways to maybe get more local and state government involved.

14. **Executive Session**. City Manager MacReynold reminded Council about the executive session on Thursday, November 16, at 5:30 p.m. in the council chamber. Also from 6:30 to 8:30 p.m. at the Hotel Washington there would be a social gathering of the Council, employees, and members of the public to meet the police chief finalists.

15. **Retirement Party**. Mayor Ketchum stated he enjoyed being at Neil Marsh's party last week, adding it was a great loss to the city. He stated he appreciated the service that Mr. Marsh provided to the city and wished him well.

16. **Chamber Way Ribbon-Cutting Ceremony**. Mayor Ketchum reported he enjoyed standing out in the rain with other city staff for the ribbon cutting ceremony for the Chamber Way safety improvements.

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17. **Executive Session**. Mayor Ketchum closed the regular session at 8:02 p.m. and adjourned into executive session pursuant to our RCW 42.30.140(4) - collective bargaining for one hour and there would be no decision announced following the executive session.

Mayor Ketchum reopened the regular meeting at 9:19 p.m.

There being no further business to come before the council, the meeting was adjourned at 9:19 p.m.

Mayor

Attest:

City Clerk

November 16, 2006

The Chehalis city council met in special session on Thursday, November 16, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the special meeting to order at 5:37 p.m. with the following council members present: Terry Harris, Daryl Lund, and Dennis Dawes. Councilor's Fuller, Taylor, and Pope were excused. Staff present included: Merlin MacReynold, City Manager; Bill Kolden, Human Resources Director; and Judy Schave, City Clerk.

1. **Executive Session.** Mayor Ketchum announced that staff and council would convene into executive session for one hour pursuant to RCW 42.30.110(1)(g) – evaluate qualifications of applicants for public employment, and no decision would be announced following the conclusion of the executive session.

Mayor Ketchum reopened the special meeting at 6:15 p.m.

There being no further business to come before the council, the meeting was adjourned at 6:15 p.m.

Mayor

Attest:

City Clerk

November 27, 2006

The Chehalis city council met in regular session on Monday, November 27, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 5:03 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, Chad Taylor, Counselor Fuller, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Tim Grochowski, Public Works Director; and Bob Nacht, Community Development Manager.

1. **Executive Session.** Mayor Ketchum announced council would be in executive session for one hour pursuant to RCW 42.30.110(1)(i) – potential litigation and there would be no decisions announced.

Mayor Ketchum closed the executive session at 6: 07 p.m. and announced council would take a five-minute recess and reopen the regular meeting at 6:12 p.m. Additional staff included: Bill Kolden, Human Resources Director; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Fire Chief; Rob Gebhart, Asst. Fire Chief/Fire Marshal; and Patrick Wiltzius. Members of the news media in attendance included Amanda Haines of *The Chronicle*, and Paul Walker of KITI.

2. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the special council meeting of October 26, 2006;
- b. Claim Vouchers No. 84089-84234 in the amount of \$1,462,103.21 dated November 20, 2006; and
- c. Appointment of Douglas Burton to the Historic Preservation Commission to complete the term of Rick Alexander expiring December 31, 2008.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Ordinance No 813-B, Second Reading - Determining and Fixing the Amount of Revenue to Be Raised by Ad Valorem Taxes During 2007; Ordinance No. 814-B, Second Reading - Stating the Dollar Amounts and Percentages of Change in Property Tax Levies in 2007; and Ordinance No. 815-B, Second Reading - Adopting the 2007 Budget.**

Councilor Dawes moved to approve Ordinance Nos. 813-B, 814-B, and 815-B on second and final reading. Councilor Lund seconded the motion.

City Manager MacReynold noted there was an amendment based on the action from the last meeting that would amend the budget adding the tourism funding. In addition, he noted Councilor Fuller did have a proposed amendment that was still on the table, and asked Councilor Fuller based on what the council action was, if that was still a valid amendment.

Councilor Fuller stated he did have an amendment that was proposed and thought it had changed somewhat. He noted he had no problem with the amendment as it was, but in addition to that amendment he would like a qualifier. Councilor Fuller noted his original amendment was to roll things back to the 2005 budget and grant the funding at those levels. He stated he wanted to have a stipulation in there that during the first quarter of 2007 each one of those recipients provides the city Council with an advertising and promotional plan describing how the tourism funds, and any additional funds, would be spent for advertising and promotion in the Chehalis market area. He added he wanted that brought back to council for approval, and to have them report quarterly on the success or progress. Mayor Ketchum noted he knew that Councilor Fuller wanted that in, but it didn't get into the motion at the last meeting.

Councilor Harris noted he and Councilor's Dawes and Fuller were on the voucher committee and two or three weeks ago they met and discussed the issue. He stated Councilor Fuller mentioned he saw in some cases some of the funding was used for operational purposes. Councilor Harris noted he misspoke, because he believed the funding was supposed to be only for promotions and advertising, but that was not the case. He reported, which was part of the conversation they had at the last meeting, when the city had a vested interest in it they could use the funding for operations.

Councilor Taylor moved to amend the motion to include the stipulation that during the first quarter of 2007, each one of the recipients provides the city Council with an advertising and promotional plan describing how the tourism funds and any additional funds would be spent for advertising and promotion in the Chehalis market area; and that they bring back to council for approval; and that they report quarterly on the success or progress.

