

2009	Harris	Ketchum	Lund	Pope	Dawes	Fuller	Taylor
Meeting Date							
January 12	P	P	P	P	P	P	P
January 20 (Special)	P	P	P	A(ex)	P	A(ex)	P
January 26	P	P	P	P	P	A(ex)	A(ex)
February 9	P	P	P	P	P	P	P
February 23	P	P	P	P	P	P	P
March 9	P	A(ex)	P	P	P	P	P
March 23	P	A(ex)	P	P	P	P	P
April 13	P	P	P	P	P	P	P
April 27	P	P	P	P	P	P	P
May 11	P	P	P	A(ex)	P	P	P
May 18 (Special)	P	P	A(ex)	P	P	P	P
May 26	P	A(ex)	P	P	P	P	P
June 8	P	P	P	P	P	P	P
June 22	P	P	P	P	P	P	P
July 13	P	P	A(ex)	P	P	A(ex)	P
July 17	P	P	P	P	P	P	A(ex)
August 10	A(ex)	P	P	P	P	A(ex)	P
August 18 (Special)	P	P	A(ex)	A(ex)	P	P	A(ex)
August 24	P	P	P(ph)	P	P	P	P
September 14	A(ex)	P	A(ex)	P	P	A(ex)	P
September 28	P	P	P(ph)	P	P	P	P
October 12	P	P	P(ph)	P	P	P	P
October 26	P	P	P	P	P	P	P
November 9	P	P	P	P	P	P	P
November 23	P	P	P	P	P	R	P
December 1 (Special)	P	P	P	P	P	R	P
December 3 (Special)	P	P	P	P	P	R	P
December 14	P	P	P	P	P	R	P
December 21 (Special)	P	P	P	P	P	R	P

P = Present
 P (ph) – Present (Telephonically)
 A = Absent
 A(ex) = Absent (excused)
 R= Resigned

January 12, 2009

The Chehalis city council met in regular session on Monday, January 12, 2009, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 4:30 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: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Mark Scheibmeir, Assistant City Attorney; Judy Schave, City Clerk; Tim Grochowski, Public Works Director; and Dave Vasilauskas, Water Superintendent.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.110(1)(b) - review of public bid; RCW 42.30.110(1)(i) – potential litigation; and RCW 42.30.110(1)(c) – lease or sale of real estate for one hour and thirty minutes and there would be no decision following conclusion of the executive session. City Attorney Hillier was not present during the discussion on lease or sale of real estate.

Mayor Ketchum announced the council would take a four-minute recess at 5:54 p.m. and re-open the regular meeting at 5:59 p.m. Additional staff included: Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Bob Nacht, Community Development Director; Peggy Hammer, Human Resources Administrator; and Joanne Schwartz, Economic Development Administrator. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI. Mayor Ketchum recognized Lewis County Commissioner Bill Schulte, who was also in attendance.

2. **Employee Service Awards.** Mayor Ketchum presented Assistant Fire Chief/Fire Marshal Larry Allen with a certificate for 15 years of service with the department. He also recognized Fire Captain Ted McCarty, who would be receiving a certificate for 15 years of service at a later date.

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

- a. Minutes of the regular meeting of December 22, 2008; and
- b. Claim Vouchers No. 92126-92266 in the amount of \$1,326,943.87 dated December 15, 2008.

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Staff Reports.**

a. **2009 Economic Stimulus Funding Projects.** City Manager MacReynold reported the federal and state governments were looking for projects that could be fast-tracked, which could provide local communities with jobs.

Tim Grochowski walked the council through the various projects submitted for consideration. He reported the city had two water projects that had funding allocated for them last year, but both were cut during the 2009 budget process. The two projects submitted to the Department of Health as economic stimulus projects included:

- Jackson Highway/Newaukum River Bore – approximate cost \$320,000
- Bishop Road Water Main Loop – approximate cost \$450,000

Mr. Grochowski noted both projects had been engineered and were ready to go out to bid.

Mr. Grochowski reported on various street 'overlay' projects that could be fast-tracked, adding they were submitted to State Highways for consideration under the stimulus program. Projects included: (listed in priority)

- N National Avenue city limits to NE Kresky Avenue – approximate cost \$566,789
- SW Riverside Drive – SW Newaukum Avenue to city limits – approximate cost \$209,530
- NW Airport Road from NW Louisiana Avenue to city limits – approximate cost \$699,840
- NW Chehalis Avenue from W Main Street to NW Pacific Avenue – approximate cost \$158,166
- S Market Boulevard from SW 13th Street to city limits – approximate cost \$2,275,975

Mr. Grochowski reported the city could use highways and local programs as the certified agency (CA) to do the street projects. He indicated the CA could help the city with the specs and bids on the various projects, and could also provide in-house inspections.

Mr. Grochowski stated he spoke with Patrick Wiltzius regarding wastewater projects; however those types of projects required more engineering and would take a lot longer to put together.

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City Manager MacReynold reported the state indicated they did not know if there would be a match or not, but the projects needed to be shovel ready within 120-days of notification.

b. **Update on 2009 Flood Event.** Fire Chief Kelvin Johnson updated the council on the recent flood event. He reported the National Weather Service and several other agencies forecasted the storm that came in, adding, with all the heavy snow and rain, they knew there was a potential for a flood event as severe as December 2007.

Chief Johnson reported on the pre-event preparation, which included:

- Activation of area Emergency Operation Centers (EOC) – City EOC at 13th Street and Market Boulevard was set up in case city personnel, or other agencies or departments needed a place to work from
- Pre-staging of additional personnel and resources
- Citizen and business preparedness

Chief Johnson felt a lot of people took the event to heart, which helped minimize some of the later damage. He reported on operations during the active event, which included:

- Individual departments ramped up to a different level with regard to personnel and apparatus
- Management team briefings twice daily, to include e-mail summaries
- EOC operations/briefings
- State officials briefings
- Media coverage

Chief Johnson reported west Lewis County escaped the brunt of the damage; however east Lewis County suffered significant damage and anticipated some long-term recovery in some areas.

Chief Johnson reported on the post-event recovery, noting the following:

- Infrastructure assessment
- Citizen assistance between long-term recovery organizations, including United Way and the Red Cross
- Residential and commercial damage assessments being done by the community development and public works departments

Chief Johnson stated, overall they did a great job in preparation. He believed they had a ways to go, but felt everyone worked well together.

c. **SW 19th Street Variance Update.** Bob Nacht reported the city received an application from Bill Van Der Hoeft, requesting to put two duplexes on two properties on SW 19th Street. He noted a hearing was held by the Chehalis hearings examiner, and a decision was made based on the information provided.

Mr. Nacht noted one of the issues the city continued to deal with was storm water management. He stated the issue presented by the hearings examiner at the public hearing was, he would not address any of the issues regarding storm water management, because it was required by statute. Mr. Nacht reported no variance was requested from the city's requirements for storm water management, and the hearings examiner explicitly said that he would not deal with that issue. He stated the applicant was aware that he would have to engineer storm water management facilities on the sight, since the proposal was for something other than a single-family residence.

Councilor Dawes asked if residents would have to go through Superior Court if they wanted to appeal the decision. Mr. Nacht indicated they would, noting state law required any appeal from a land-use decision from the hearings examiner must be submitted to Superior Court under the state's land use petition act. He noted there were some specific requirements that had to be contained in a filing having to do with factual issues in an appeal.

d. **Fire District #6 Monthly Meeting.** City Manager MacReynold reminded committee members about the meeting on Tuesday, January 13, at Fire District #6.

e. **Special Work/Executive Session Reminder.** City Manager MacReynold reminded the council about the special work/executive session on Tuesday, January 20, at 5:00 p.m., at city hall.

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f. **Flood Damage Assessments Reported.** Councilor Fuller noted both *The Chronicle* and *The Olympian* reported damage assessments for virtually every city in Lewis County, but listed Chehalis as missing information. Mr. Nacht reported the information was submitted to the county, but apparently it did not get conveyed directly to whoever put the list together. He noted Bobbi Boone was out in the field writing up specific damage assessments, and they also ran a tabletop exercise to limit the list from the 2007 event. Mr. Nacht indicated Ms. Boone was working with one of the staffers at the county, who she submitted the probable flood damaged properties to. He noted some communications issues may have led to the information not getting to the proper person, or department.

Mr. Nacht reported 42 residential units and 17 business occupancies were damaged by flood water. He noted that information was conveyed to the county.

5. **Solid Waste and Recyclables Collection and Other Services Contract.** City Manager MacReynold reported the issue was being brought back to the council, noting the motion made at the last meeting failed due to a split vote. He recommended the council take further action on the matter based on the recommendations of the city attorney.

Councilor Fuller stated he may have a conflict of interest and recused himself from the conversation, and from the vote.

Mayor Ketchum asked Jeff Meling from M & M Disposal, if he would like the opportunity to speak to the matter, prior to the council taking action. Mr. Meling stated their company submitted a bid at the lowest possible price that they could provide, which they always had. He indicated some additional information had been provided to the council to address some of their concerns. Mr. Meling offered to answer any questions the council might have with regard to the information.

Councilor Pope moved to reject all bids and direct staff to bring back a new document to include the questions called for by the council.

The motion was seconded by Councilor Taylor and carried unanimously.

City Attorney Hillier stated the administration would put together a specification package to meet all of the council's desires; one that would offer any prospective bidder the opportunity to give the city a solid price on the services. He noted a proposed contract would also be attached to the bid specs, so the council would have an example of what it would look like.

6. **Conservation Easement for the National Avenue Wetland Property.** Mr. Nacht reported a few years ago, the Port of Chehalis approached the city for the use of 13 acres on the National Avenue wetland property. He noted, by resolution in 1997, the city designated the property for potential wetland mitigation projects. Mr. Nacht stated it went through the Development Review Committee (DRC) review process, which approved the Port for use of 13 acres of city property. He indicated the Department of Ecology (DOE) had changed the criteria by which they accept mitigation projects and were now requiring the Port to obtain a conservation easement on the designated 13 acres. Mr. Nacht reported that would guarantee, in perpetuity, that we as a city could not turn around and write rules differently for those 13 acres from the rest of the 66 acres.

Mr. Nacht reported he and the city attorney's office had been involved in drafting the language in the conservation easement, noting the city had no specific issues with it. He added it did not hamper the city from future use of that property if it had an overall mitigation project that would benefit the city, as long as it was part of an approved mitigation package.

Mr. Nacht reported the DRC did not have authority under the statute to grant conservation easements on real property; however they did have the authority to approve land use applications and the use of that property, which they had done in the past. He noted it was basically a housekeeping matter that would take care of the DOE requirement, and benefit the Port of Chehalis at no detriment to the city.

Councilor Pope moved to authorize and direct the city attorney to execute the conservation easement for the National Avenue wetland property.

The motion was seconded by Councilor Harris and carried unanimously.

7. **Resolution No. 1-2009, First Reading – Declaring State of Emergency.** City Manager MacReynold noted the resolution was a critical piece of the process in order for the city to receive FEMA money. He noted the Mayor signed the resolution on Tuesday, January 6, and it was being presented to the council for final approval.

Councilor Harris moved to ratify the actions of the Mayor by adopting Resolution No. 1-2009.

The motion was seconded by Councilor Pope and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 6:29 p.m.

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Mayor

Attest:

City Clerk

January 20, 2009

The Chehalis city council met in special session on Tuesday, January 20, 2009, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor's Pope and Fuller were absent (excused). Staff present included: Merlin MacReynold, City Manager; Mark Scheibmeir, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Tim Grochowski, Public Works Director; and Bob Nacht, Community Development Director.

1. Executive Session. Mayor Ketchum announced the council would be in executive session pursuant to RCW.42.30.110(1)(6)— potential litigation for approximately one hour and there would be no decision following conclusion of the executive session.

Mayor Ketchum dosed the execution session at 6:12 p.m. and there being no further business to come before the council the meeting immediately adjourned.

Mayor

Attest:

City Clerk

January 26, 2009

The Chehalis city council met in regular session on Monday, January 26, 2009, in the Chehalis city hall. Prior to the regular meeting Mayor Ketchum called the work session to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, and Dennis Dawes. Councilors Taylor and Fuller were absent (excused). Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Joanne Schwartz, Economic Development Administrator; Caryn Foley, Administrative Assistant – Economic Development; Bob Nacht, Community Development Director; Tim Grochowski, Public Works Director; and Judith Smith, Office Manager – Public Works. Members of the news media in attendance included Eric Schwartz of *The Chronicle*.

1. **Work Session.** Tom Beckwith, of the Beckwith Consulting Group, reported they were closing in on the implementation phases of the project. He felt it was a good time for both he and the Economic Development Steering Committee (EDSC) to come back and update the council on the progress. Mr. Beckwith reported there would be a need to take the information back to an open-house session, so the public could see what was involved in the program proposals and some of the feasibility assumptions and details.

Mr. Beckwith provided a handout, which included prototypes of what other cities and agencies had done. The prototypes in the handout included:

- The city of Elgin - Website outreach
- Illinois Historic Preservation Agency – Website/downtown promotional materials
- Skagit Young Professionals – Young professional retention/outreach
- Public Service Loan Forgiveness – College loans for public service
- National Trust for Historic Preservation Main Street Program – Downtown revitalization programs
- The Creative Workforce – Entrepreneurial retention/outreach
- La Conner Outdoor Sculpture Westcott Bay Sculpture Park – Artworks
- Torpedo Factory Arts Center – Arts centers
- Albuquerque Historic District Improvements Company – For-profit/non-profit joint ventures

Mr. Beckwith reviewed the rough draft of phase 2, which included the priority action items and a summary list of progress to date. He reported they grouped projects into five broad categories, which included:

- Community Building
 - Implement new Chehalis brand – website and promotional materials
 - Initiate Young Chehalis outreach
 - Adopt Main Street Program
- Economic Development
 - Initiate entrepreneur retention/recruitment program
 - Expand local capital investment funds
- Quality Design
 - Adopt building, sign and landscape design standards
 - Erect National Historic District signage on I-5
 - Erect major gateways with district identification
 - Erect system of way-finding signage
 - Create Dillenbaugh Creek Conservancy Park
 - Relocate Steam Train to Main Street
 - Install street trees on arterials
 - Replace gas station with gateway and artwork
 - Enhance Market/Boistfort streetscape
 - Extend curbs at intersection in Chehalis/Courthouse District
 - Reconfigure Twin City Town Center
- Traffic & Parking
 - Realign West Street/Market Boulevard intersection
 - Designate Park Street one-way at Library
 - Incorporate left turn lanes on Main Street
 - Install angle parking on Washington, Pacific, and Park
 - Install angle parking on Chehalis/Cascade Avenues
 - Install angle parking on Front Street and Railroad Avenue

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- Downtown Development Projects
 - Acquire Severns' Building
 - Acquire St. Helens Inn
 - Issue RFP for parking on Washington
 - Issue RFP for parking on Division

The council heard from various EDSC members including: Lewis County Economic Development Director Dick Larman; Business Owners, David Hartz and Greg Lund; Bambi Forsman from the Historic Preservation Commission; Airport Manager Allyn Roe; Ralph Hubbert from Tires Inc.; and Gail Shaw from the Chehalis Industrial Commission. The members all spoke in support of the project and talked about what they believed to be most important about the project.

Mr. Larman talked about how important the renaissance plan was, and the role it played for him to do his job, adding people needed to be able to envision themselves and/or their employees living here. He felt people needed to be excited about being here and we had to make it be a community of choice. Mr. Larman felt traffic projects had to come from all sides, and the investments had to be carefully planned and timed.

Mr. Lund reported he spent a lot of time with people coming to the area, introducing them to the community. He noted most of his clients were looking for smaller communities with vitality. He felt it was important to show that we believed in ourselves and we that we invested in ourselves. Mr. Lund hoped the city council would stand behind the project and move the plan forward. He added it was exactly the right time, noting we had a lot more people who were looking our way.

Ms. Forsman reported she and her husband were in the process of re-doing the St. Helens Inn. She talked briefly about the area attractions and what made her want to come back to this area. Ms. Forsman felt it was important to hear and listen to what the needs of the people were, including new-comers and long-time residents for their leadership and understanding of the area. She believed Chehalis was the crossroads to everything, and it was important to give people a reason to be here.