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Councilor Dawes asked Councilor Fuller what it was he was looking for asking, could it be a quarterly report by a representative from each one of the agencies being funded to say what they had done so far, or was he looking for a specific use of those dollars, and how it tied into their overall operation. Councilor Fuller stated after going through all the paperwork it struck him that the money was being handed out each year, and it had become a regular part of their budget. He noted, some of it was for operations and some was to pay for things they would do even without that money and he would just like more accountability and a plan on how they would be using the money to bring tourism to the community.

Councilor Dawes noted in the past, prior to the Lodging Tax Advisory Committee being formed, the groups would come before the council and they would ask for certain amount of money and give a brief talk about what they did. Councilor Fuller noted they had handed that responsibility off to a committee, and didn't want to redo the committee, adding he just wanted some sort of feedback as to what the plan was and how things are going during the course of a year. Councilor Dawes wondered if it was proper to make an amendment to the 2007 budget on an issue that wasn't monetary, asking if they didn't already have the right to request that information outside of a formal motion. Bill Hillier stated they could, but if they put it as a stipulation of the funding, it would be a matter of record and staff could facilitate following through with that obligation. Councilor Dawes stated he didn't have a problem with the request, he just didn't want to make it any more complicated than they had to.

Councilor Pope noted he agreed with Councilor Fuller in that he would like to see what they were doing with the funding and how they were doing it. He added, the city had handed out money too often and have received no accountability for it. Councilor Dawes agreed. Councilor Pope stated they should be able to see some of the fruits of that money out in the community, but had not seen any of it. Councilor Dawes noted, if they recalled their discussion from two weeks ago, that was his very concern and why he was not supportive of one of the groups being funded.

Councilor Harris noted State law required a Lodging Tax Advisory Committee be formed which had guidelines on how it was to be constructed. He reported the entities do come to the Lodging Tax Advisory Committee and give presentations and if the council were going to require a presentation as well they would then be making two presentations. He noted he didn't have a problem with that if that was council's desire. Councilor Harris reported the reason why the committee sees it and reviews it is to help guide the council towards whatever decision they need to make.

Councilor Pope stated that was not what they were asking for. Councilor Dawes noted that was not what he got out of Councilor Fuller's motion. Mayor Ketchum felt Councilor Fuller wanted a more-wider open plan, not just proposing to them as to why they needed the money; he wanted to see some kind of plan that showed results. Councilor Fuller noted he saw what had happened in the past and it moving forward believed the money needed to be invested to bring people into the community to replenish the money to be invested. He added there needed to be a more coordinated plan, adding he heard a lot of talk about the different groups working with each other or thinking about working with each other. Councilor Fuller stated if that were what they were going to do, then he would like them all to sit down and work out a plan for the community, and then present that plan to the council. After that, if the council decides to give them the money, have them come back quarterly to tell them what's working and what's not working. Councilor Fuller noted he didn't want to complicate or redo the committee.

The amended proposal carried unanimously.

Councilor Fuller proposed another amendment to the budget, that the city authorizes funding the CVB in the amount of \$40,000 and directed the city manager to work with the other two entities (Centralia and Lewis County) to come back to the council with an operation plan for that organization in the first quarter of 2007. He noted the operation plan could include marketing, reorganization, restructure, renaming, or whatever they deemed necessary. Councilor Fuller stated he personally felt if they pulled the funding, that organization would die and there was no other organization to move the three entities forward in marketing.

Councilor Fuller moved that the council authorize \$40,000 be appropriated to the CVB funding them for the first three months, and directed the city manager to work with the other two entities to bring back an operation plan by the end of the first quarter 2007, adding if they don't come up with a plan they wouldn't get the money. Councilor Taylor seconded the motion.

Councilor Taylor disclosed what his relationship was with the CVB and his company. He reported the Silver Agency, which he was a partner in, produced the visitors guide for the CVB on a contract basis. He noted, the contract stated the CVB would get 10% of anything the Silver Agency made on the guide.

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Councilor Pope understood the motion to be they would have to come up with a plan before they hand them the money. Mayor Ketchum stated that was correct. Councilor Fuller noted he had no problem with funding them for the first three months to keep the phone lines and the website going. He stated at the end of three months, if there is no plan that would be the end of it. He noted if there wasn't a need for that then he would pass it to the city manager to find out what he thought. Councilor Dawes felt the council should have a chance to discuss it first.

Council Harris reported after the first meeting when the council voted not to fund the CVB, the CVB met and started setting up the dismantling of the organization. He noted they talked about where the tables and chairs would go and about how much money would go back to each entity.

Councilor Harris said if he wasn't mistaken, what they were really trying to do is set aside in the budget that money so in case they do get some kind of a marketer they can do that. His only concern was if the entity had not been dissolved yet, noting it hadn't been because there wasn't a quorum at their last meeting, he noted it would be strange now to hand them money when they are thinking that it's gone. Councilor Harris stated their statements were that they saw it wasn't working the way it was and they had real concerns, adding they knew they had some real shortcomings. Councilor Harris noted he could support holding the money and would support whatever entity could pass muster and get them a program.

Councilor Fuller noted he had heard a couple of statements made by some people representing the city, or the council that said the city was not going to fund the CVB. He noted that was the council's decision and not anyone's on the committee, or outside the council. He added if the CVB dissolved and went away, whether they appropriate the money or set aside it wouldn't go anywhere if the entity doesn't exist. Councilor Fuller noted if the other two entities, Centralia and Lewis County, don't fund it then he would imagine that it would go away anyway.

Councilor Dawes noted there is a lot of agreement as to what they would like to see done. He stated he was not in favor of funding the CVB in its current form, and felt they'd left the door open with their split vote last time. He noted if there was anything that was going to be resurrected out of it was that the door was always open to come back. Councilor Dawes stated he just couldn't support funding anything because he was afraid it might send out the wrong message to them and might give some false hope. He added there was some things the city was looking at, and he too had heard some things about other agencies, but could not speak for them. Councilor Dawes felt it was safe to say, as it currently existed, it would be done at the end of the year and he didn't know if there was any interest amongst anyone to resurrect it. He added he would rather have the CVB come to them with a plan based on the fact that they want it to work, rather than the city spoon-feeding them some money to make him think them have to come up with something for it to work.

Councilor Fuller stated "us was them" and he would like the city manager to have a shot at seeing if he could bring the three entities together. He added the CVB as they knew it would probably not exist when they come out, adding it would probably be gone or be something completely new with a whole new direction.

Councilor Dawes stated he knew at the end of their discussion they gave some direction to the city manager to see if there was some interest to look at other things, because in theory it was an excellent idea. He noted they gave the city manager direction to go back and see if they could take that theory and find a way to make it work. Mayor Ketchum stated he didn't believe they gave any direction to the city manager to go forward on anything. Councilor Dawes noted it may have just been the focus or something to explore, and perhaps they didn't give him direction to move forward on anything.

Councilor Taylor noted one of the ideas they talked about was using an out-of-town agency that specialized in advertising. He felt someone from out of the area wouldn't see the boundaries between Centralia, Chehalis, and Lewis County, they would be thinking of the whole group and not just one of the entities.

Councilor Pope called for question.

Councilor Harris stated he couldn't be supportive of supporting the CVB, because the CVB probably doesn't exist. Mayor Ketchum noted if it doesn't exist then the money doesn't go anywhere, but at least somebody would know there was some money and maybe the other entities would give money and work towards something.

The motion carried 4 to 3. Counselors, Harris, Pope, and Dawes voted against the motion.

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Councilor Dawes withdrew his original motion and offered a new motion for the first two Ordinances No. 813-B and No. 814-B, adding their discussion was going to change his vote on the third ordinance.

Ordinance Nos. 813-B and 814-B carried unanimously.

Councilor Taylor moved that the council pass Ordinance No. 815-B on second and final reading as amended. The motion was seconded by Councilor Lund and carried 4 to 3. Counselors, Harris, Pope, and Dawes voted against the motion.

4. **Resolution No. 14-2006, First Reading – Approving the 2007 Budget for the Airport.** City Manager MacReynold introduced Board Chairman Frank DeVaul to present their 2007 budget. Mr. DeVaul reported Council had the documents that were approved by the Airport Board itself, adding the documents were forwarded to both the city of Chehalis and the Lewis County Board of County Commissioners for approval. Some of the highlights of the 2007 budget included:

- Anticipated revenues of \$1,805,078; expenditures estimated at \$1,602,532
- The administration building was near completion
- The daily activity at the airport continued to increase dramatically
- The on-going capital projects over the last three years were coming to an end
- The new hangar unit was fully leased
- The new phone lines for the automated weather observation system were installed
- They were continuing progress on easements on the far end of the airport - for safety concerns
- They made a nationwide search for someone who had certification in airport management, adding they had two or three candidates that met those qualifications for the position of airport manager

Councilor Pope moved that the council approved the 2007 airport budget by adopting Resolution No. 14-2006 on first reading. The motion was seconded by Councilor Taylor and carried unanimously.

5. **Interlocal Agreement between Lewis County and the City of Chehalis for Fire Marshal Services in the Unincorporated Areas of Lewis County.** City Manager MacReynold reported Fire Chief Bill Nacht negotiated the interlocal agreement with the county, noting the county did make a change to the agreement in reference to the mileage reimbursement rate. Chief Nacht stated it was the county's desire to continue on with a contract for the city to provide fire marshals services, adding the agreement could only be thrice extended, which necessitated them to negotiate a new agreement. Chief Nacht noted under section 3 - Financial Administration, the provided rate of \$125 per hour was increased to \$135 per hour; the fire protection and safety service programs, including plan review, rate of \$49 per hour was increased to \$52 per hour; and reimbursement for mileage for city-provided transportation would be consistent with the State of Washington mileage reimbursement rate.

Chief Nacht noted the city had three investigators that specialized in actual cause and origin investigations, and to date they had investigated 55 fires in the unincorporated areas of the county. He reported the agreement would bring in an average of \$20,000 annually to the city's budget. Chief Nacht stated there were numerous fire and life safety inspections that the fire marshal also took part in.