Ms. Forsman believed people want the opportunity to be able to create new businesses and/or they just want to be able to land somewhere and do what they do, and do it well. She talked briefly about how multigenerational the community was, and how people like a community that has a great deal of value and reflects progression. Ms. Forsman felt the empty storefronts were a great opportunity for the city to create really strong design ordinances. She indicated people love to invest in communities, but they also look at what the community has to offer.

Mr. Hartz stated it was an impressive adventure and believed they needed to press forward, or it would flounder. He was thankful that the city chose to move forward with the plan instead of waiting another year because of the flood issue. Mr. Hartz felt the downtown area was the heart of the community, and if they didn't get their arms around it they were going to lose it. He listed a number of businesses that had recently closed and/or were in the process of closing.

Mr. Hartz believed they city needed to find the time and finances to retain Mr. Beckwith, adding they needed his objective leadership in order to come to the important decisions that needed to be made. He stated they had a huge task in front of them, but it was a worthwhile battle.

Mr. Hartz felt the city also needed to figure out a way to make their tax revenue grow. He believed they were building a long-term project and eventually the heart and soul would generate long-term revenues, which would generate the memories to make our community incredibly special.

Mr. Roe stated he represented the younger generation, as well as the airport. He reported he was getting more involved with different groups and organizations, and wanted to be a part of helping to make a difference, to make the community a place where younger people want to stay.

Mr. Roe stated the plan was giving people a tool, and a vision of what was happening. He believed the plan was broken out to allow various organization and entities to get involved. Mr. Roe felt by finishing the plan, it would give everyone the guidance and support to be able to move forward to finish the project.

Mr. Hubbert felt they had a great layout and it was something positive for the community to look forward to. He believed 'if you build it, they will come,' adding once the city starts implementing things it would start to draw businesses back in. Mr. Hubbert stated it was a great opportunity and he would like to see it become a reality. He added there were so many people behind the project, and a lot of groups willing to help out. Mr. Hubbert thanked the council and encouraged them to start moving the project forward.

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Mr. Shaw announced he was thankful to be there, adding the outpouring of enthusiasm was overwhelming. He noted the theme was now one of appreciation and thankfulness. Mr. Shaw felt the city's historical position was probably the greatest asset it had in the community, and the development of the historical background was something to be very thankful for. He shared some history from the early 1900's, and talked about the importance of each event.

Mr. Shaw was thankful for what the people did back then, and the type of people we had today who were interested in making something happen in Chehalis. He was also thankful for the council, who went out and found City Manager MacReynold and between the two, chose a developer to advise the city and give us opportunities.

Mr. Shaw felt the city now had the opportunity to leverage whatever little it had, to build it and make it happen. He added the city needed to be able to follow a leader, Mr. Beckwith, and decide what they want to do with his help. Mr. Shaw believed it was important to work together and not have a lot of little factions, adding they didn't need to re-invent the program.

Mayor Ketchum thanked everyone for coming and was very supportive of the process. He was thankful to have a lot of participation from people, and that they were able to express what it was that they wanted to see. He stated he appreciated all the hard work and energy being put into the project.

Councilor Pope noted it was the first time they had gotten to that level in planning and hoped to take it to the implementation level, and complete the project.

Councilor Dawes stated he chose to stay in Chehalis because of the opportunities. He noted they needed to keep coming up with new ideas and opportunities in order to keep people here. Councilor Dawes felt, in order to be successful they, needed the opinions of everyone. He noted it was good to see a nice young bright individual like Mr. Roe take over at the airport, adding that was the kind of things the city needed. Mr. Dawes felt it was important to make sure everyone saw the value in the project; even though it may not affect them in the beginning, there was going to be a benefit from it.

Councilor Harris felt the planning process was barely started, and it would not end until the last thing the council implements was the decision to implement the plan. He believed getting started on the small things, such as trees and parking were good things; however he still wanted to make sure they really attack and hear from the youth.

Councilor Lund felt if Mr. Shaw hadn't been with the Industrial Commission in the 1950's, and forced his father to buy railroad ties, the area would have died when the timber industry moved ahead. He believed the council needed to take advantage of what Mr. Shaw did back then, and keep building on it.

Mayor Ketchum closed the work session at 6:10 p.m. and announced the council would take a five-minute recess before reopening the regular meeting at 6:15. Additional staff included: Bill Hillier, City Attorney; Glenn Schaffer, Police Chief; Peggy Hammer, Human Resources Administrator; and Eva Lindgren, Finance Manager. Additional members of the news media in attendance included Paul Walker of KITI.

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

- a. Minutes of the regular meeting of January 12, 2009; and the special meeting of January 20, 2009; and
- b. Payroll Vouchers No. 31874-31981 and 291-359 in the amount of \$734,383.09 dated December 31, 2008, Claim Vouchers No. 92267-92417 in the amount of \$302,956.36 dated January 5, 2009; Claim Vouchers No. 92418-92541 in the amount of \$438,530.09 dated January 12, 2009; and Claim Vouchers No. 92542-92641 in the amount of \$413,952.40 dated January 19, 2009.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Staff Reports.**

a. **December Financial Report.** Eva Lindgren reported the financial statements reflected a lot of work on the budget and felt the numbers were looking good. She indicated there was a lot of restraint in capital expenditures in 2008, noting the administration, public works in particular, was very conservative.

Councilor Harris inquired about the increase in natural gas tax, asking why it was doubled from the previous year. Ms. Lindgren stated that issue was addressed in the previous reports, noting it was the one-time payment from Darigold Farms. She indicated it was not originally budgeted; however it was reflected in the year-end budget amendment.

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Ms. Lindgren pointed out that the statements being presented were unadjusted and unaudited, noting there was still a lot of cleanup work to be done, such as interest allocations.

b. **2008 4th Quarter Sales and Use Tax Report.** Ms. Lindgren stated the report included year-to-date comparisons between the two years, as well as the last three months. She stated the city was on an upward trend until the December report came in, which brought the numbers down compared to the same time last year. Councilor Dawes felt it was an unusually low amount, noting the report reflected sales in October. He asked if Ms. Lindgren could research what caused that much of a difference. Ms. Lindgren stated she suspected part of the decrease was due to fewer vehicle sales. Councilor Harris, being in the business sector, felt it was more than just vehicle sales. He noted businesses started feeling the effect in late September, and October, November, and December were hard months as well. Councilor Harris stated, in talking with other business owners, he didn't expect anything more than what the report showed. He also believed the difference between four and/or five weekends in one month could have had an effect on the amount in sales.

City Manager MacReynold felt, along with car sales, the economic impact that started in the fall and the impact of the streamline sales tax change also needed to be considered as part of the decrease in revenues. Councilor Dawes noted the streamline sales tax would not involve large ticket items such as vehicles. He added he had never seen a drop that drastic in all the years he had been with the city. Ms. Lindgren stated based on the economy, they all anticipated a drop; however they were not anticipating quite as dramatic a drop.

Councilor Harris believed the problem started when people stopped moving money sometime after September. Councilor Lund agreed, noting Councilor Harris had a good feel of what was going on.

c. **Hiring for Police Vacancies.** City Manager MacReynold reported, as part of the 2009 budget process, the council made a policy to freeze all positions for 2009. He noted during that time, the administration requested to be able to come back to the council and request support for any critical position that might be necessary. City Manager MacReynold stated the police department was already down one officer and they had another officer who recently received a tentative offer from the Port of Seattle. He felt the city could be down two officers in a matter of weeks. City Manager MacReynold reported Chief Glenn Schaffer was requesting and recommending the council's authorization to proceed to fill the one position, should the officer decide to terminate employment.

Peggy Hammer reported there was also a potential of one retirement in 2009, which could come quickly on the heels of the other person leaving. She indicated it was necessary, with council's permission, that they get the process rolling, so they don't end up with multiple vacancies all at once.

Councilor Dawes didn't believe the request for the freeze had to do with the situation being discussed. He felt from a public safety aspect, it was something that needed to be staffed. Councilor Dawes noted the current staffing level was authorized by the council and he supported the request to get those positions filled.

Councilor Dawes moved to authorize the police department to fill the vacancy that could potentially occur.

The motion was seconded by Councilor Pope and carried unanimously.

It was noted the administration would return to request future vacancies be filled, should that situation arise.

4. **Council Reports.**

a. **Lewis County Historical Museum Update.** Councilor Dawes reported the museum was busy planning for another year of events. He noted a 'Sweet Heart's Dance' was planned at the Lewis County Senior Center on Valentine's Day. Councilor Dawes stated other projects the museum was working on included: the brick pavers; retaining wall; and the raising of the curb. He hoped the museum would be able to work with the city on the project, since it would definitely help beautify that entry into the downtown area.

b. **Chehalis Fire Department Commended.** Councilor Harris commended the Chehalis Fire Department for their participation in the unfortunate incident of a two-year old, which took place in Centralia on Saturday night. He felt it was a well executed effort, under the circumstances.

c. **Meetings and Events Attended by the Mayor.** Mayor Ketchum reported he attended the following:

- January 13 – Fire District #6 meeting

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- January 16 – ACEC Banquet – ‘Gold Award’ for the wastewater treatment plant

- January 20 – Centralia-Chehalis Transportation Cooperative meeting
- January 21 – Branding work session with the Renaissance committee

d. **Parking Issues in the Downtown Area.** Councilor Lund reported he had been approached by business owners about parking issues in the downtown area, noting there were some concerns and frustration with the current parking situation. Mayor Ketchum suggested the businesses come up with some solutions, and directed staff to go forward and work with them to see if anything can be done to improve the situation.

5. **Accept FEMA Funded Project as Complete for 2007 Flood Damage and Release Retainage.** City Manager MacReynold reported the administration was going through the process to close out the 2007 FEMA projects. Tim Grochowski requested the council accept the project as complete and authorize the release of retainage. He noted they just started the paper work for the 2009 flood event.

Councilor Pope moved that the council accept the FEMA Funded December 2007 Flood Damage Project as complete and release the retainage in the amount of \$17,887.38 to Martin Sand & Gravel, Inc., after the city clerk ensures all statutory requirements have been met.

The motion was seconded by Councilor Dawes and carried unanimously.

6. **Approve Use of Hotel/Motel Money for Grant Funding Match.** City Manager MacReynold reported one of the key elements of the Chehalis Renaissance Plan was the change of signage. He noted the Lewis County Economic Development Public Facilities.09 had funding available for a signage project.

Joanne Schwartz walked the council through the process, noting past funding from the program had been used for many projects throughout the county, including the Steam Train, which had been a recipient of some of the funds for tourism purposes. She reported she was working on a grant to go to the Lodging Tax Advisory Committee (LTAC) to request \$60,000 of the 2009 Distressed Counties Tourism Funds for a way-finding project (signage). Ms. Schwartz reported the city had \$100,000 in reserves from 2008, adding they collected \$107,000 in 2008 alone in hotel/motel monies. She stated she anticipated some significant growth in revenues in 2009 because of the new motels coming in. Ms. Schwartz reported the grant was due in by Friday, January 30, and asked for the council’s approval for the use of \$25,000 in hotel/motel tax funds to be used as a match.

Councilor Pope asked if the project fit within the guidelines for the use of the funds. Ms. Schwartz stated she believed it did, adding the Economic Development Public Facilities Advisory Committee set aside \$100,000 each year for tourism related projects; however she could not guarantee it.

Councilor Dawes stated he was in support of the project, but didn’t believe it would fit the criteria of what he recalled as being eligible. He wondered if they could look at an alternative approach and approve it with the use of CDBG funds, rather than hotel/motel tax. Councilor Dawes noted if after a legal review found it to be a proper use the funds, they could do a budget transfer of funds.

City Attorney Hillier reported he spoke with Ms. Schwartz earlier, noting it was inevitable that it would end up before the state auditor for review. He noted if the council were to simply pass a motion that the city would provide the matching funds, they could look at a different funding source and come back to it at a later date.

Ms. Lindgren reported with the improved practices of the city, and after the grants acceptance, she would expect to submit a budget amendment at that time. She felt they should have the issue resolved by the time the city accepts the grant. For the record, Ms. Lindgren noted there was not a lot of funding available in the CDBG fund.

Ms. Schwartz stated she did not disagree with Councilor Dawes; however the Lodging Tax Advisory Committee would be meeting Friday morning and the matter would be on their agenda for discussion. Councilor Dawes stated the only way he would be able to vote in favor of it, would be if it was a worthwhile project, which he believed it was, and if it was legal. He added if it didn’t meet that criteria, then he couldn’t support it. Councilor Dawes stated he did not want to be the model city for not using hotel/motel funds correctly.

City Manager MacReynold reported he and Ms. Schwartz had had communication with the State Auditors Office and their attorney with reference to a similar situation. He noted the state auditor’s attorney told them if they have it approved by the LTAC and the council approves it, in many cases it would pass their smell test, unless it was clearly not a tourism activity. City Manager MacReynold believed the signage would help promote tourism. Councilor Harris indicated he had the same question,

and the problem he had in trying to get a definite answer was, the state continued year-after-year to reverse their opinion on how the money was allowed to be spent. He felt no matter what happened it would be correctable.

January 26, 2009

Councilor Harris moved that the council approve the use of Hotel/Motel funds in the amount of \$25,000, to be used as a match to apply for a Lewis County Economic Development Public Facilities Project for a city signage project.

The motion was seconded by Councilor Pope.

Councilor Dawes abstained from voting, noting he was not satisfied in his own mind that it was the legal thing to do. He stated he supported the concept; however he did not want to give staff the wrong impression by voting against the motion.

The motion carried, with one abstention.

7. **Resolution No. 3-2009, First Reading – Declaring City Property Surplus.** City Manager MacReynold reported the city had a 1968 Jeep vehicle that was of no further use or value to the city, and wished to declare it surplus. He noted he understood there was some concern by the council with reference to the follow-up steps, and indicated he would be happy to pull the item and find out the details of what steps needed to be gone through in order to dispose of the vehicle, if that would make the council more comfortable.

Councilor Dawes thought it was a good idea to sell the vehicle to the Veteran's Memorial Museum; however he had concerns about the legality, since they were not a government agency. City Attorney Hillier stated once the vehicle was declared surplus they would obtain a reasonable value, but believed the city could gift it for tourism purposes to a non-profit. He stated he would get an opinion on it and bring it back to the council at the next meeting.

Councilor Dawes suggested a possible lease with the museum for the same amount.

After continued discussion, Councilor Harris moved to table the matter.

The motion was seconded by Councilor Dawes and carried unanimously.

8. **Executive Session.** Mayor Ketchum announced the council would convene into executive session at 7:00 p.m. after a five minute break beginning at 6:55 p.m. pursuant to RCW 42.30.110(1)(c) – lease or sale of real estate, for one half hour and there would be no decision following conclusion of the executive session.

Following conclusion of the executive session, Mayor Ketchum reopened the regular meeting at 7:31 p.m. and there being no further business to come before the council, the meeting immediately adjourned.

Mayor

Attest:

City Clerk

February 9, 2009

The Chehalis city council met in regular session on Monday, February 9, 2009, in the Chehalis city hall. Prior to the regular meeting Mayor Ketchum called the work session to order at 5:00 p.m. with the following council members present: Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor and Dennis Dawes. Councilor Harris arrived at 5:30 p.m. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Mark Scheibmeir, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Joanne Schwartz, Economic Development Administrator; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Bob Nacht, Community Development Director; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Judith Smith, Office Manager – Public Works; Patrick Wiltzius, Wastewater Superintendent; Dave Vasilauskas, Water Superintendent; and Rick Sahlin, Street Superintendent. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI.

1. Briefing on Mellen Street Project and the Airport Road and Louisiana Avenue Connection Proposed by the Washington State Department of Transportation (WSDOT). WSDOT Project Delivery Manager Bart Gernhart, out of Vancouver, Washington, walked the council through the various design changes with regard to the Mellen Street project, and the Airport Road and Louisiana Avenue connection project. He reported they pulled together a sounding board, comprised of representatives from Chehalis and Centralia, local business owners, the Hospital, the Port of Centralia, and Centralia College, who met every couple of months to come up with a solution.