Councilor Harris moved that the city authorize the city manager to execute the interlocal agreement between Lewis County and the city of Chehalis to provide fire marshal services to the unincorporated areas of Lewis County with the amendment of changing the \$.45 per mile reimbursement to be consistent with the Washington State mileage reimbursement rate. The motion was seconded by Councilor Pope and carried unanimously.

6. **RFQ-P Consolidation Planning Agreement Between the City of Chehalis and Fire District No. 6.** Chief Nacht updated Council on the RFQ-P consolidation planning agreement between the city and Fire District No. 6. He reported the committee, consisting of himself, Chief Wirta from Fire District No. 6, and Committee Chair Richard Small spent the day going over the nine proposals received, which ranged from \$23,000 to \$80,000. Chief Nacht reported they narrowed the nine proposals down to four and those four proposals would be sent on to the next step, which involved the review by two more committees: one made up of city staff; and one made up of the district. He noted between the two committees they would try to narrow it down to one proposal, adding if they couldn't agree on the same proposal there was yet another process that they would go through.

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Chief Nacht reported the top two proposals ranged from \$41,000-\$74,000, adding it was very difficult to weed it down to the final four. He reported Committee Chairman Small would be writing up the proposal for approval, noting they only had 14 days, per the signed agreement with the district, to come up with a final selection.

Chief Nacht reported if the two committees came up with different choices, the best process would be to have the two committees get together and bring the two finalists in for interviews. He added ultimately the city's committee had the final say of which one to choose, but were hoping to avoid that kind of arbitrary issue. Chief Nacht believed, with the quality of the proposals, there should be no reason why they couldn't come up to an agreement between the two entities.

7. **Potential Industrial Wastewater Customer.** City Manager MacReynold recognized Patrick Wiltzius, who worked with the Growth Management Committee (GMA) to move the matter forward between the city and Darigold (WestFarm Foods), adding Mr. Wiltzius was the lead on the project and did an exceptional job. He reported the city would benefit \$3.6 million, which was something all of the residents would benefit from. Mr. Wiltzius noted Council was originally briefed in executive session about the concept of Darigold wanting to discharge their wastewater to our new wastewater treatment plant during times when they had to be out of the river per their own consent decree, which was very similar to the city's. He noted at that time the consensus of the council was to go back and try to come up with a proposed contract. Mr. Wiltzius noted he worked with Darigold and their attorneys, in-house staff, and the GMA committee to prepare a proposed contract, and before the council was the final draft of that contract. Mr. Wiltzius outlined a contract to include:

- A 20-year lease of capacity, not an outright purchase
- Darigold would only discharge to the city during the conditions when they have to be out of the river, from May 1 to September 15
- Darigold would continue to run their own plant
- Darigold would be responsible to put in a flow metering station and be responsible to connect up
- There would be provisions for early termination for both parties, but Darigold would be locked in for the first three years at approximately \$800,000
- The city would not be providing any money or infrastructure that it doesn't already have to do it
- The city would gain a customer to utilize capacity that we are not currently utilizing, and won't be utilizing
- The city would be given the first right-of-refusal to purchase the property immediately adjacent to our Poplar Tree Plantation
- Stipulations on the maximum amount of flow they can discharge to the city

Mr. Wiltzius reported the only thing left would be to get approval from the Department of Ecology. He added they had met with them preliminarily and they were in favor of the concept, but were just trying to work out a few details.

Mr. Wiltzius reported he was also working with the city attorney on an amendment to the sewer ordinance so that capacity could be leased.

Councilor Lund asked how the natural gas tax issue was going with Darigold. Jim Larson reported it was still in litigation between the State and Darigold.

Mayor Ketchum thanked Mr. Wiltzius for all the work he did, adding he appreciated his efforts.

Councilor Pope moved that the city council authorize the city manager to execute the contract between the city and Darigold for the provision of intermittent wastewater treatment services subject to the approval of the concept by the Department of Ecology. The motion was seconded by Councilor Lund and carried unanimously.

8. **Employee Service Awards.** City Manager MacReynold recognized Caryn Foley, Community Services Department - Clerk/ Receptionist for 21 years of service to the city, and Marilyn Riebe, Community Services Department - Grants Administrator for five years of service to the city.

9. **Odors in the Prospect Neighborhood.** Patrick Wiltzius reported the council was aware of the issue of intermittent order problems up in the Prospect hill neighborhood. He noted from the city's standpoint they thought they had done everything they could do from visual inspections, to televising the sewer line. He reported they had installed order inserts inside all the manholes in that area and the only thing left to conclude was that the actual odors were coming out of household vent stacks.

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Mr. Wiltzius reported as a final step it was thought the city could purchase and offer the residents odor inserts for the top of their vent stacks at \$35 a piece, to be installed by the residents. He noted they were real easy to install and if a resident wanted to call in the size of their vent stack or stacks the city could order them to the right size. Mr. Wiltzius hoped the inserts would neutralize any odors coming out. He added it was going to take some participation by the residents in the neighborhood, noting if they had one bad house that chooses not to participate the odors were still going to be there. Mr. Wiltzius felt it was about the only final action the city could offer them. He reported he would like to send a copy of the agenda report to the residents in the Prospect hill neighborhood, with an offer to purchase the inserts for the residents to buy.

Councilor Fuller asked if it was all the homes or just a few. In Mr. Wiltzius opinion it was coming from the homes in the lower area, adding everyone in town had a vent stack, but most people's homes were on the same level. He added in the case of Prospect hill there were a lot of homes down in that little valley, and the odor creeps on up. Councilor Fuller asked about the ditch across from Jim Day's home. Mr. Wiltzius stated he personally climbed down and scoured the hill, and had the line televised and visually inspected thinking maybe the sewer line was leaking, but couldn't find anything. Mr. Wiltzius stated they just didn't know adding it could be swamp gas or other decomposing stuff down there. Councilor Fuller stated Mr. Wiltzius was talking about the low side, but what he was referring to was the ditch on the east side. Mr. Wiltzius reported he looked in there too, but couldn't find anything. He added they were still open, but the city had exhausted all of their avenues.

Mr. Wiltzius agreed there were odors out there, but from the city's sewer line standpoint they felt they had it covered. Councilor Lund asked if there wasn't an old coal mine up there that people were using as a garbage dump years ago. Councilor Dawes stated there could be, adding there could be just about anything up there.

10. **Sewer Rate Study**. Councilor Taylor asked when the city would be doing another rate study to see if Darigold's revenue helped offset some of the rate increases. Mr. Larson reported for some time they had been saying there were two key issues that needed to be resolved before they would actually study the total rate effect. The first event was what they resolved that night with Darigold. The other key issue was to narrow down how much additional capacity Napavine was asking for, adding once they knew that they would have the FCS group come back and revisit the issue. At that time they should be able to tell the city what the total impact would be along with anything that may have happened since they adopted the rates. Councilor Dawes reported he wanted to see another rate study, before he wanted to see another project.

11. **Lewis County Transportation Coalition**. Councilor Taylor reported the Lewis County Transportation Coalition Chairperson Judy DeVaul received a letter from the Lewis County Commissioners stating Lewis County had decided not to participate in the transportation coalition anymore. Councilor Taylor stated he didn't know why, adding it was a good place for all the entities to cooperatively put projects on the table and prioritize them. He added it was a group the State recommended, but didn't know if it is required at that time. He noted it would soon be required because they changed the laws where the funding now all comes to the county, and a group like the coalition has to prioritize projects to be funded. Councilor Taylor and the coalition believed the county pulled out for political reasons, but hoped they would come back to the table.

12. **Christmas Decorations**. Councilor Harris thanked Andy Sennes and Tim Grochowski, and their crews for the work they had done and continued to do on the Christmas decorations for the city. He noted they had gone above and beyond, and were going out daily changing light bulbs.

13. **Greenhill Annual Family Holiday Meal Celebration**. Mayor Ketchum reported the annual family holiday meal celebration would take place on Saturday, December 2, between 12:30 and 3:30 p.m.

14. **Chehalis Library Public Meetings**. Mayor Ketchum reported the first meeting would be held November 28, at the VR Lee Building from 6:00 to 7:30 p.m., and a second meeting was scheduled on December 5, from 6:00 to 7:30 p.m. at the Adna High School library.

15. **Washington State Department Of Transportation Open House**. Mayor Ketchum reported December 5, from 4:00 to 7:00 p.m. at the Centralia Middle School was the I-5 - Mellon Street to Grand Mound Open House put on by Washington State Department of Transportation.

16. **Retirement Party for Fire Captain Brian Slater**. Mayor Ketchum reported he thoroughly enjoyed Brian Slater's retirement party on November 17, adding it was sad to see him leave. He noted he was an outstanding employee that did a tremendous job not only for the city, but also for the county as a whole, with all the programs he put together. Mayor Ketchum stated he would surely be missed.

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17. **Congratulations to the Centralia Tigers.** Mayor Ketchum congratulated the Centralia Tigers for making it to the State playoffs.

18. **Santa Parade.** Ms. Schwartz reminded the Council about the Santa Parade taking place on Saturday at 2:00 p.m. in downtown Chehalis with a Christmas tree lighting ceremony immediately following.

19. **Executive Session.** Mayor Ketchum recessed the regular meeting at 7:10 p.m. and went into executive session pursuant to RCW 42.30.144 (4) - collective bargaining and announced there would be no decision following the executive session.

Mayor Ketchum reopened the regular meeting at 8:05 p.m.

There being no further business to come before the council, the meeting was adjourned at 8:05 p.m.

Mayor

Attest:

City Clerk

December 11, 2006

The Chehalis city council met in regular session on Monday, December 11, 2006, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 5:02 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Bill Kolden, Human Resources Director; Judy Schave, City Clerk; Tim Grochowski, Public Works Director; and Dave Vasilauskas, Water Superintendent.

1. **Executive Session.** Mayor Ketchum announced council would be in executive session for one hour pursuant to RCW 42.30.110(1)(b) – real estate acquisition; RCW 42.30.110(1)(i) – potential litigation; and RCW 42.30.140(4) – collective bargaining and there would be no decisions announced.