Mr. Gernhart briefly talked about the old plan and moved into the new proposals for the various interchanges. He indicated they added a number of refinements to the collector distributor (CD Lanes) system, and explained in more detail what the new design would entail. Mr. Gernhart provided a number of drawings, which depicted the new interchange south of the Mellen Street interchange, and the connection of Airport Road to Louisiana Avenue.

Mr. Gernhart reported the new design would be a more efficient system, and would save a lot of money and time. He noted the state's budget was about a billion dollars short over a six-year period in transportation project funding, and in order to make up some of that up the Governor had to push some projects further out. Mr. Gernhart indicated the construction start date for the combined project was pushed out to 2014. He stated they would be moving forward as though it had a 2012 time-line, noting the legislature would be the one to make the final decision.

Mr. Gernhart provided a profile drawing of Airport Road, which showed the connection of Louisiana Avenue with the new interchange near Mellen Street. He talked briefly about the connection to Louisiana Avenue, noting if they moved forward with the project, WSDOT would stretch the money out as far as possible and build as much as they could. Mr. Gernhart indicated there didn't seem to be much value in tying into and/or raising the existing Airport Road, noting the idea was to terminate it at some point with a cul-de-sac.

Mr. Gernhart reported, sometime around 2006-07 Lewis County was able to secure \$2.5 million to raise and widen Airport Road. He thought that might be the first phase of the levy project, which was to raise Airport Road in order to provide emergency access to the hospital. Mr. Gernhart indicated the issue was on hold because he really wasn't sure that raising Airport Road was necessary. He added the \$2.5 million was for transportation only and not flood control, and since it was a flood control issue, they would let the flood authority address that matter.

Mr. Gernhart reported the money was available and WSDOT would just as soon build it and open up the new interchange and the Airport Road/Louisiana Avenue connection at the same time in 2014.

Councilor Pope felt a lot of people used I-5 as a street from Chehalis to Centralia. He believed if Airport Road was connected to Louisiana Avenue, more local people would use it for the purpose of going between the two cities. Councilor Pope noted, when the freeway shuts down, Chehalis becomes a thoroughfare for everything off the freeway. He indicated the city was looking for some relief and asked if the new design would help with that situation. Mr. Gernhart did not believe it would.

Councilor Fuller asked, if Airport Road was elevated, if it would resolve the problem of water getting onto I-5 during flood events. Mr. Gernhart stated the only real benefit from raising Airport Road would be to get emergency vehicles to the hospital, and that would only be if Louisiana doesn't go under water.

City Manager MacReynold gave WADOT, as well as Mr. Gernhart a lot of credit, noting they really looked at it and came back with a totally changed project that met their needs and ended up being a lot cheaper than what was initially thought. City Manager MacReynold felt it made some level of sense to raise Airport Road; however he commended Mr. Gernhart's approach to make the connection and go as far as they could with it, adding the sooner they get it that open, the better off we would be. Councilor Taylor thought it might also extend the life of the Chamber Way intersection, which could improve the city's ratings.

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City Attorney Bill Hillier inquired about the time-frame for construction for a project of that magnitude. Mr. Gernhart indicated if they started in 2012 they could have it finished in 2014.

Councilor Taylor asked if the project would be done as two separate contracts. Mr. Gernhart believed WSDOT would do it as one, noting even though they were two separate projects, it would be most cost effective to do it as one. He indicated it would be up to the cities, the Lewis County Transportation Strategy Council, and the county to give WSDOT the thumbs up to move forward. Mr. Gernhart added he didn't see any real reason why they shouldn't do it.

City Manager MacReynold asked Mr. Gernhart if he had a belief that the legislature might keep it on the current timeline. Mr. Gernhart noted he worked for the Governor and she said 2014; however he felt WSDOT would be ready to go in 2012. He continued discussion of the project and reviewed the timeline and funding issues since 2006.

Mayor Ketchum was glad to hear that everyone was stating to agree on a design, so the project could start to move forward. City Manager MacReynold asked if it would be helpful to have a letter of support for the project. Mr. Gernhart stated they had the money to build it and all he needed was for the city to tell WSDOT to move forward. City Manager MacReynold reported they would need to work with the county, WSDOT, and Centralia to get support through the Strategy Council. Mayor Ketchum believed Centralia already sent a letter of support for both projects. City Manager MacReynold thought the letter from Centralia only supported the Mellen Street Project. Mayor Ketchum felt the city needed to send a letter to Mr. Gernhart in support of the project, adding, it needed to say we would like to see the project started in 2012, rather than 2014.

Councilor Dawes stated he was in support of the project and felt it was important to support items, even though they may not always be a direct benefit to the city.

Mayor Ketchum closed the work session at 5:43 p.m. and announced the council would take a fifteen minute recess and reopen the regular meeting at 6:00 p.m.

2. Citizens Business – Property Development and Drainage issues Along Spring Street. Merle Stratton (87 SE Spring Street, Chehalis) reported he had concerns about development taking place adjacent to his property of 42 years. He provided several photos and a map, to show the development and how the runoff came down onto his property causing some erosion. Mr. Stratton gave the council a brief history on the property, noting in the early 50's the owner built a drainage system near the end of Spring Street, which came down from a hill from up near Alderwood Drive. He noted the concept worked well until the property was logged in 1971-72, at which time the runoff from the logging came down the draw and through his property. Mr. Stratton reported he installed a culvert across his property to handle the additional runoff; however once they added fill and the new development started, the runoff started coming right down onto his property. He was very concerned about all the water coming off of the hill and wondered why the developer was allowed to add fill in the first place. Mr. Stratton noted there were a number of underground springs located in the area.

Councilor Pope asked Mr. Stratton if he ever had any problems in the 42 years that he lived there with the runoff, prior to the construction. Mr. Stratton indicated he did not, noting the 12" culvert took care of it. He believed there were plans to continue development on the hill and he felt something needed to be done to get the water down Spring Street and into the storm drain.

Councilor Pope inquired as to who was responsible for looking at the engineer's drawings and development when development takes place. City Manager MacReynold reported he and Tim Grochowski and Bob Nacht paid a visit to the site, and asked Mr. Nacht if he would speak to the question.

Mr. Nacht reported Frank Dipola, the adjacent neighbor, had submitted a conceptual site development plan for the earthwork he had already done. He noted the plan was reviewed by the city's engineering division for consistency with the city's stormwater management regulations. Mr. Nacht reported the plan was found to be consistent with the city's requirements; however there were some issues with the adjacent (Stratton) property that were of history, noting there was a 12" culvert under the property with an overland swale across the top of the culvert. He noted he could not speak to the historic water that had gone across the property; however the city's requirements were established in the city's development regulations. Mr. Nacht also suggested that the development of the property was no where near final approval, noting Mr. Dipola had presented a plan to do the initial stormwater management that was currently there. He stated he did observe an end of a pipe in the area that may or may not have come loose, which may have caused the problem that Mr. Stratton articulated.

Mr. Nacht reported the city's engineering requirements were such that when Mr. Dipola proposes to do his actual site development, he would be required to perform on-site management of his stormwater, so that the discharge from his

development was no greater than existed prior to his development. He noted if staff could find fixes for the current situation that are minor and can be implemented by the adjacent development; the city would implement those fixes through the development
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review process.

Councilor Pope asked if there were any regulations that govern the disruption of underground springs. Mr. Nacht reported the city did not have a specific requirement or regulation in the engineering standards to address potentials for springs; however there were requirements that if they identify or find site development anomalies; that they need to be addressed for what they were.

Councilor Dawes felt regulations did not always cover everything, and believed if a situation came up they should stop to take a look and address the cause so that it doesn't get any worse. Mr. Nacht reported they had identified some of the specific issues that Mr. Stratton referred to; however he stated he would not be prepared to try and operate the development review committee (DRC) outside of the DRC process. He indicated they were not there yet, but it was being worked on at the DRC. Mr. Nacht noted the city had specific regulations to abide by, and if they could identify a resolution to the situation, even though it's not in the regulations and it's reasonable to require the adjacent property implement the resolution to the problem, staff intended to do that.

City Manager MacReynold felt part of the value of the situation was it had been brought to the city's attention, and as they go through the DRC process they can place requirements to try and maintain and redirect the water in a different direction. He noted after seeing the property, he could appreciate Mr. Stratton's concerns about the situation. City Manager MacReynold stated they recognized that, and the city needed to insure that further development would not do additional harm.

Councilor Taylor asked if a property owner had any recourse for damages caused by another property owner. Assistant City Attorney Mark Scheibmeir stated much of what was outside of what the city was responsible for would be a private issue having to do with the city's nuisance and trespass laws. He noted discharged water could be considered either one of those, and there were remedies when one party's activities affectively trespass on another party's property.

Mayor Ketchum thanked Mr. Stratton for coming, noting staff was aware that there were issues. He asked that staff keep Mr. Stratton in the loop as they work through the situation.

Councilor Lund asked Mr. Stratton if he ran the Department of Natural Resources (DNR). Mr. Stratton indicated he worked for DNR. Councilor Lund felt because of Mr. Stratton's involvement with DNR he had a good understanding of elevations, drainage, and logging.

Mr. Nacht stated, because of the continuing issue, the city had to make a record through the DRC process and base it on specific facts presented, identified, and discussed at the DRC, rather than on speculation. He stated they do know there was an issue up there and recognized it could be problematic; however the resolution to the problem had to be a defined process.

Terry Stratton, Mr. Stratton's son, stated he appreciated anything the council could do, adding they didn't detest the development, only the way it was being done. He stated he just wanted to make sure no one signed off on it, and then have it be a legal issue for his parents to deal with later on.

3. **Denison Permit Review Taskforce Follow-up.** City Manager MacReynold reported two to three years ago, the Chamber of Commerce, along with other agencies, conducted an analysis of the permitting systems of Chehalis, Centralia, and Lewis County. He introduced Kelly Johnston, of Smith Johnston Consulting, to walk the council through the highlights, and to answer any questions the council might have.

Ms. Johnston noted the other agencies involved with the project included the Ports of Chehalis and Centralia, and the Realtors and Builders Association.

Ms. Johnston reported the Denison was considered a tool designed to measure an organization's culture and compare the results to a benchmark set by other high-performing organizations. She noted Mr. Nacht generated a list of 17 employees to include both management and individual contributors from all aspects of the permitting process.

Ms. Johnston reported the Denison results indicated that Chehalis was performing well in many areas. Chehalis employee's responses placed Chehalis in the fourth quartile in nine of 12 possible indices, meaning that fewer than 25 percent of all organizations scored higher, which indicated high performance.

Ms. Johnston stated 'Mission' was the weakest area for Chehalis, and Chehalis would likely be well-served by engaging in some kind of goal-setting process that engaged multiple stakeholders. She believed it would bring clarity of purpose to the permitting process, and help employees identify which goals must be met when competing priorities emerge.

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Ms. Johnston reported significant areas of strength continue to be cross-functionality and line-of-sight. She indicated employees felt that information was available; it is possible to effectively coordinate across functions; and they understand how their work related to the overall purpose of the agency. Ms. Johnston felt these were important foundations upon which Chehalis could build.

City Manager MacReynold reported he and Mr. Nacht met with Ms. Johnston last week, noting as they focused on the areas of improvement, they found that some of it was driven by the regulatory environment that the city constantly deals with, and it wasn't going to get any easier. He believed there was also a direct impact in that the organization had changed over the past two years, and because of the downturn in the economy. City Manager MacReynold felt the report spoke well of where our city was already at.

Ms. Johnston encouraged the council to read the written report that was provided, especially the general analysis, if they wanted the condensed version.

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

- a. Minutes of the regular meeting of January 26, 2009; and
- b. Accept the proposal from Pamco, LLC to lease two parcels of city property totaling 50 acres; and direct the administration to prepare a lease agreement and authorize city manager to execute the lease agreement.

The motion was seconded by Councilor Pope and carried unanimously.

5. **Staff Reports.**

a. **Update on Current Legislation.** Becky Fox briefed the council on two pending legislative bills that could potentially affect the courts. The first bill proposed to decriminalize the charge of driving while license suspended (DWLS) – 3rd degree to a civil infraction. Ms. Fox noted the violation was currently a misdemeanor that carried a maximum of \$2,050 fine and 90 days jail time. Proponents of the bill believed the change would reduce court, law enforcement, jail, prosecutor, and defender time; however municipal court Judge Steve Buzzard and Ms. Fox felt the provisions of the bill would consume additional staff time; as much of the information required was not captured in the current system. She noted to potential for revenue collected would also be reduced.

Ms. Fox reported on the second bill, which proposed to raise the threshold between misdemeanor and felony property crimes from the current level of \$250 to \$1,000. The proponents of the bill stated that it was just a reflection of inflationary increases since the threshold was created in 1973. She noted staff was concerned that raising the threshold would increase property crime filings, which would in turn increase jail, prosecutor, defense and general court costs.

Ms. Fox stated Judge Buzzard had been in contact with our AWC legislative representative, Tammy Fellin, to voice concerns regarding the two bills. She noted they would continue to track the progress, and work with AWC as they proceed during the legislative session.

b. **Special Meeting.** Mayor Ketchum announced there would be a special council meeting on Tuesday, February 17, 2009, starting at 5:00 p.m. at city hall.

c. **Chamber Way Briefing.** Tim Grochowski reported his department met with the contractor and engineer last Friday, adding they were preparing to start the project up again in March. He indicated they were still waiting for delivery of the street lights and traffic signal poles, noting the traffic controllers passed the first phase of testing. Mr. Grochowski stated they were scheduled to have the project complete by the end of June.

d. **Recreation Park Picnic Shelter.** City Manager MacReynold reported the picnic shelter at Recreation Park, near the kiddy spray pool, was an Eagle Scout project and funded by an outside source.

6. **Council Reports.**

a. **Meeting and Events.** Mayor Ketchum reported he attended the following meetings and events:

- February 6 – Mayors meeting
- Met with Bob Johnson from Lewis County Community Development to talk about planning agreements
- February 2 – Lewis County PUD briefing on water retention/dam project

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- February 5 - EDC Banquet

7. **Tabled Item - Resolution No. 3-2009, First Reading – Declaring City Property Surplus.** Councilor Harris moved to un-table the item for discussion.

The motion was seconded by Councilor Dawes and carried unanimously.

Councilor Taylor moved that the council adopt Resolution No. 3-2009 on first and final reading.

Councilor Pope seconded the motion.

City Manager reported the administration was asking to have the vehicle declared surplus and would make it available to see what kind of offers they would get. He noted there was an interest in seeing if the Veterans Memorial Museum could lease it; however there was no interest on their part to lease it.

The motion carried unanimously.

8. **Federal Aviation Administration Grant offer for the Chehalis-Centralia Airport.** Airport Manager Allyn Roe reported the grant offer was the final payment for the Blazer property reimbursement. He noted, by accepting the offer, it would close the project out and allow the airport to move forward on other projects.

Councilor Dawes moved that the council authorize the city manager to execute the final FAA grant reimbursement request for the Blazer property in the amount of \$94,695.

The motion was seconded by Councilor Lund and carried unanimously.

9. **Authorize City Manager to Draft and Distribute Letter of Support for the Mellen Street Project, and the Airport Road and Louisiana Avenue Connection Project.** City Manager MacReynold stated both projects were very important regionally. He noted, during the work session, it was the consensus of the council to have all of the council sign the letters.

Councilor Taylor moved to authorize the city manager to draft letters of support for both the Mellen Street Interchange Project and the Airport Road and Louisiana Avenue Connection Project.

The motion was seconded by Councilor Lund and carried unanimously.

10. **Ordinance No. 843-B, First Reading – Amending Ordinance No. 543-B, Section 1 – Establishing Non-Sufficient Fund Fees.** Mr. Nacht reported the ordinance was just a housekeeping issue, noting all fees for services that the city provided were contained in the Development Regulations, Appendix ‘A’ and were reviewed annually.

Councilor Dawes moved to pass Ordinance No. 843-B on first reading.

The motion was seconded by Councilor Harris and carried unanimously.

11. **Executive Session.** Mayor Ketchum announced the council would convene into executive session at 7:10 p.m. after a fifteen minute break beginning at 6:56 p.m. pursuant to RCW 42.30.110(1)(i) – potential litigation, for one half hour and there would be no decision following conclusion of the executive session.

Following conclusion of the executive session, Mayor Ketchum reopened the regular meeting at 7:39 p.m. and there being no further business to come before the council, the meeting immediately adjourned.

Mayor

Attest:

City Clerk
February 23, 2009

The Chehalis city council met in regular session on Monday, February 23, 2009, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:01 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; Glenn Schaffer, Police Chief; and Peggy Hammer, Human Resources Administrator.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.110(1)(b) - review of public bid, and RCW 42.30.110(4)(a) – collective bargaining for one hour and there would be no decision following conclusion of the executive session.

Mayor Ketchum announced the council would take a three-minute recess at 5:59 p.m. and re-open the regular meeting at 6:02 p.m. Additional staff included: Kelvin Johnson, Fire Chief; Bob Nacht, Community Development Director; Eva Lindgren, Finance Manager; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Dave Vasilauskas, Water Superintendent; Rick Sahlin Street Superintendent; and Judith Smith, Public Works Office Manager. Members of the news media in attendance included Eric Schwartz and Marquise Allen of *The Chronicle* and Paul Walker of KITI.

2. **Introductions.** Mayor Ketchum introduced Marquise Allen from *The Chronicle*, who was assigned to take over for Eric Schwartz as the city's reporter. He noted Mr. Schwartz would be moving over to Lewis County as their new reporter. Mayor Ketchum thanked Mr. Schwartz, noting he did an excellent job for the city.

3. **27th Annual Historical Bicycle Ride.** Rose Spogen (174 Yates Rd, Chehalis) reported on the 27th Annual Historical Bicycle Ride taking place on Saturday, May 9, starting at Stan Hedwall Park. She asked that the roads be swept prior to May 6, so they could be marked with spray paint that would wash away over a short period of time.

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

- a. Minutes of the regular meeting of February 9, 2009; and
- b. Claim Vouchers No. 92642-92764 in the amount of \$344,876.88 dated February 5, 2009, and Payroll Vouchers No. 31982-32081 in the amount of \$720,045.80 dated January 30, 2009.

The motion was seconded by Councilor Taylor and carried unanimously.

5. **Staff Reports.**

a. **January Financial Report.** Eva Lindgren reported there was not a lot of explanation, because there was not a lot of variance in the report.

Councilor Harris asked if they might be over estimating the potential budget item for telephone tax, especially since cell phone use was increasing. Ms. Lindgren stated she didn't know the logistics of how the telephone tax worked. City Attorney Hillier indicated it was based on the zip code of the billing statement. Councilor Dawes reported a lot of the increases in the past had to do with the higher number of faxes, computer lines and such. He believed the city received a higher amount due to the larger number of phone lines at the county.

Ms. Lindgren noted the tax revenue budgeted in 2009 was lower than 2008. She indicated it was driven by the fact that there were some smaller phone companies that had been paying the tax who found out later they really didn't need to pay it, noting it was a very small dollar amount.

Councilor Dawes questioned the intergovernmental grants and entitlements, asking if it included some collection of flood money from a prior year. Ms. Lindgren reported a good portion of it was FEMA funds that the city anticipated receiving by December 31, which did not arrive until mid-January 2009.

b. **Snow and Ice Report.** City Manager MacReynold noted there was interest in having the public works director bring the council up to speed on how the city did during the snow and ice situation at the end of 2008, and to talk about what our standard operating procedures (SOP) were.

Tim Grochowski stated, in his opinion, the December 2008 storm was in the top three worst storms the city had ever experienced. He stated they put down about 30 loads of gravel, and used rock salt in the vicinity of National Avenue and around the railroad tracks to keep the ice from accumulating. He reported Street Superintendent Rick Sahlin and the office staff did one heck of a job in his absence; while some staff put in a lot of overtime, even working on Christmas Day.

February 23, 2009

Mr. Grochowski provided a letter from Twin Transit, stating they really appreciated the efforts of the city, noting they only had to shut down for two days.

Councilor Fuller asked what triggered the policy, to go into affect. Mr. Grochowski stated, depending on conditions and the event, his staff mostly relied on the police departments request for sanding. He noted once they get called out for one intersection, they start hitting other intersections throughout the city as well. Mr. Grochowski reported the city had three plows available, and most of the sanding was done to bridges and intersections.

Councilor Fuller asked what the policy was for snow removal in the two block area of downtown. Mr. Grochowski reported they don't usually plow the downtown area noting, during a previous event, they experienced a lot of problems getting the plowed snow out of the area. He stated even though they didn't plow downtown during the last event, staff was out laying down sand first thing in the morning, prior to businesses opening.

Councilor Fuller asked what the policy was for Winchester Estates and other roads up above the city; and if staff ever got up on the hills during the last event. Mr. Grochowski reported they try to stay away from the hills until they first have all of the collectors done; however they did get up there towards the end of the event. Councilor Fuller stated he believed neither the hill behind city hall or Winchester Estates ever got it at all, and wondered if they were overlooked. He then inquired about the policy for Prospect Street. Mr. Grochowski reported Prospect Street was a straight stretch. He indicated the road used to be in the county, and because they always made sure it was taken care of during snow and ice events, the city does the same. Councilor Fuller reported he watched the trucks go up and down Prospect Street two to three times a day, everyday, and wondered why they went up there so often and not up the other hills. He stated he would like to see a more thorough, extensive, and definitive policy drafted. It was the consensus of the council to have to policy looked at.

Councilor Fuller stated leaving the whole downtown undone for the period of the event was unconscionable. Rick Sahlin reported the downtown area did not go untouched, adding they sanded numerous times and plowed the best they could, without blocking in vehicles that were parked in the area. Councilor Fuller stated he drove through town everyday, noting it wasn't plowed until it was a sheet of ice, and it didn't get any sand until later in the event.

Councilor Fuller stated he would like to see some sort of 'downtown policy' within the SOP, so it doesn't get left out. He felt that by just taking care of Chamber Way and Louisiana Avenue it sent all of the shoppers out there, which literally destroyed the downtown businesses during the Christmas holiday. Councilor Fuller stated the businesses deserved more than that and would like to see the downtown included, if they possibly could. City Manager MacReynold stated the administration would re-examine the policies and bring them back to the council at a later date.

Councilor Taylor mentioned there was talk about having the city and county work together on some type of interlocal agreement, so that when county trucks are passing though the city they could drop their plows to clear the roadways. Mr. Sahlin reported the county ran steel blades on their plows, which if ran on city streets, would peel off the very expensive melt-down thermo plastic the city puts down for its crosswalks.

Councilor Fuller wondered why they received a letter from Twin Transit regarding snow removal, dated February 23, 2009. Mr. Grochowski stated Councilor Dawes mentioned to him that Twin Transit was down a few days because of the weather, so he called Twin Transit to find out what they did during the event. He indicated he did not ask for the letter. Mr. Grochowski later noted, in talking with Twin Transit, he felt it was important for the council to hear what they had to say about the maintenance of the streets in Chehalis.

c. **Communications System Usage Policy.** Information Technology Committee Representative Becky Fox reported there had been several policies in the city that governed communications, adding the last update was done in 2002. Ms. Fox stated, in 2006 they formed an IT committee which included a representative from every department. She noted one of their tasks was to look at developing a new internet policy. Ms. Fox noted the new policy encompassed all communication devices, such as cell phones, blackberries, faxes, and computers. She noted the new policy was sent to Washington Cities Insurance Authority (WCIA) for their comments, which were incorporated into the policy. Ms. Fox stated WCIA wanted to remind everyone one that if they use their personal computer at home for any city business, it may be subject to discovery under a public records request.

Ms. Fox reported a copy of the policy had been sent to all three unions for their review, noting the policy would be distributed to all employees and departments for their signature.

Councilor Dawes stated, in reviewing the policy, he didn't see anything about periodic/routine monitoring. He felt policies were great, but unless they were enforced, they were worthless. Councilor Dawes hoped that once the policy goes through that the city would do some type of monitoring, especially on computers. City Attorney Hillier noted it was covered in February 23, 2009

section 4.9, paragraph two and five. Councilor Dawes noted he understood the city retained the right; however that didn't mean the city would follow-up on it. Ms. Fox reported there was some conversation by the committee, and in talking with committee member Ed Schonack, the city's system had the capability to go in and do random checks. She felt it was something they should discuss at a department head level. Councilor Dawes suggested just throwing random names in to routinely check.

6. Council Reports.

a. **Chehalis Wrestling Team.** Councilor Dawes reported the Chehalis High School Wrestling team took 2nd Place at state this year. He asked if they could have the team come to the next meeting to present them with a proclamation and give them some recognition for their award. Councilor Dawes noted Chehalis had always had a very strong wrestling team; however placing that high at state was a very significant accomplishment.

b. **Lewis County Historical Museum Update.** Councilor Dawes reported the museum was working on a paving project to replace the pavers around the building. He stated he had a chance to meet with Lewis County Commissioner Bill Schulte on Friday, and felt they were able to get the wheels moving on the project and hoped to see it finished before spring 2009. Councilor Dawes indicated they were working in conjunction with the public works department to raise the curb, so they could put in a retaining wall and planter. Mr. Grochowski reported he had talked with one contractor who felt if they pinned the curb and form it up, it wouldn't be too long before someone runs into it and pops it off. He suggested they just replace the 350 feet of curb, which would basically be a retaining wall. Mr. Grochowski reported he and Mr. Sahlin met with Lakeside Industries to talk about other options and estimated a curb replacement project to be around \$30,000.

c. **Flood Authority Update.** Councilor Taylor reported the flood authority received a presentation by Lewis County PUD, and after much discussion, he made a motion that the flood group move the project forward into PUD's phase 2 study. He noted the issue was tabled to the following meeting so other representatives could have their questions answered. Councilor Taylor stated he made a comment at the meeting that the city really wanted the project to move forward, and didn't want to see the flood authority be a place where good projects come and have nothing done with them. He hoped at the next meeting that the group would support and endorse the county to negotiate with the LC PUD to move the project forward to the next level.

Mayor Ketchum thanked Councilor Taylor for putting in the effort to try to get something moving. He agreed, adding he really felt the flood authority would be a place where projects go and then disappear into a dark hole. Mayor Ketchum stated he trusted that wouldn't happen; however he noted there were of a couple of entities that did not want to see the project go forward.

d. **Meetings and Events attended by the Mayor.** Mayor Ketchum reported he attended the following meetings:

- February 11 – attended a downtown parking meeting, and a public meeting at the Veterans Memorial Museum to discuss the Lewis County flood project
- February 13 – met with the 09 tax Committee to discuss funding requests
- February 17 – attended the Centralia-Chehalis Transportation Cooperative meeting

e. **Stimulus Projects.** Mayor Ketchum stated the county would be receiving approximately \$1.8 million in stimulus funding for transportation projects, which really won't do a project for any city in Lewis County. He reported the Lewis County Transportation Strategic Council agreed that the cities would request the \$1.8 million go to the county for their projects, and in turn for the next few years, the county would send the SAFETY-LU monies to the City of Centralia for the Borst Avenue project.

Mayor Ketchum reported, with regard to water and wastewater stimulus projects, any city could get stimulus funding; however it would need to be paid back, which he thought defeated the purpose.

f. **Airport Way and Louisiana Avenue Connection.** Mayor Ketchum reported the Transportation Improvement Board (TIB) wanted to take the \$3 million back because county staff told them they did not need to fund the project anymore. He gave credit to Commissioner Schulte for standing up and telling them that wasn't going to happen, and that the county had to figure out what they needed to do to make the project go forward.

7. **Ordinance No. 843-B, Second Reading – Amending Ordinance No. 543-B, Section 1 – Establishing Non-Sufficient Fund (NSF) Fees.** Bob Nacht reported their were no changes from the first reading; however in response to a

question from the prior meeting regarding the rates in schedule "A," he noted the utility rates were established by separate ordinance and could not be a part of schedule "A." He did however suggest that when schedule "A" is published again, it will contain all of the utility rates as a separate addendum, so they are all in one place.

Councilor Dawes moved to pass Ordinance No. 843-B on second and final reading.

February 23, 2009

The motion was seconded by Councilor Pope and carried unanimously.

8. **Resolution No. 4-2009, First Reading – Water Use Efficiency Rule (WUE).** Dave Vasilauskas reported the stated Department of Health (DOH) required that all public water systems adopt a water use efficiency goal. He stated in November the administration presented an aggressive water conservation plan and the council asked what impacts it would have to our water utility revenues. Mr. Vasilauskas noted upon review of the plan, it was determined that with all of the cost of conserving water, compared to the revenue of selling water, it would result in a large decrease in revenues in the water utilities.

Mr. Vasilauskas reported the city performs various programs each year, which meet the requirements of the WUE. He noted the city would continue to meet that mandate by continuing the programs currently adopted in the city's budget, at no additional cost.

Councilor Fuller asked if the \$20,000 would cover the cost of the program, and if the original estimate of \$161,000 would go away if they kept doing what they are doing. Mr. Vasilauskas stated it would.

Mayor Ketchum noted the report indicated the city could potentially decrease its revenue by about \$78,000 annually. Mr. Vasilauskas stated that was correct, if they end up conserving a large amount of water.

Mr. Vasilauskas reported the WUE was good for seven years, at which time the city would re-evaluate the program.

Councilor Lund felt they might be able to save money by reading the meters monthly, in order to find leaks quicker. City Manager MacReynold noted there was a discussion about that; however the city had not proceeded to do further work down that path. He noted the consultant who briefed the council as to why the city might want to think about that, was for the very same reason. City Manager MacReynold believed it would give the city better control, and we could respond in a more-timely manner to leaks and such.

Mayor Ketchum stated there would be an increase in costs associated with reading the meters monthly, rather than ever two months. City Manager MacReynold stated the question would be whether or not it would be a significant cost. He indicated that would be something the council would have to decide, should the administration move forward in that direction. Councilor Dawes stated if they go down that road they might have to hire additional staff to read meters. City Manager MacReynold noted those were all issues they would have to face.

Councilor Taylor moved to adopt Resolution No. 4-2009 on first and final reading.

The motion was seconded by Councilor Harris and carried unanimously.

9. **Establishing a Financing Arrangement for Wastewater Connection Fee.** Mr. Nacht reported the recalculation for Thorbecke's Fitlife Center was made after 12 months of actual usage, after the estimate was forwarded. He stated the city found that because of the nature of the usage, and the additional businesses that had been installed, there was a significant increase in the usage from the original estimate. Mr. Nacht indicated the calculations were made and the dollar amounts forwarded to Thorbecke's. He reported owner, Dale Pullin, requested some relief from the lump sum payment, and therefore, Finance Manager Eva Lindgren worked out a payment schedule.

Councilor Taylor asked if all businesses were given an estimate, or was Mr. Pullin's situation abnormal. Mr. Nacht reported all new businesses that have no history of usage do receive an estimate, and pay connection fees based on that estimate. He noted after 12 months, or a longer period of time, they re-evaluate them to determine whether or not there is a significant increase or decrease from the estimated usage.

Councilor Dawes stated he never recalled anything like this come before the council. Mr. Nacht indicated it was typically addressed by staff and was not typically addressed in a monthly payment schedule. He noted the only reason it was before the council was to authorize the city to collect it through a monthly billing process, as opposed to collecting one lump sum.

Councilor Harris noted they had a similar issue with Mr. Peterson, with the opening of Starbuck's.

Councilor Dawes moved that the council authorize and direct the city manager to execute a loan agreement and collect the required wastewater connection fees from Thorbecke's Fitlife Center through a monthly billing process with a 7.5 percent interest rate.

Councilor Harris seconded the motion.

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Councilor Pope asked if Mr. Pullin collected any percentage (connection fees) from the businesses that went in his building. Mr. Nacht stated he had no idea, adding that would have been a civil arraignment he may have made with them.

Councilor Lund asked if the city was supposed to be in the banking business; and if the bank was going to start selling water and sewer. He indicated, as a business owner, he didn't loan money and the bank didn't sell beer. City Manager MacReynold stated that would be up to the council.