Mayor Ketchum closed the executive session at 5:56 p.m. and announced council would take a four-minute recess and reopen the regular meeting at 6:00 p.m. Additional staff included: Bill Nacht, Fire Chief; Rob Gebhart, Asst. Fire Chief/Fire Marshal; Randy Kaut, Interim Police Chief; Bob Nacht, Community Development Manager; Patrick Wiltzius, Wastewater Superintendent; and Andy Sennes, Property Manager. Members of the news media in attendance included Amanda Haines of *The Chronicle*.

2. **Swearing-in of Theodore (Ted) McCarty as Fire Captain; and Jay Birley as Firefighter/Engineer.** Fire Chief Nacht administered the oaths of office for Ted McCarty, Fire Captain and Jay Birley, Firefighter/Engineer.

3. **Consent Calendar.** Councilor Dawes noted in the minutes from November 27, 2006, Frank DeVaul should be identified as the chairman of the airport board. Counselor Dawes moved to approve the consent calendar, as corrected, comprised of the following:

a. Minutes of the regular meetings of November 12, 2006 and November 27, 2006; and the special meeting of November 16, 2006;

b. Claim Vouchers No. 84235-84315 in the amount of \$713,700.66 dated December 4, 2006; and Payroll Vouchers No. 27610-27768 in the amount of \$553,198.46 dated November 30; and

c. Reject all bids for the Turf Sweeper replacement.

The motion was seconded by Councilor Pope and carried unanimously.

4. Citizens Business

a. Lewis County Raptors – Tim Joseph of the Lewis County Raptors presented the Council with a card and T-shirts in appreciation for the city's support. He reported they had made a deal with Thorbecke's Fitness Center to be the exclusive gym for the team. Mr. Joseph noted the turnout was very successful, adding they found seven local players and several from out-of-town.

b. Albert Ulrich, Ulrich Trucking Inc. (120 Cabe Road) reported he had been watching the activities having to do with the Chamber Way Roundabout Project. He indicated he was the vice president of the Washington Trucking Association, adding his group was very active in appropriating funds for highway use. Mr. Ulrich noted he liked seeing taxpayer's money spent in constructive ways, and what he saw happening around the Chamber Way project, and the Louisiana Avenue extension was not credible progress.

Mr. Ulrich didn't agree that the safety and maintenance project on Chamber Way was solving the traffic problem. He noted there were no traffic counts prior to the new lanes or after that would prove anything. He added there was also no proof that the stoplights on Louisiana Avenue reduced traffic in that area. Mr. Ulrich appreciated the city's effort, but didn't believe the problem was solved. He as a taxpayer asked what was he getting out of it, and wanted to know if the city was using that same information to support the roundabout project. Mr. Ulrich stated the city's infrastructure, or the lack of, was built on a reactionary process. He noted as a result of the Airport selling and leasing property, the city came into it from the back door and inherited the traffic situation. Mr. Ulrich continued discussing his concerns with the ill planning of the roundabouts and Louisiana Avenue,

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and questioned whether or not the city was spending taxpayer's money prudently. He added before the city starts looking for any more new business they first needed to look at the infrastructure that was trying to support current business.

Councilor Lund noted Mr. Ulrich got his dander up, but he would just sit back and relax. Councilor Harris agreed.

5. Resolution No. 14-2006, Second Reading – Approving the 2007 Budget for the Airport. Counselor Dawes moved to adopt Resolution No. 14-2006 on second reading. The motion was seconded by Councilor Taylor and carried unanimously.

6. Ordinance No. 816-B, First Reading – Revising the Sewer Rates for Lewis County Water and Sewer District #4 and Napavine. Patrick Wiltzius reported the city needed to charge fees to Lewis County Water and Sewer District #4 and the city of Napavine on a monthly basis for treatment of sewage, and in 2002 he came up with a complex formula to set the rates every year. Mr. Wiltzius reported the formula took into account how much flow, which is monitored on a daily basis, and how much percentage/ownership they had in the sewer line that came down I-5. He noted because they wouldn't have the actual flow and budget amounts for what was expended during the current year (2006), they used the previous years expenditures (2005) to set the rate for the following year (2007).

Mr. Wiltzius reported Napavine's amount would increase to \$9,018, and Lewis County Water and Sewer District #4's would decrease to \$5,387. He noted any change in the rates was due to the complexity of the formula, depending on the flow into the treatment plant, the ownership of the interceptor, and expenditures.

Councilor Fuller asked how they obtained ownership. Mr. Wiltzius noted it was established back in the 70's, adding they had a sewer interceptor agreement with those entities, from which they comprise a sewer operating board, which Dr. Pope is currently a member.

Counselor Dawes noted there was some confusion as to the district's number, adding the agenda report referred to it as Lewis County Sewer District #1 and #4, and the ordinance referred to it as #1. Mr. Wiltzius apologized for the confusion, adding between he and the city clerk he thought they had caught all the changes. He stated it was now known as Lewis County Water and Sewer District #4.

Councilor Fuller asked if the overall expenses went up just the two percent. Mr. Wiltzius stated that was correct. Councilor Fuller wondered why the rate for Lewis County Water and Sewer District #4 went down. Mr. Wiltzius reported even though the expenses went up their flows or percentages went down. Councilor Fuller asked if the two entities were paying as

much as the citizens of Chehalis. Mr. Wiltzius stated they were not paying as much because they had to set their own rates within their own districts and then tack on any additional costs to maintain their collection systems. He noted the city of Chehalis rates included treatment and collection costs, while the rates charged to Lewis County Water and Sewer District #4 and Napavine were strictly treatment costs.