Mr. Nacht indicated it was unique to a utility billing process, which was established in our statutes, and that was the only reason the matter was being brought to the council. Councilor Lund asked if the statute stated the city could loan money. Mr. Nacht indicated it did. With that, Councilor Lund was satisfied that the city had provisions to loan the money.

The motion carried unanimously.

There being no further business to come before the council, the meeting adjourned at 6:50 p.m.

Mayor Pro-Tem

Attest:

City Clerk

March 9, 2009

The Chehalis city council met in regular session on Monday, March 9, 2009, in the Chehalis city hall. Mayor Pro-tem Dawes called the meeting to order at 5:45 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor and Dennis Dawes. Mayor Ketchum was absent (excused). Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; and Peggy Hammer, Human Resources Administrator.

1. **Executive Session.** Mayor Pro-tem Dawes announced the council would be in executive session pursuant to RCW 42.30.110(4)(a) – collective bargaining for fifteen minutes and there would be no decision following conclusion of the executive session.

Mayor Pro-tem Dawes announced the council would take a five-minute recess at 5:55 p.m. and re-open the regular meeting at 6:00 p.m. Additional staff included: Brian Kelly, Assistant City Attorney; Kelvin Johnson, Fire Chief; Tim Grochowski, Public Works Director; and Joanne Schwartz, Economic Development Administrator. Members of the news media in attendance included Marquise Allen of *The Chronicle*.

2. **Request to Pull Agenda Item.** City Manager MacReynold requested the council pull the agenda item for the request for proposals for printing services, postponing it until the first meeting in April. He noted he would like to have a little more time to review it.

3. **Proclamation.** Mayor Pro-tem Dawes presented the Chehalis Bearcat Wrestling Team, and their coaches, a proclamation recognizing them for their success at the 2009 State 2A Wrestling Tournament held in Tacoma, Washington. He noted they had a number of wrestlers advance to state, and the team took 2nd place overall.

4. **Lewis County Public Utility District (PUD) Flood Retention Project Presentation.** PUD Manager, Dave Muller, provided the council with an overview of the study done on the Chehalis River Basin Water Retention Potential. He reported after the 2007 flood, the state legislators held public meetings to try to come up with a basin-wide flood mitigation plan. Mr. Muller stated he was approached by the PUD Commissioners, asking if there was something they could do, noting they were always looking for hydro potential. He reported the PUD Commissioners authorized the administration to hire EES Consulting out of Kirkland, Washington, to look into the technical and economic environmental feasibility of building water retention facilities in the upper Chehalis.

Mr. Muller reported the study looked at flood control, water quality and fish enhancement, and hydroelectric possibilities. He noted the report was released to the PUD Commissioners last month and they had since been making the rounds to get the message out. Mr. Muller believed the feasibility study showed merit for water retention, flood control, summer flow enhancement, and a little bit of hydroelectric. He reported EES Consulting looked at both the Newaukum and the upper Chehalis Rivers, noting they could not find any good sites near the Newaukum that would capture enough drainage area to do any good.

Mr. Muller reviewed several bar charts with the council, including: a comparison of the 2007 flood to the 100 Year flood; estimated flood reductions on Interstate 5; and the January 2009 flood crest at Centralia. He added they worked closely with North West Hydraulic Consulting, who was also working with the county, as well as FEMA, to come up with the new 100-year flood model.

Mr. Muller reported on some of the overall benefits of the plan, which include:

- Less Agricultural Crop/Land Damage
- Less Residential, Commercial, Public Structure Damage
- Less Relocation and Emergency Costs
- Increased Residential Property Values
- Increased Non-Residential Property Values
- Infrastructure Benefits by not raising I-5
- Avoided I-5 Closures plus Railroad Damages
- Increased Water Quality

Mr. Muller reported he made a presentation to the flood authority on February 19. He noted a representative from the Department of Transportation (DOT) questioned the number they used for the cost of elevating I-5. Mr. Muller indicated the number printed in *The Chronicle* after the 2007 event of \$300 to \$400 million came from the Assistant Director of DOT. He was informed later by DOT that the incremental costs of elevating I-5 would be substantially smaller, and gave an estimate of \$30 to \$60 million. He noted they would be meeting with DOT the following day to figure out the details associated with the costs, noting it would affect the benefit cost ratio they were looking at.
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Mr. Muller reported on the projected cost of the two facilities, noting the Upper Chehalis was a little over \$200 million; and the South Fork Chehalis was roughly \$132 million. He indicated 10 percent would be the hydro component.

Mr. Muller stated the PUD was happy to participate in the project if it proved to be beneficial, to the extent that they could provide funding for the hydro portion, which was estimated to be \$28 million. He reported they would not be able to fund the entire project, noting in order to make it work it had to be a federal/state funded flood control project.

Councilor Harris inquired about the 2,200 acres being looked at for the facilities, asking if there was any private ownership in that. Mr. Muller indicated it was all private, noting the area above PeEll was owned by Weyerhaeuser and the area on the South Fork was owned by Seirra Pacific. He stated if they move into phase II, they would start meeting with both timber companies to discuss the details.

Councilor Fuller inquired as to where they were proposing to site the two structures. Mr. Muller reported one would be located above PeEll, where the old tin bridge used to be; and the South Fork structure would be located near Ryderwood, about one mile above the roadway, to the southwest. He noted phase II would help clarify both locations.

Mr. Muller stated the utility district believed phase I showed merit, that water retention would work for flood control and improve fish flows in the summer months; and based on that, it deserved a more in-depth review for a phase II analysis. He noted phase II would take eight months to a year to complete, but believed it fit into the responsibilities and tasks that were assigned to the Chehalis River Basin Flood Authority, adding they had access to \$2.5 million for basin-wide study efforts. Mr. Muller reported they did make a request to the flood authority to fund phase II, noting the PUD funded phase I, which could be included as part of the hydro component. He noted they would remain a participant in the project and would take direction from the flood authority in the future, on how best to move forward. Mr. Muller stated they were not asking people to start building dams right away, adding they were just asking for support to get the needed information, to know if it would be feasible, or not.

Mayor Pro-tem Dawes stated he appreciated the approach being taken by the PUD. Councilor Taylor noted Chehalis went to the flood control meeting with the intent on getting the project moving forward. He felt it was an important project and it needed to be done. Councilor Taylor reported his motion to move forward on Phase II was tabled, and would be discussed again at their next meeting. He reported he received several emails a day that urged support of the project, and with the additional support of the council, he would continue to push for it.

Councilor Lund noted he didn't hear anything in the report about it being a 'green' project. Mr. Muller reported initiative I-937, which passed in November 2006, required utilities in the State of Washington to acquire a certain amount of renewable power. He noted the existing hydro, under that initiative, was not considered renewable; however incremental-hydro, meaning if there was another purpose of a project and you add an incremental piece of hydro to it, it would qualify for renewable. Mr. Muller indicated they would claim renewable under the proposal because the primary purpose of the project would be flood control.

Councilor Lund wondered if the PUD was giving themselves enough credit for what they were doing, noting Lewis County had always been a very conservative area. He felt they should be out beating the band, to let everyone know the project was more than what it really was. Mr. Muller stated the PUD would reserve judgment on whether or not it was a viable option, until after they complete phase II. He noted the big issue would be whether or not they could answer the fish and environmental issues that would arise; adding they believed they had some benefit and potential for a solution by adding the summer flows.

Councilor Fuller stated he supported the project and hoped it would move forward, asking what the chances were that it would. Mr. Muller felt there was a 50/50 chance that it would happen, adding they had some real good public support. He reported the Governor's office indicated if the flood authority supported water retention as a basin-wide solution, they too would support it.

Councilor Fuller asked what the time frame might be to complete the project. Mr. Muller felt the project could happen relatively fast, because people at the state and federal level wanted a solution to the I-5 flooding. He reported it would take one year to do Phase II; two to five years to do the permitting and licensing; and two to three years for construction.

Mayor Pro-tem Dawes stated it looked to be about as comprehensive and as good of plan that he had seen. He noted even with the plans that had been proposed to date they were still at ground zero, and hoped Mr. Muller's optimism would be

shared by others. Mayor Pro-tem Dawes added the only thing he was worried about was others who may not see it as a direct benefit to them, who might put a stop to it. He hoped phase II would be funded because it would provide the necessary research they needed. Mayor Pro-tem Dawes applauded the PUD for taking the step forward to do it.

Mayor Pro-tem Dawes thanked Mr. Muller for his briefing, and thanked Lewis County PUD Commissioner Ben Kostick for also attending the meeting.
March 9, 2009

5. **Consent Calendar.** Councilor Harris moved to approve the consent calendar comprised of the following:

a. Minutes of the regular meeting of February 23, 2009.

The motion was seconded by Councilor Pope and carried unanimously.

6. **Staff Reports.**

a. **Letter to Legislators Regarding Washington Department of Transportation Region Changes.** City Manager MacReynold reported there was legislation, Senate Bill 5682, being discussed that would make changes to the regions in the state. He noted part of the recommendation was to put Lewis County into a different region. City Manager MacReynold felt the city was finally in a place to get some projects moving forward and believed that by moving the city into a different region, it would require the administration to establish new relationships, and could leave the I-5 corridor in one region and the city in another. He felt they had developed a good working relationship with our current DOT representatives in Vancouver, Washington, over the last three years. City Manager MacReynold requested the council give him feedback and support on the letter prepared for Senator Swecker and other State Representatives.

Councilor Taylor stated the letter was good, noting they didn't want to have to compete with Thurston County for transportation dollars. Mayor Pro-tem Dawes indicated they were currently competing with Vancouver, Washington, for project funding. Councilor Taylor believed it was a better process than what they had up north.

Councilor Harris felt it was important to get the point across that it wasn't a personal issue, and it had nothing to do with Chehalis versus Thurston County. City Manager MacReynold stated he struggled with that too, but felt it was important to focus on the relationships and the projects, because of what was currently in the hopper around the I-5 corridor. Mayor Pro-tem Dawes felt when you have someone new come in it was like starting at ground zero again, just to get them up to speed. He suggested, because the letter was being sent on behalf of the council, that it be signed by the Mayor.

b. **Surplus Jeep Update.** City Clerk Judy Schave updated the council on the status of the 1968 Jeep that was previously surplus by the council. She reported the city put out a notice to receive sealed written proposals. Ms. Schave stated the city received one offer from Peter Lahmann, who proposed to pay \$783 dollars for the vehicle. She noted a bill of sale had been prepared by the administration for the sale of the vehicle.

7. **Resolution No. 5-2009, First and Final Reading – Supporting Lewis County Public Utility District Phase II Proposal of Water Retention Facilities in the Chehalis River Basin.** Councilor Taylor felt the resolution would show support from the entire council, to move forward with the project. Councilor Harris reported he spoke with Lewis County Commissioner Bill Schulte last week, noting he spoke very highly of how Councilor Taylor handled himself with regard to the project. Councilor Harris thanked Councilor Taylor for his hard work and commitment.

Councilor Lund reported the Port of Chehalis was also putting together a similar resolution, and/or letter of support for the project to move forward to the next phase.

Councilor Pope moved to adopt Resolution No. 5-2009 on first and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

Councilor Taylor requested a copy of the resolution be sent to the flood authority. Councilor Harris requested that it also be sent to Lee Napier of the Chehalis River Basin Partnership, so they could disseminate it to the members of the partnership.

8. **Council Reports.**

a. **Stimulus Funding Update.** Councilor Taylor reported he attended a transportation meeting to discuss the \$1.8 million in stimulus funding, noting they were originally under the impression that the money would come to the county first, and the Transportation Strategy Council would distribute it to the various agencies. He reported they were misinformed, adding the

money would still come to the county, but would be distributed by a separate group who would choose the projects for the county. He reported the county had a couple of road projects on the books that the money would be used for.

Councilor Taylor stated it was disheartening that some of the smaller cities would not benefit from some of the money. He reported, in order to be eligible for SAFETY-LU dollars, projects had to be on federal aid routes, which a lot of the smaller cities didn't have the funds for, or any federal aid routes in their area.

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b. **Ghost Seekers Visit Lewis County Historical Museum.** Mayor Pro-tem Dawes reported briefly on the 'Ghost Seekers' who recently visited the Lewis County Historical Museum. He noted they spent some time talking with the staff, and did a nice story it.

There being no further business to come before the council, the meeting adjourned at 6:47 p.m.

Mayor Pro-Tem

Attest:

City Clerk

March 23, 2009

The Chehalis city council met in regular session on Monday, March 23, 2009, in the Chehalis city hall. Mayor Pro-tem Dawes called the meeting to order at 5:45 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, and Chad Taylor. Mayor Ketchum was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Mark Scheibmeir, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Larry Allen, Assistant Fire Chief/Fire Marshal; Eva Lindgren, Finance Manager; Bob Nacht, Community Development Director; Joanne Schwartz, Economic Development Administrator; Tim Grochowski, Public Works Director; and Judi Smith, Public Works Administrative Assistant. Members of the news media in attendance included Marquise Allen of *The Chronicle* and Paul Walker of KITI.

1. **Agenda Item Pulled.** Mayor Pro-tem Dawes announced that the agenda item regarding the Washington State Department of Licensing – Master Business Licensing would be pulled from the agenda and placed on a future agenda for council consideration.

2. **South Industrial Area Annexation Fiscal Analysis.** City Manager MacReynold reported approximately three years ago, the council took action on first reading to annex in the south industrial area. He noted, as the new city manager at that time, he felt it would be better to hire an outside third party to verify the financial analysis, at which time the city hired the FCS Group out of Redmond, Washington.

FCS Group Principal Peter Moy presented the findings of the analysis. Mr. Moy reported on the fiscal analysis approach he took, which included:

- Reviewed previous city documentation and data related to prior analyses
- Identified key assumptions and data
- Worked with city departments and staff to identify revenues and costs, and to collect data
- Contacted other state and local agencies (Lewis County Assessor's Office, Lewis County PUD, and Department of Revenue)
- Reviewed results with city management

Mr. Moy talked briefly about the key service and financial impacts to the general fund and the utilities. The General assumptions included:

- Annual inflation for revenues and most expenditures was estimated at 3%
- Because of the uncertainty about what development would take place in the future, no real estate excise taxes were included as part of the analysis
- Costs associated with issuing building permits and performing plan reviews would be offset by the fees paid, and those costs and revenues were not included as part of the forecast
- Assumed that personnel would be hired by January 1, 2010, but the city might find that to have the trained staff available by January 1, it might have to hire the staff in mid to late 2009
- Assumed the same level of staffing throughout the ten year forecast period. As development occurs in the South Industrial Area, additional staff might be needed, especially for police services, as development, employment, and traffic increased in the area
- No payments from Lewis County Fire District #6 were included in the forecasts because how the District pays had not been determined or negotiated. The amount was about \$2.5 million

Key revenue assumptions included:

- Property Tax rates based on 2008 rates, annual assessed value growth at 2%, new construction at 1.45% of total assessed value
- Sales tax based on 2007 taxable sales identified by the Department of Revenue, annual growth based on inflation
- Private utilities tax based on annexation petition limits and previous study estimates except for electricity (Lewis County PUD supplied 2007 charges in annexation area)
- Public utilities tax based on 2007 water and sewer charges in annexation area, stormwater charges based on survey by Public Works Department and annexation petition limits
- The annexation area will pay city water and sewer rates and not 'out of city' rates

Key expenditure assumptions included:

- Police originally proposed adding three officers, for a decreased level of service for the city; five officers needed to maintain current level of service

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- Fire originally proposed adding seven firefighters, for a decreased staffing level for the city; 11 firefighters are needed to maintain current level of service and staffing
- Public Works proposed adding two street maintenance staff and one storm/surface water staff
- No additional staff for water and sewer
- The city would have to pay the county for five years for the loss in county road fund taxes
- Two scenarios developed:
 - 1) Scenario A – Originally proposed police and fire staffing
 - 2) Scenario B – Proposed police and fire staffing to maintain current city service levels

Key Results:

- Scenario A had a deficit each year for the first five years, but then turned positive after the city eliminates the county road fund payment. Scenario A's total deficit for the first five years was almost \$3.7 million
- Scenario B has greater costs than scenario A and as a result, has a much larger deficit in the first five years at almost \$6.7 million. Scenario B also continues to have operating deficits each year, even after the city stops making the county road fund payment
- The water and sewer utilities operate at deficits because of lower revenues from using city rates instead of non-city rates
- Stormwater fees do not cover the amount of staffing needed and the utility operates at a substantial deficit

Mayor Pro-tem Dawes asked Mr. Moy if he knew whether or not the results would have been any different if the analysis had been done 30 years ago. Mr. Moy didn't know that it would have changed anything, noting the revenues would have been exactly what they were today. He suggested the staffing might be slightly different; however believed it would depend on whether or not the city had to pay the county, or not. Mayor Pro-tem Dawes suggested that now was just not the time. Mr. Moy agreed. Assistant City Attorney Mark Scheibmeir believed there would have been two significant impacts: the city would have owed nothing to the county 30 years ago; and there was no boundary review board 30 years ago.

City Manager MacReynold stated, because the council took formal action on first reading, they would need to put closure on the matter.

Mr. Scheibmeir reported the petition was generated in 2005, and following a lengthy process, the petition presented by more than 60 percent of the value of the annexed area went before the city council for initial approval. He stated the matter came back before the council under Ordinance No. 802-B in early 2006, and on a first reading in February 2006, was approved by the council; however it was almost immediately tabled for a number of reasons.

Mr. Scheibmeir stated two concerns: the financial analysis was perhaps incomplete; and the affect it might have on Fire District #6. He noted the global feeling by the council at that time was that increased efforts should be made to reach out to the district before taking final action. Mr. Scheibmeir reported the financial analysis pretty much declared it was not economically feasible for the city to annex. He reported the next step would be for the council to remove Ordinance No. 802-B from the tabled status and return it to the floor for a second reading, at which time he would join Mr. Moy in recommending that the council vote no on the ordinance.

Mr. Scheibmeir reported by no means did it suggest that it was a final decision regarding annexation, adding annexation was always available for consideration. He noted the area would remain a part of the city's urban growth area and it was the city's declaration and belief that it was, and should be, part of the city at some point and time when financially appropriate. Mr. Scheibmeir reminded the council that annexation was always a matter brought not by the city, but by the residents who reside within the annexed area, and at such time they ask and the city then chooses to reconsider, that option would always be available. He noted the process of starting fresh would allow the city to look at a revised area for annexation, noting the city would not be held to any particular geographic area for considered annexation at any time in the future.

Mayor Pro-tem Dawes suggested they add the item to new business to remove it from the table and place it on the next agenda for final action. The consensus of the council was to follow the suggestion of Mayor Pro-tem Dawes.

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

a. Minutes of the regular meeting of March 9, 2009;

b. Claim Vouchers No. 92765-92905 in the amount of \$212,307.74, dated February 16, 2009; Claim Vouchers No. 92906-93015 in the amount of \$116,100.17, dated March 2, 2009; and Payroll Vouchers No. 32082-32179 in the amount of \$683,262.81, dated February 27, 2009; and March 23, 2009

c. Re-appoint Douglas Burton to the Historic Preservation Commission for a three-year term expiring December 31, 2011.

The motion was seconded by Councilor Lund and carried unanimously.

4. Staff Reports.

a. **February Finance Report.** Ms. Lindgren indicated the agenda report provided some analysis on the larger variances throughout the funds, and was available to answer any questions the council might have. Councilor Harris inquired about the sales and use tax revenue, noting it was lower than 2008, but higher than what they budgeted in 2009. Ms. Lindgren noted some local businesses that were hit very hard by the flood in 2007, but were able to regroup, while other businesses continued to do okay. She indicated there was no backfill of streamlined sales tax included in the report, and the city would not be receiving any for the first quarter. Mayor Pro-tem Dawes felt if they were able to maintain and collect what they set in the 2009 budget, they were doing very well. Ms. Lindgren reported they recently contracted with Microflex, Inc., to perform sales tax audits for the city. She indicated they recently submitted a request to reclassify more revenues to the city out of other jurisdictions, adding they were looking very hard to see that the city collects all the revenue that it is due.

b. **Parking Meeting Update.** Chief Schaffer reported the Chehalis Business Association sent invitations to the downtown businesses, inviting them to meet with city staff on February 11 to discuss the current parking situation in the downtown area. He stated they had a number of city staff, as well as about 15 business people attend the meeting. Chief Schaffer reported they had a good discussion and the meeting turned up several ideas that represented a full spectrum, from discontinuing parking enforcement, to building more parking lots. He believed it was a worthwhile meeting; however the changes the city was looking for were more global.

Chief Schaffer reported a follow-up meeting with city staff was held the first week in March, to review each idea and apply it to see what changes would need to take place, and if the city could afford to do it. He noted what they identified was, most of the ideas that came from the business owners were pretty much specific to their business, and ultimately did very little, and in some cases created negative impacts for others. Chief Schaffer reported a letter had been drafted and would be sent to each of the businesses downtown, to let them know the outcome of the meeting. The letter stated, in the end it was determined that although the ideas presented may improve the parking situation for some businesses, it could worsen the situation for others, and it was therefore determined that changes in the parking system would not benefit the downtown businesses or customers as a whole, and therefore the parking regulations would remain unchanged for the time being.

Councilor Pope stated the council had received the same report for many years, noting it was nothing new, or different. He thanked Chief Schaffer for taking the time to look into it again.

c. **Letter to Legislators Regarding Washington Department of Transportation Region Changes.** City Manager MacReynold reported the issue was discussed at the previous council meeting on March 9. At that meeting, the consensus of the council was to send a letter to Senator Swecker asking him not to support Senate Bill 5682, which would realign both Chehalis and Centralia to the Olympic region. It was noted that Mayor Ketchum had concerns about asking Senator Swecker to not support the bill, because over the last two years the cities had been pushing everyone to get realigned. City Manager MacReynold reported there was some sense that other jurisdictions were taking a similar position on the change of the districts; however during a follow-up discussion at the Centralia-Chehalis Transportation Cooperative meeting on Monday, March 16, that was not the case. Mayor Ketchum and Councilor Taylor felt it was a good idea to revisit the matter, to see if in fact the council still wanted to proceed with sending the letter knowing that the other jurisdictions had changed their position on the issue. Councilor Taylor reported the consensus of the cooperative was the cities probably didn't have much of a choice. He noted the state was reducing the number of regions due to budget cuts, and their intent was to eliminate one of the districts by consolidating and adjusting the boundary lines. Councilor Taylor suggested they might want to take a less pro-active approach, by waiting to see what the other jurisdictions do.

Councilor Pope stated he strongly felt if Chehalis was put into the Olympic district, they would always be at the short end of the stick. Councilor Taylor stated he agreed one-hundred percent.

Mayor Pro-tem Dawes believed reducing the number of districts as a cost-cutting measure was something the state was probably going to have to do. He didn't disagree with Councilor Pope, but wondered if the city would get any more than what it would in the other.

City Manager MacReynold reported part of the cooperative's concern initially was they had worked so hard to establish a good working relationship with their Southwest region partners and they did not want to see that go away, especially in light of all the transportation projects currently in the hopper with reference to I-5. He noted they now knew it didn't really matter since March 23, 2009

the state was looking at severe cost cutting measures. City Manager MacReynold wondered if the city should take a position, recognizing they are going to change it no matter what, or do they wait and see what happens and make the best of it.

After continued discussion, the consensus of the council was to move forward and send the letter.

5. **Council Reports.**

a. **Flood Authority Meeting.** Councilor Taylor reported he attended the flood control authority meeting on Thursday, where the chairman worked the group through a consensus process that brought The Chehalis Tribe on board, and at the end of the day they all voted unanimously to move forward with phase 2 of the Lewis County PUD study. He noted there were several meetings throughout the week to talk to all the interested parties. Councilor Taylor stated the authority authorized \$250,000 to go to the study, and if they didn't run into any fatal flaws, the rest of the study would be done.

b. **Local's Pleased with Commissioner Bill Schulte.** Councilor Lund noted he was hearing good things about Commissioner Schulte, who was present in the audience. He reported people were real pleased and felt he was doing a good job, and the city liked working with him, as well.

6. **Remove Tabled Item - Ordinance No. 802-B.** Councilor Harris moved to remove Ordinance No. 802-B from the table and bring it back to the council at their regular meeting of April 13.

The motion was seconded by Councilor Pope and carried unanimously.

7. **Ordinance No. 844-B, First Reading – Amending the 2009 Budget.** City Manager MacReynold reported the finance manager had been working with the administration to bring the item before the council. He requested that the council schedule a work session prior to the regular meeting on April 13, at 5:00 p.m., to review the 1st quarter revenues and expenditures, prior to taking final action on any budget amendments brought forward.

Ms. Lindgren reported past practice of the city was to do two budget amendments a year; one mid-year and one final amendment at year-end. She noted it was a better business practice to do amendments more frequently, which would also give the council the opportunity to look at things before something major developed.

Ms. Lindgren reported the narrative reflected a beginning fund balance amendment to the community development block grant fund (CDBG). She stated now that she had the final numbers in for the year, she was comfortable changing the beginning balance to reflect what was truly happening with that fund. Ms. Lindgren noted because of a fund transfer at the end of 2008, the city actually had more fund balance in the CDBG fund than anticipated at the time the budget document was prepared.

Ms. Lindgren noted an improvement she made to the report, which was to underline the department involved in the request, and to group the proposed amendments by department.

Mayor Pro-tem Dawes felt it was a good idea to do budget amendments more frequently, rather than twice a year. City Manager MacReynold hoped that doing it on a quarterly basis would be more helpful to both the council and the administration.

Councilor Fuller inquired about the projection that noted they not make any changes in the garbage fund until October 2009. City Manager MacReynold reported the city had extended its current solid waste contract with Waste Connections, Inc. until July 31, 2009, and the administration was in the process of going out to bid for a new contract, which was anticipated to start in August 2009. Ms. Lindgren stated they felt it would take a couple of months to get the vendor on board to take over the billing process, after a contract was signed.

Councilor Taylor moved to pass Ordinance No. 844-B on first reading.

The motion was seconded by Councilor Lund and carried unanimously.

8. **Request to Fill Police Department Vacancy.** Chief Schaffer reported he received a letter from Police Officer Willie Shupp, announcing his retirement effective June, 2009. He noted Officer Shupp had been with the department for more than 24 years. Chief Schaffer stated he was seeking the council's approval to fill the position after June.

The consensus of the council was to fill the position after June, 2009.

There being no further business to come before the council, the meeting adjourned at 6:59 p.m.
March 23, 2009

Mayor

Attest:

City Clerk

April 13, 2009

The Chehalis city council met in regular session on Monday, April 13, 2009, in the Chehalis city hall. Mayor Ketchum called the 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: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Larry Allen, Assistant Fire Chief/Fire Marshal; Eva Lindgren, Finance Manager; Bob Nacht, Community Development Director; Peggy Hammer, Human Resources Administrator; Joanne Schwartz, Economic Development Administrator; Tim Grochowski, Public Works Director; Patrick Wiltzius, Wastewater Superintendent; Steve Buzzard, Municipal Court Judge; and Becky Fox, Municipal Court Administrator. Members of the news media in attendance included Marquise Allen of *The Chronicle* and Paul Walker of KITI.

1. **Council Work Session.** City Manager MacReynold reported, as part of the development of the 2009 budget, the administration committed to having quarterly work sessions to review revenues and expenditures in order to monitor where they were financially, and to be able to respond in a timely manner should the trends begin to be clear.

Eva Lindgren walked the council through the first quarter revenues and expenditures, and addressed questions asked by the council.

Ms. Lindgren highlighted the critical general fund revenue streams, which included:

- General property tax
- Sales and use tax for November, December, and January
- Gas/natural gas tax
- Licenses and permits
- Intergovernmental grants and entitlements
- Charges for goods and services
- Interest earnings
- Proceeds of long-term debt
- Operating transfers-in

Councilor Dawes stated in December of 2008 there was a dramatic decrease in sales tax revenue and asked if staff ever found out why. Ms. Lindgren reported once she was able to run the data she would be in a position to talk to the Department of Revenue (DOR) about more specifics. She noted she was not informed by DOR of any one time audit adjustment. Councilor Dawes asked to have an answer as to why the revenue had decreased. City Manager MacReynold stated he believed Ms. Lindgren addressed the question at the time it was first asked, which was pretty much what she just stated, adding they couldn't break out where the revenue streams were coming in from. He indicated the City of Centralia had a similar situation the following month.

Councilor Harris asked if the report prepared by Ms. Lindgren could contain actual potential receipts rather than quarterly numbers, so the council would know when the lump sums come in, such as property tax. Ms. Lindgren stated it would make it a very complicated process.

Ms. Lindgren reported the city was very much on track with regards to the natural gas tax. She noted she was very disappointed with the revenue in licenses and permits, adding in prior years the community development department had generated some very sizable revenues for building permits and planning reviews.

Ms. Lindgren reported on the intergovernmental grants and entitlements revenue, noting in the budget process \$2.5 million related directly to the Chamber Way Project, and they had yet to bill them for this year's outlays. She indicated some of it would include lag payments from FEMA from 2008. Ms. Lindgren continued discussion on the general fund revenues for goods and services; interest earnings; proceeds of long-term debt; and operating transfers-in.

Ms. Lindgren briefly talked about the general fund expenditures, noting they were very close to what they budgeted. She highlighted the fact that the non-departmental fund budgeted for the debt service payment, which still needed to be re-allocated out to all the different departments. Ms. Lindgren reported the street department budget appeared to be low; however there would be expenditures coming through for the Chamber Way Project.

Ms. Lindgren reviewed the wastewater fund noting the revenues were slightly above what was projected in 2009; and the expenditures were basically half of what was budgeted, which was being driven by the debt principal. Councilor Pope asked Ms. Lindgren to explain the miscellaneous fees under sewer connections. Ms. Lindgren stated she was aware that the city collected sewer connection fees, but had not looked at the detail on that particular item. Tim Grochowski reported he believed it was the connection fees for Liberty Plaza.

April 13, 2009

Ms. Lindgren reported on the water fund, noting the fund appeared to be a lot worse than it was. She stated they needed to keep in mind that they budgeted \$850,000 to be repaid by the general fund. Ms. Lindgren noted the operating expenses were a little higher due to some significant capital outlays for the 18th Street pump station project and the phase 4 project at the filter plant.

Ms. Lindgren reported the storm fund was in line with the revenue stream, and capital outlays were not significant at that time.

Councilor Pope inquired about the house on 18th Street, asking if it would be sold, leased, or rented. City Manager MacReynold reported the administration was exploring its options to try and create some revenue. Mr. Grochowski indicated they had talked about declaring it surplus and putting it on the market. Mayor Ketchum believed the council agreed they needed to sell the house once the project for the pump station was complete.

City Manager MacReynold reported the administration met last week and reviewed the city's current financial situation. He noted it was still a little early to tell for sure, but they believed they were seeing some negative trends, and felt the longer they waited, the less flexibility they would have to respond. City Manager MacReynold reported the administration put together a phase 1 reduction plan, which he outlined for the council. He stated Peggy Hammer did a good job looking at what other jurisdictions were doing, and put together some administrative policy guidelines on how to approach any reductions. City Manager MacReynold stated any changes made would need to comply with the union contracts, our own city policies, as well as civil service policies.

Ms. Hammer reported the policy was based on a document produced by the City of Olympia. She indicated the policy laid out some of the framework and took a sliding-scale approach. Ms. Hammer briefly described the process, to possibly include: reduction of hours, voluntary reduction of hours, job sharing options, furloughs and layoffs. She noted the policy also laid out a process for re-hiring if it came to that. Ms. Hammer reported she had been in communication with other cities to see what they were doing, noting there were a significant number of cities in the same situation, and furloughs were becoming a very common and popular response to the situation.