Councilor Taylor moved that the council pass Ordinance No. 816-B amending sewer rates for the city of Napavine and Lewis County Water & Sewer District #4 on first reading. The motion was seconded in by Councilor Pope and carried unanimously.

7. **Resolution No. 15-2006, First Reading – Approving the 2007 Interlocal Correction/Detention Agreement between the city of Chehalis and the city of Wapato, Washington.** Interim Chief Randy Kaut reported since 2002 the city has had an interlocal agreement with the city of Wapato to house prisoners for long-term housing for 30 days or more. He noted the costs to house prisoners at the Lewis County Jail were \$50 per day and \$40 per day at Wapato. Interim Chief Kaut reported the savings wasn't real substantial because they don't have a lot of long-term prisoners, but there was some savings. He reported it was simply a renewal of the contract with Wapato and after reviewing it he reported there didn't appear to be any significant changes from the previous contract.

Counselor Dawes moved to suspend its rules requiring two readings or resolution. The motion was seconded by Councilor Pope and carried unanimously.

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Counselor Dawes moved that the council adopt Resolution No. 15-2006 on first and final reading. Councilor Lund seconded the motion.

Councilor Taylor asked if the cost at the county jail remained the same. Interim Chief Kaut reported he spoke to the person currently administrating the jail and it sounded like the city was going to be able to get a cost decrease if the city does its billing quarterly rather than monthly. That cost would decrease to \$45 per day, which was still five dollars more than Wapato. Councilor Taylor asked if there was a benefit to keeping the prisoners local. Councilor Dawes noted when it was originally set up the county jail was higher than Wapato's \$35 per day so there was a significant savings, adding Wapato did all the transporting. He noted it was always an option and didn't cost anything to have the interlocal agreement in place. Councilor Taylor felt the agreement was important, but wanted to be sure there wasn't some sort of a benefit from staying local. Mayor Ketchum noted there wouldn't be any benefit to the city since it didn't cost any more to send them to Wapato.

The motion carried unanimously.

8. **Staff Reports.**

a. **Recognition of Interim Police Chief Kaut.** City Manager MacReynold recognized Interim Chief Kaut for his work as interim police chief. He noted he was willing to take the job on and did an exceptional job dealing with some very trying circumstances. Councilor Dawes echoed what City Manager MacReynold said, adding he wasn't a bit surprised.

b. **Holiday Decorations.** Councilor Harris thanked Andy Sennes and Tim Grochowski and their crews again for all the work they did putting up the holiday decorations.

c. **Twin Transit Bus Service Stopped.** Counselor Dawes referred a question brought to him to Councilor Fuller. He noted during the recent snow Twin Transit totally suspended services. He added he could understand not running on the hills, but didn't know why they couldn't put chains on the buses and run them on the flat ground. Mayor Ketchum noted citizens are pretty upset since the school buses ran and Twin Transit pulled their buses off the road. Councilor Fuller noted they meet monthly, and he would be bringing that up at the next meeting.

d. **Council Meeting Cancelled.** Mayor Ketchum reported the December 26 city Council meeting would be canceled, unless something came up.

e. **Friends of the Chehalis Library Meeting.** Councilor Lund reported on Thursday, December 14, at 5:00 p.m. at the Washington Hotel the friends of the Chehalis Library would be meeting. Corine Aiken reported everyone was invited.

f. **Meeting with Fire District No. 6.** Mayor Ketchum reported he and Counselor's Fuller and Taylor would be meeting with the Fire District No. 6 Commissioners at 7:00 p.m. on Thursday at the District No. 6 station to review the requests for qualifications for the organizational relationship study. City Manager MacReynold reported Dick Small, the consultant who had been working with the city, would be there to help facilitate the discussion between the two elected bodies. He noted both he and Chief Nacht would be in attendance.

There being no further business to come before the council, the meeting was adjourned at 6:43 p.m.

Mayor

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City Clerk

December 11, 2006

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Councilor Lund noted Mr. Ulrich got his dander up, but he would just sit back and relax. Councilor Harris agreed.

5. **Resolution No. 14-2006, Second Reading – Approving the 2007 Budget for the Airport.** Councilor Dawes moved to adopt Resolution No. 14-2006 on second reading. The motion was seconded by Councilor Taylor and carried unanimously.

6. **Ordinance No. 816-B, First Reading – Revising the Sewer Rates for Lewis County Water and Sewer District #4 and Napavine.** Patrick Wiltzius reported the city needed to charge fees to Lewis County Water and Sewer District #4 and the city of Napavine on a monthly basis for treatment of sewage, and in 2002 he came up with a complex formula to set the rates every year. Mr. Wiltzius reported the formula took into account how much flow, which is monitored on a daily basis, and how much percentage/ownership they had in the sewer line that came down I-5. He noted because they wouldn't have the actual flow and budget amounts for what was expended during the current year (2006), they used the previous years expenditures (2005) to set the rate for the following year (2007).

Mr. Wiltzius reported Napavine's amount would increase to \$9,018, and Lewis County Water and Sewer District #4's would decrease to \$5,387. He noted any change in the rates was due to the complexity of the formula, depending on the flow into the treatment plant, the ownership of the interceptor, and expenditures.