City Manager MacReynold noted the administration was proposing, as phase 1, to begin looking at reductions with a target of \$200,000, which included:

- Furloughs – every employee in the city would start taking one day (8) hours per month for the next seven months, which would save approximately \$113,000
- Apply for the federal Justice Assistance Grant (JAG) - \$23,777
- Forgo filling the vacant position in the police department following the retirement of Sergeant William (Willie) Shupp - \$35,500
- Reduce the street fund by cutting signage purchases, parking lot maintenance, and some guardrails for the Coal Creek bridge - \$20,000
- Forgo pool analysis and open two weeks later than in past years - \$10,000

City Manager MacReynold stated if the revenue projections were played out to the end of the year, in the worst case scenario, they could be short by \$300,000 to \$400,000. He noted, come July, if the trends continue in a negative way, they could be looking at layoffs. City Manager MacReynold stated per our own policies, probationary employees would need to go first. He stated the sooner they implement the plan the better, noting their intension was to begin phase 1 on May 1.

Councilor Lund asked how many years it had been since the street department chip-sealed the streets. Mr. Grochowski reported 2009 would be the third year. Councilor Lund felt that was not good because it was going to cost more money to fix them in the long run. Mr. Grochowski agreed.

Councilor Taylor asked how the administration planned on implementing furloughs with the police and fire departments, with reference to shift work. City Manager MacReynold stated they talked with both chiefs and they were just going to have to work it out with them.

Councilor Lund felt the plan was great; however wondered if City Manager MacReynold shouldn't be making bigger cuts. City Manager MacReynold reported the administration spent a lot of time talking about that issue and felt phase 1 would begin the process and buy some time. He believed it was a responsible approach to the situation, in order to maintain services and our workforce. Councilor Lund stated there was a lot of talk about businesses shutting down. City Manager MacReynold noted he had the same concerns as Councilor Lund, but his commitment was to try to maintain services and maintain the city's fiscal viability.

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Councilor Fuller stated he agreed with Councilor Lund, but wouldn't try to second guess the City Manager. He felt the trend actually started during the 4th quarter in 2008, which meant they were already in the six month period. City Manager MacReynold agreed, noting as they put the existing budget together they took out a lot of stuff, because they saw the trends starting to happen. Councilor Fuller asked if it wouldn't be better to make more drastic cuts now and put people back, rather than wait until they were nine months into it. Mayor Ketchum felt they took care of the last quarter in 2008, by cutting so much out of the 2009 budget. Councilor Fuller stated perhaps they didn't cut enough, since they were now coming up way short. Mayor Ketchum noted Councilor Fuller made a good point.

City Manager MacReynold felt they were only a few percentage points off from their projections. He stated he proposed to move forward with phase 1, but was very interested in the council's perspective.

Councilor Taylor asked what Phase 2 would look like. City Manager MacReynold reported it would involve cutting all probationary employees, and laying people off. Councilor Taylor suggested a wide-scale layoff. City Manager MacReynold believed laying people off would hurt the community and impact all of us. He noted they had to remain fiscally responsible, but it was going to be challenging.

Councilor Harris felt they couldn't let the capital product of the city go belly up and hold employees until the end. He stated at some point in time they may be challenged with having to lay off employees in order to keep the capital, such as roads, in working order. Councilor Harris stated if the city didn't get into some form of recovery, it may have to make decisions about product rather than people. Councilor Lund agreed, adding he hated to say it, but laying people off might actually help the citizens. He noted the same concerns as Councilor Harris that they needed to keep up on the infrastructure of the city. Councilor Lund suggested they take a consensus, to have City Manager MacReynold step up the cuts.

Councilor Pope felt they should wait and see where the proposal goes first. He agreed, perhaps the cuts were not big enough; however he believed the city manager would come back to them when it was appropriate. City Manager MacReynold stated the administration was lining itself up to be responsive, by looking at the current reporting they were receiving and tracking the revenue sources. He believed the proposal was a positive step that would make a difference and buy them some time.

Councilor Harris asked if there might be some way to contact other losing cities and counties affected by the streamlined sales tax, and look at filing a lawsuit against the state. He felt they needed to find a way to at least get it postponed until the federal government was able to collect sales tax on internet and catalog sales. Councilor Harris noted he would like to see if they couldn't get the money placed back into the communities where it was earned. City Attorney Bill Hillier stated the Association of Washington Cities (AWC) was the city's research source and lobbyist for many issues, adding it would be incumbent upon all of the council to contact AWC to get that process started. Councilor Harris thought AWC was completely neutral on the whole thing. City Attorney Hillier reported they were quickly changing their tune from what he was seeing. Councilor Harris stated he wouldn't mind setting up some kind of alliance with other agencies to start something at the grass roots level to help communities get that money returned. Councilor Dawes stated he believed AWC probably changed their tune because there was no money for mitigation, which was the selling point to the cities.

Ms. Lindgren noted the city did not receive any mitigation funds during the 1st quarter of 2009; however that did not preclude us from receiving any in the future because it was still in the state's budget. She reported she had seen the detailed reports on what the state was basing it on, and in talking with another municipality, they both agreed the underlying data did not make any sense. Ms. Lindgren stated she would be talking with the DOR to have them walk her through it to explain where they were coming from. She noted she would report back at the next meeting if she made any progress.

Ms. Lindgren reported the city of Centralia qualified for mitigation funding during the 1st quarter. Councilor Harris noted all along Centralia was expected to be one of the winning cities. He felt it was important to be as aggressive as they could to try and get it overturned.

City Attorney Hillier stated he was looking at AWC as a resource to do the research, but if that was not the need, they could take a different look at it. He noted his staff didn't have a lot of time available to do that type of research and they needed the background information to be able to determine what the city's rights were.

Councilor Taylor felt AWC didn't seem to provide much benefit to the city. City Manager MacReynold reported the health benefit was the single biggest benefit to our city; however if you were one of the mainstream cities, they were very aggressive with lobbying efforts at the legislature. He noted they also provide sessions for training and send us updates on what's going on at the legislative session. Councilor Harris noted he hadn't seen any legislative bulletins lately. Councilor Dawes stated he hadn't seen one all year. City Manager MacReynold noted he would have the city clerk follow-up on it.

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Councilor Dawes felt phase 1 was a good first step; however he wasn't as optimistic about the future, adding he thought it might not be until the end of the year before they see any turnaround. He suggested the administration get their plans ready for a phase 2 and implement them, adding he hoped he was wrong. Councilor Dawes reported employees of the school district were going to be severely impacted, which was going to have a residual affect on the community.

City Manager MacReynold reported the city was also facing the end of an Emergency Medical Services (EMS) levy. He noted Fire Chief Kelvin Johnson was already working on that issue, and come summertime, the administration would be coming back to the council to lay out some options and possibilities. Councilor Dawes believed if they were going to ask the public for something they needed to tell them what it was they needed, why they need it, and how they proposed to do it. He suggested they hold it within decent parameters because people were not going to be as supportive as they had been in the past.

Mayor Ketchum closed the work session at 5:55 p.m. and announced the council would take a five-minute recess and reopen the regular meeting at 6:00 p.m.

Mayor Ketchum recognized Lewis County Commissioner Bill Schulte, who was present in the audience.

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

a. Minutes of the regular meeting of March 23, 2009; and

b. Claim Vouchers No. 93016-93158 in the amount of \$221,655.20 dated March 16, 2009; and Payroll Vouchers No. 32180-32293 and 497-567 in the amount of \$766,338.01 dated March 31,2009.

The motion was seconded by Councilor Taylor and carried unanimously.

3. **Staff Reports.**

a. **Employee Service Award.** Mayor Ketchum presented Bob Nacht, Community Development Director an employee service award for 30-years of service.

b. **Report on Pool Opening and Hours.** Mr. Nacht reported part of the endeavor regarding the opening of the swimming pool was that it was not cost effective to open it too early. He noted, historically, the pool opened on Memorial Day weekend; however he was proposing to open the pool to the public two weeks later on June 13, noting the cost savings would be around \$1,500 and would provide staff the opportunity to gear up. Mr. Nacht stated the school district would still be using the pool between Memorial Day weekend and June 13, but it would not cost the city anything for them to use it.

Councilor Fuller indicated there were a couple of major pool maintenance issues noted in the agenda report. He reported he, Mayor Ketchum, and Councilman Dawes had forgone their medical benefits, which added up to approximately \$33,000 a year, that were to be made available for parks and recreation. Councilor Fuller indicated the council's budget had been reduced to reflect the reduction in benefits, and inquired as to whether the money that would have been paid out for benefits was available from the last three years, or if it had been spent somewhere else.

City Manager MacReynold reported there had been on-going discussions over the past few years about the council providing that money for parks and pool related issues. He noted through the budget process they discussed reducing the number and if the council wanted to have the administration use the money for they pool they could do that. Councilor Dawes believed Councilor Fuller was asking where the money had been allocated. Mayor Ketchum noted it was taken out of the council's 2009 budget. Councilor Fuller stated he understood it was to be taken out; however it was supposed to be taken out and put in the reserves for the parks department.

Councilor Taylor thought they were going to use a portion of the money for an electric reader board. Councilor Dawes indicated the money for the reader board wasn't put into the budget for the year it was supposed to have been done.

Ms. Lindgren reported, in the 2008 budget they showed the intent of the council so they could always follow and track what was going on with the money set aside. She stated when they went through the 2009 budget process, the budget committee made the decision to not put it into the budget because money was tight, noting anything not spent goes back in to the ending fund balance. Councilor Harris remembered having the conversation during the budget process, adding they were told the money would not be coming in, which he too understood was to be used for toys and recreation. Ms. Lindgren agreed, adding if they were not spending it for benefits in the general fund, that's how they basically balanced the general fund budget.

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Councilor Fuller reported when he came on the council in 2006, the three councilmember's asked that the money for their portion of benefits be put into the reserves to be used on parks and recreation; however he didn't believe it was ever done. He indicated he didn't remember ever saying they decided not to do it in 2009, adding he thought it was a four-year pledge. Councilor Dawes stated he didn't believe it ever got in the budget for the first two or three years, noting they tried in the past to figure out if they could go back and backfill it, which they couldn't. He added it was his understanding that the current 2009 and 2008, were supposed to be budgeted. Ms. Lindgren reported the 2008 budget reflected the amount in the council's budget, which was why 2008 was higher than 2009.

City Manager MacReynold stated they could resolve the issue by simply creating a separate line item for the money committed to parks and recreation, and would need to amend the budget to reflect it. He reported it would be a clear line showing the money going in every year. Councilor Fuller noted the city attorney gave a ruling previously on the matter. City Attorney Hillier indicated all they had to do was create the line item as suggested by City Manager MacReynold.

Councilor Taylor asked if the administration was going to make an amendment to the budget for the whole \$99,000. Councilor Dawes noted it could only be for the one year. Councilor Lund stated the council could make a policy decision to put the money wherever they wanted. City Manager MacReynold stated that was correct. Mayor Ketchum wondered if they had spent any of the money over the last three years. Councilor Fuller noted they spent roughly \$16,000 on toys and suggested they check with Andy Sennes to find out the exact dollar amount.

Councilor Dawes suggested the budget committee meet with City Manager MacReynold and Ms. Lindgren to review the matter. City Manager MacReynold stated he would be happy to do that.

c. **Chehalis Renaissance Implementation Plan Special Work Session.** A special work session was scheduled for Monday, May 18, at 4:30 p.m., for Tom Beckwith to walk the council through the implementation plan.

d. **District No. 6 Monthly Meeting.** City Manager MacReynold reported a meeting with Fire District #6 was scheduled for Tuesday, April 14, at 7:00 p.m. He reported the Chiefs were talking about going to quarterly meetings, which they would discuss at the meeting.

e. **Fundraiser for Rauley Zavodsky.** City Manager MacReynold reminded the council about the fundraiser for Danyell Zavodsky's son Rauley, on Saturday, April 18, from 4:00 p.m. to 7:00 p.m., at the Mossyrock High School.

4. **Council Reports.**

a. **Lewis County Historical Museum Update.** Councilor Dawes reported the museum would be holding an open house from 4:00 p.m. to 7:00 p.m. on Thursday, April 16. He noted they were working on a paver project, which was accepted by the Lewis County Commissioners early in the day, to remove and replace the bricks around the building. Councilor Dawes believed the project would be done in about 45 days.

b. **Annual Knowledge Bowl.** Mayor Ketchum reported the Annual Knowledge Bowl was scheduled for Thursday, April 16, starting at 5:00 p.m. at the Centralia High School.

c. **Sister City Visit.** Mayor Ketchum reported on the sister city visit to Japan, noting it was a good experience and they had a lot of fun. He reported he had the pleasure of dressing up as a very high Official Samurai during the festival, and was also asked by his host family to build a table for their patio, as well as tear down their old fence and start building them a new one. Mayor Ketchum was presented with a tapestry that represented the cherry blossom festival. He stated he was looking forward to going back next year for the 20th anniversary. Mayor Ketchum noted the Mayor of Hamamatsu, Japan, which took over the program, indicated he supported sister city programs; however because they were having a financial struggle they could no longer support paying for citizens, so they would have to start doing it on their own.

d. **No Smoking Signs Requested for Parks.** Councilor Pope reported he received a letter from a group of Girl Scouts, requesting 'No Smoking' signs in city parks. He stated he too had some concerns about the area around the Penny Playground, adding people were smoking and dropping their cigarette butts on the ground and kids were picking them up and

testing them out. Councilor Pope stated he would like the council to give their moral support to the request, but felt the group needed to come to the council to make their presentation. City Manager MacReynold reported the administration would follow up on the letter.

Councilor Dawes thought when the Penny Playground was built there were 'No Smoking' signs included. Mayor Ketchum didn't believe there were any signs anywhere in the park.

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e. **Flood Authority Update.** Councilor Taylor reported he had some concerns regarding the recently formed sub-committee created by the Flood Authority, to listen to the results from different projects and report back to the authority. He noted at the last committee meeting the authority approved phase 2 of the PUD project, adding he was troubled by the email correspondence with regard to the interlocal agreement between the county and the PUD, which was being held up by the sub-committee. Councilor Taylor stated the authority minutes did not accurately reflect what he said, noting the group seemed dysfunctional. He hoped Commissioner Schulte could get the sub-committee on-line.

Commissioner Schulte stated the interlocal agreement was drafted and sent out to the members of the sub-committee. He noted The Tribe never designated anybody, so they only had two of the three designated. Commissioner Schulte reported The Tribe finally designated someone on Thursday, and on Friday they managed to get all the copies out. He noted a sub-committee meeting was schedule for Tuesday from 1:30 - 3:00 p.m. at the Courthouse

Councilor Taylor reported the motion he made was that the sub-committee was to have nothing to do with the interlocal agreement, adding it was suppose to be an agreement done by the county with the PUD, and progress reports of the study were to be given to the sub-committee and fed back through to the group. He felt it was so far off track and asked Commissioner Schulte why the sub-committee was even involved. Commissioner Schulte didn't know why either, adding that was his argument. He reported the only thing that was really up for discussion was what exactly they were going to define as a 'fatal flaw.' Councilor Taylor asked why the county couldn't just enter into an interlocal agreement with the PUD as stated in his motion, which he supported and received consensus on. Commissioner Schulte reported the draft was done and would go before the flood authority on Thursday. He added it was Lewis County's interlocal agreement and the PUD's scope of work that they were piggybacking on and they had not authority to change either one. Councilor Taylor asked why they were even involved, adding they were just slowing down the process of getting the project done. Commissioner Schulte agreed.

f. **Green Hill School Community Meeting.** Councilor Dawes reported he attended a community meeting at Centralia Community College regarding Green Hill School, adding even though they just talked about what they do at the school, it was a great meeting. He added he was pleased to see Senator Swecker, Representatives Alexander and Hunt, as well as a couple of other Democrats there. Councilor Dawes hoped they would get the issue resolved and Green Hill would stay as it was.

5. **Ordinance No. 802-B, Second Reading – Providing for Annexation of the Chehalis Industrial Park.** City Manager MacReynold reported the council received a briefing on Monday, March 23 from the FCS Group on the analysis of the annexation. He noted the discussion by the council at that meeting lead the council to un-table the ordinance.

Mr. Nacht stated the administration was recommending the council not proceed with annexation at that time for the fiscal reasons that were presented at the meeting of March 23.