Councilor Fuller asked how they obtained ownership. Mr. Wiltzius noted it was established back in the 70's, adding they had a sewer interceptor agreement with those entities, from which they comprise a sewer operating board, which Dr. Pope is currently a member.

Councilor Dawes noted there was some confusion as to the district's number, adding the agenda report referred to it as Lewis County Sewer District #1 and #4, and the ordinance referred to it as #1. Mr. Wiltzius apologized for the confusion, adding between he and the city clerk he thought they had caught all the changes. He stated it was now known as Lewis County Water and Sewer District #4.

Councilor Fuller asked if the overall expenses went up just the two percent. Mr. Wiltzius stated that was correct. Councilor Fuller wondered why the rate for Lewis County Water and Sewer District #4 went down. Mr. Wiltzius reported even though the expenses went up their flows or percentages went down. Councilor Fuller asked if the two entities were paying as much as the citizens of Chehalis. Mr. Wiltzius stated they were not paying as much because they had to set their own rates within their own districts and then tack on any additional costs to maintain their collection systems. He noted the city of Chehalis rates included treatment and collection costs, while the rates charged to Lewis County Water and Sewer District #4 and Napavine were strictly treatment costs.

Councilor Taylor moved that the council pass Ordinance No. 816-B amending sewer rates for the city of Napavine and Lewis County Water & Sewer District #4 on first reading. The motion was seconded in by Councilor Pope and carried unanimously.

7. **Resolution No. 15-2006, First Reading – Approving the 2007 Interlocal Correction/Detention Agreement between the city of Chehalis and the city of Wapato, Washington.** Interim Chief Randy Kaut reported since 2002 the city has had an interlocal agreement with the city of Wapato to house prisoners for long-term housing for 30 days or more. He noted the costs to house prisoners at the Lewis County Jail were \$50 per day and \$40 per day at Wapato. Interim Chief Kaut reported the savings wasn't real substantial because they don't have a lot of long-term prisoners, but there was some savings. He reported it was simply a renewal of the contract with Wapato and after reviewing it he reported there didn't appear to be any significant changes from the previous contract.

Councilor Dawes moved to suspend its rules requiring two readings or resolution. The motion was seconded by Councilor Pope and carried unanimously.

Councilor Dawes moved that the council adopt Resolution No. 15-2006 on first and final reading. Councilor Lund seconded the motion.

Councilor Taylor asked if the cost at the county jail remained the same. Interim Chief Kaut reported he spoke to the person currently administrating the jail and it sounded like the city was going to be able to get a cost decrease if the city does its billing quarterly rather than monthly. That cost would decrease to \$45 per day, which was still five dollars more than Wapato.

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Councilor Taylor asked if there was a benefit to keeping the prisoners local. Councilor Dawes noted when it was originally set up the county jail was higher than Wapato's \$35 per day so there was a significant savings, adding Wapato did all the transporting. He noted it was always an option and didn't cost anything to have the interlocal agreement in place. Councilor Taylor felt the agreement was important, but wanted to be sure there wasn't some sort of a benefit from staying local. Mayor Ketchum noted there wouldn't be any benefit to the city since it didn't cost any more to send them to Wapato.

The motion carried unanimously.

8. **Staff Reports.**

a. **Recognition of Interim Police Chief Kaut.** City Manager MacReynold recognized Interim Chief Kaut for his work as interim police chief. He noted he was willing to take the job on and did an exceptional job dealing with some very trying circumstances. Councilor Dawes echoed what City Manager MacReynold said, adding he wasn't a bit surprised.

b. **Holiday Decorations.** Councilor Harris thanked Andy Sennes and Tim Grochowski and their crews again for all the work they did putting up the holiday decorations.

c. **Twin Transit Bus Service Stopped.** Councilor Dawes referred a question brought to him to Councilor Fuller. He noted during the recent snow Twin Transit totally suspended services. He added he could understand not running on the hills, but didn't know why they couldn't put chains on the buses and run them on the flat ground. Mayor Ketchum noted citizens are pretty upset since the school buses ran and Twin Transit pulled their buses off the road. Councilor Fuller noted they meet monthly, and he would be bringing that up at the next meeting.

d. **Council Meeting Cancelled.** Mayor Ketchum reported the December 26 city Council meeting would be canceled, unless something came up.

e. **Friends of the Chehalis Library Meeting.** Councilor Lund reported on Thursday, December 14, at 5:00 p.m. at the Washington Hotel the friends of the Chehalis Library would be meeting. Corine Aiken reported everyone was invited.

f. **Meeting with Fire District No. 6.** Mayor Ketchum reported he and Councilor's Fuller and Taylor would be meeting with the Fire District No. 6 Commissioners at 7:00 p.m. on Thursday at the District No. 6 station to review the requests for qualifications for the organizational relationship study. City Manager MacReynold reported Dick Small, the consultant who had been working with the city, would be there to help facilitate the discussion between the two elected bodies. He noted both he and Chief Nacht would be in attendance.

There being no further business to come before the council, the meeting was adjourned at 6:43 p.m.

Mayor

Attest:

City Clerk