Councilor Dawes moved that the council pass Ordinance No. 802-B on second and final reading and waive reading of the ordinance.

Councilor Pope seconded the motion.

Councilor Dawes stated he would like to make the same point he made at the last meeting, that as a council they wanted to review it to find out if it was feasible; however now was just not the time to annex. He felt the city was strapped with enough financial concerns to get through this year and that it would be very unwise to proceed and take on any further debt, as outlined in the analysis. Councilor Dawes stated he intended on voting against the motion.

Mayor Ketchum agreed, adding he had hoped the outcome would have been a lot different. He stated he appreciated all the hard work everyone put into it, adding it was a long hard struggle. Councilor Dawes added any positive growth in that area would be beneficial to the city. Mayor Ketchum agreed.

Councilor Pope called for the question.

The motion failed 0 to 7.

6. **Ordinance No. 844-B, Second Reading – Amending the 2009 Budget.** City Manager MacReynold reported the administration would continue to make any recommended budget amendments to the council every quarter. Ms. Lindgren pointed out there were no changes to the budget amendment as it was presented on first reading.

Councilor Harris moved to pass Ordinance No. 844-B on second reading.

April 13, 2009

The motion was seconded by Councilor Pope and carried unanimously.

7. **Wi-Fi.** Councilor Fuller requested an update on the Wi-Fi issue. City Manager MacReynold reported they had met with the committee to discuss the matter, and based on that conversation, he asked them to cease any further work on the Wi-Fi project. He stated the administration needed to come back to the council to discuss the issue, and if they decide not to proceed, they would obviously need to surplus the purchased property.

City Manager MacReynold reported they spent roughly \$25,000 out of the tourism fund to purchase the equipment, based on council's discussion at the time. He added they would have to spend more money if they decide to move forward with the project. City Manager MacReynold stated he made a commitment to bring the issue back before the council with a clear recommendation, with the potential of surplussing the property by the end of May.

Councilor Lund asked if all the property/equipment had been purchased. Joanne Schwartz reported they only purchased the hardware to go on the buildings. She noted they talked with various building owners; however there were never any contracts implemented.

City Manager MacReynold reported the other issue was, the company the city purchased the equipment from had filed bankruptcy and they had proprietary rights over the equipment. He added there were a whole series of issues that the technical committee had been struggling with, trying to make it work, and felt the city could not financially afford to continue down that path.

Councilor Lund asked if anyone knew Rob Carter, a computer guru who worked for Aluminite Northwest. He stated Mr. Carter inquired about the project and offered to put the equipment up and get it going for free.

Councilor Taylor inquired as to why they bought the equipment for the project before they had agreements set up to put the equipment up. City Attorney Hillier noted the city didn't have a problem with the locations, adding they had an agreement, in principal, that the building owners would allow the city to go into the locations needed. He stated they were trying to expand it, and at the end of the day the decisions as to the principal area were locked in, they compared agreements, circulated the lease agreements, which no one had problem with. City Attorney Hillier reported Ms. Schwartz gathered the agreements back once problems started to surface about whether the city would have the support for the system that was purchased. He noted the system would have worked; the issue was, down the road if there were any maintenance issues the city would need to find someone, such as Mr. Carter, that could fix it.

City Manager MacReynold noted the other piece was, the city would have to spend an additional \$25,000 to fully implement the system. Councilor Taylor asked if this issue was that they just didn't plan properly. City Manager MacReynold noted when they started the project, the administration recommended to just put the system in "Old Town" and downtown, and the council requested they try and expand the horizon out to the freeway, which made good sense based on the discussion at that time. He reported they brought the consultant back in and did an analysis to look at how it could be done, which required more work. City Manager MacReynold reported they organized the process by getting the equipment and the contractor on board, and determined a plan of action, and in the mean time, the whole economy changed. Councilor Taylor stated he didn't know why they wouldn't put a plan together first, before expending the money, which now seemed to be a waste of Tourism dollars.

8. **Award Bid for Wastewater Treatment Plant Outfall Replacement Project.** City Manager MacReynold reported the Outfall Replacement Project was one of the few projects that remained in the 2009 budget. Patrick Wiltzius reported the project would replace the pipe that goes to the river, which had been failed for quite some time. He noted, if not repaired, it could lead to the under-mining of the riverbank and cause severe damage. Mr. Wiltzius reported the project had been in the capital improvement plan for ten years. He stated it was not designed or constructed as part of the treatment plant project because of the length of the permit and design process. Mr. Wiltzius noted the engineers estimate was \$500,000 and the city was fortunate to receive 13 bids. The low bid came from a local company, Sterling Breen Crushing, Inc. in the amount of \$247,739.48. He recommended the council award the bid, which would be funded by the remainder of the zero percent interest loan though the Department of Ecology. Mr. Wiltzius indicated the City of Napavine and Lewis County Sewer District #4 would also pay their share of the project based on whatever they purchased in the plant.

Councilor Dawes stated it was nice to see a low bid come in.

Councilor Harris noted, while it was a good low bid, he was concerned about change orders. Mr. Wiltzius believed there was a \$50,000 contingency fee. He added it was a relatively small project, but complicated because they would be working in the river.

April 13, 2009

Councilor Dawes moved that the council award the bid for construction of the Outfall Replacement Project to Sterling Breen Crushing, Inc., in the amount of \$247,739.48.

The motion was seconded by Councilor Harris and carried unanimously.

9. **Executive Session Pursuant to RCW 42.30.140(4)(a) – Collection Bargaining.** Mayor Ketchum announced the council would convene into executive session at 6:52 p.m. after a five-minute break beginning at 6:48 p.m. pursuant to RCW 42.30.140(4)(a) – collective bargaining, for approximately one-half hour and there would be no decision following conclusion of the executive session.

There being no further business to come before the council, the meeting adjourned at 7:43 p.m.

Mayor

Attest:

City Clerk

April 27, 2009

The Chehalis city council met in regular session on Monday, April 27, 2009, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:15 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, and Dennis Dawes. Councilor Taylor arrived at 5:30 p.m. and Councilor Fuller arrived at 5:45 p.m. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Peggy Hammer, Human Resources Administrator.

1. **Executive Session**. Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.140(4)(a) – collective bargaining for approximately forty-five minutes and there would be no decisions following conclusion of the executive session.

Mayor Ketchum closed the executive session at 5:50 p.m. and announced the council would take a ten minute recess and reopen the regular meeting at 6:00 p.m. Additional staff included: Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Eva Lindgren, Finance Manager; Bob Nacht, Community Development Director; Joanne Schwartz, Economic Development Administrator; Tim Grochowski, Public Works Director; and Judi Smith, Public Works Office Manager. Members of the news media in attendance included Marquise Allen of *The Chronicle* and Ron Hall of KITI.

2. **Citizens Business**.

a. **No Smoking Signs in City Parks**. Sonia Ferguson (184 NW Chehalis Avenue), Tobacco Prevention Coordinator for Lewis County Public Health and Social Services, reported she was working with the Girls Scouts on a project, promoting the installation of no smoking signs in the play areas of local parks. She brought with her an example of a sign used in county parks; however noted the girls had designed some signs themselves, which were attached to the letter she handed out to the council.

Ms. Ferguson stated she and the Girl Scouts did some clean up at a park in Centralia and collected two containers of cigarette butts, just around the play area alone. She noted their goal was to educate and make a healthy environment for children. Ms. Ferguson reported the sign project was completely voluntary and was non-enforceable.

Ms. Ferguson indicated the county had tobacco settlement dollars available to pay for the signs and the county would also cover the costs of labor for the installation.

Mayor Ketchum reported he was glad to see youth getting involved in projects that help everyone. The consensus of the council was to allow Ms. Ferguson and the Girls Scouts to work with city staff to have the signs installed in the play areas.

b. **Chehalis Renaissance**. Gail Shaw (815 SE Evergreen Drive) reported three years ago the city had a great opportunity to build a great library, and after a lot of hard work by everyone, the city now had a 'paid for' Library. He noted once they had the library, it seemed like a great opportunity to expand that opportunity into the Chehalis Renaissance. Mr. Shaw stated he attended a lot of the meetings and tried to be enthusiastic and involve the council in the enthusiasm that came along. He noted, at first, he may have made some snide remarks about how the city had a dysfunctional operation, and was now before the council to apologize for any remarks he may have made that sounded like was wasn't 100 percent behind them. Mr. Shaw reported the message was out and people were aware of what was going on. He felt they were now at a point where things were moving in the right direction and he appreciated that. Mr. Shaw stated the city council was a great group to work with.

Mayor Ketchum thanked Mr. Shaw for all of his hard work and asked that he keep it up.

c. **Special Thanks to City**. Frank Mason (545 N. Market Boulevard) reported he wanted to thank the city council and staff for the great job they were doing on the city sidewalks, curbs and gutters. He added he was very proud of the city and the job they were doing as far as keeping those areas clean.

3. **Presentations**.

a. **Certificate of Appreciation – Dr. Henry 'Hank' Kirk, Historic Preservation Commission**. Mayor Ketchum presented a certificate of appreciation to Dr. Henry 'Hank' Kirk for his 18 years of service to the community. Dr. Kirk thanked the city for the opportunity to serve and introduced Doug Burton, the new Chair for the Historic Preservation Commission.

Mr. Burton introduced the members of the commission, including: Marrilee Kenyon, DJ Hartman, Barbara Mason, and Bambi Forsman. He added they were looking forward to working with everyone in the city on the Renaissance Plan and the façade improvement program. Mr. Burton presented Dr. Kirk with a check in the amount of \$100 made out to the University of Livingstonia Foundation. Dr. Kirk noted that was perfect, because that was where the money would be going anyway.

April 27, 2009

b. **Library Advisory Reports.** Library Advisory Board Chairman Chuck Hill introduced the other members of the board, including: Jim Hill, Teresa Blinks, Caryn Knight, Brian Zylstra, and Community Librarian Corine Aiken. Mr. Hill thanked the city for the important contributions it made to the Vernetta Smith Timberland Library. He noted the city agreed to tear down its own building and go through the expense and hard work to move to a new location, and the board really appreciated that. Mr. Hill thanked the city for contributing over \$100,000 to make the new library more ADA accessible, noting the money helped pay for the drive-up window and ramp system. He noted the on-line access had improved as well. Mr. Hill thanked the city again for all it did to make the project a reality.

Jim Hill thanked the council for allowing him to be a board member for the past five years. He talked briefly about the board and the 'friends of the library.' Mr. Hill reported the Timberland library was in 27 different communities; had five regional library centers; and covered five counties. He noted the Vernetta Smith Chehalis Timberland Library was one of 18 in the timberland system with a board. Mr. Hill reported the board members were appointed by the city council and were only an advisory group, and did not deal with the day to day operations. He noted the board met on an 'as needed' basis on the second Wednesday of each month. Mr. Hill indicated one of the main tasks of the board was to advocate, and raise awareness of the services provided by the library. He noted the board also did library fundraisers when necessary.

Mr. Hill reported on the 'Friends of the library,' noting each one of the libraries had a 'friends' group, which raised funds to support special projects and activities within the library. He noted the group was made up of people of all ages, who love reading and learning, and helping kids to get the greatest benefit they could out of the library. Mr. Hill reported they met on the first Wednesday of the month and conducted activities such as: used book sales; promotion of services and materials; organized programs and events; and made cookies and drinks for special events, such as the grand opening. He noted they also purchased special equipment and gifts for the library collection.

Ms. Blinks reported on a recent friends and board members forum they attended in Centralia, which was put on by the regional library. She noted it was a great opportunity to learn some things they could do for the Chehalis library. Ms. Blinks reported they also talked about some of the adult programs they offer, noting the group met the first Thursday of the month, except during the summer. She stated Ms. Aiken was hoping to work with Book n' Brush to do some local author signings at the library, adding it would be a great partnership between the downtown and the library. Ms. Blinks reported Ms. Aiken also indicated the new library was receiving steady use of the community, conference and study rooms. She stated their gratitude went out to the city for its continued support of the institution.

Caryn Knight reported on the children's programs, noting they wanted to provide incentives for children to learn to love reading. Ms. Knight stated the library offered a summer reading program and the pre-school story time program. She reported they had over 33,000 participants throughout the library system who participated in the summer reading program last year. Ms. Knight indicated they were looking forward to this year's summer reading program, titled "Let's Get Creative at the Library."

Brian Zylstra reported he had been a board member since 2001, and thanked the city for their continued support of the library. He noted last December was the 40th anniversary/birthday of Timberland, and presented the council with a calendar that celebrated the special occasion.

Mr. Zylstra reported on the budget situation of Timberland, noting last February they ran a levy measure to try to increase funding to keep the library system maintained; however the measure failed. He noted Timberland announced last week the first round of cut-backs, adding the level of pain for Chehalis would be minimal. Mr. Zylstra indicated Chehalis would be cut back one hour per week from 8:00 p.m. to 7:00 p.m. on Thursday evenings, starting June 1. He noted there were no layoffs planned at that time; however there would be no more substitutes on hand. Mr. Zylstra stated the Board of Trustees was considering charging fees to cover computer printouts, and for library materials and books that were overdue. He reported their next meeting was scheduled for May 27, in Montesano, Washington, at which time they would probably announce any possible cuts in the future.

Mayor Ketchum noted it never seemed to fail, no matter where they were, people from all over were still making comments about how lucky Chehalis was to have such a beautiful facility.

Councilor Pope excused himself from the meeting at 6:20 p.m.

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

- a. Minutes of the regular meeting of April 13, 2009;
- b. Claim Vouchers No. 93159-93294 in the amount of \$176,347.27 dated April 6, 2009;

April 27, 2009

- c. Reappointment of Chuck Hill to the Library Advisory Board for a five year term expiring April 27, 2014; and
- d. Accept Louisiana Avenue and Arkansas Way Project as complete and release retainage to Balmelli Trucking, Inc. in the amount of \$58,022.85.

The motion was seconded by Councilor Taylor and carried unanimously.

5. **Staff Reports.**

a. **Update on Sales Tax Mitigation Money.** Eva Lindgren reported, based on the state's 2009 to 2011 approved operations budget, it looked as though the state was holding fast to their commitment to fund the mitigation. She stated she was not allowed to disclose any detailed information on the recent mitigation calculations; however noted it was very informative to work through. Ms. Lindgren reported she discussed the issues with the Department of Revenue (DOR), adding the person she spoke with was very receptive to her comments. She indicated the DOR had not made any final decisions on whether or not they would be taking the 2007 flood event into account, noting they may in fact not do so. Ms. Lindgren reported the state was looking at the 2007 tax revenues and comparing them with the December 2008 revenue numbers, noting there were several businesses shut down during that time because of the flood. She stated it was very challenging and didn't envy the state with what they were having to work through.

Ms. Lindgren indicated she would continue to be an advocate for the city. She reported the state would not go back and make corrections retroactively, in terms of paying the city for corrections made; however they would retroactively adjust the data and take it into consideration as they do their calculation. Ms. Lindgren was assured she would hear back from the DOR in three to four weeks, and she would provide the council with an update on the state's decision after that time. She noted it was still a calculation period for the state to set the base for mitigation, which she believed could go on for up to two years.

Councilor Dawes stated it was typical of the state to pass a law and not think of the consequences. He noted the state would continue to collect their same amount of sales tax, and felt they really didn't care how the additional percentage was distributed amongst the locals. Councilor Dawes felt it was not a very well thought-out law for statewide purposes, adding Chehalis was not going to be the only city hurt by it.

Councilor Harris noted at the last council meeting he suggested the city find a way to band together with other communities, leaning towards the legal aspects of it; however after conversing with City Manager MacReynold, he now felt it would better to meet with council members from other communities and talk to the legislators to find out if they could possibly suspend it for a period of time. He suggested the state use this time as an opportunity to do their cataloging and checking without having to go through mitigation, and redistributing the money. Councilor Harris stated he would ask them to suspend the sales tax mitigation temporarily until they could figure out all the bugs. He noted it could technically save the state \$65 million in the process, by not having to pay out mitigation. He asked if any of the other councilors would like to go and talk to the legislators with him.

Mayor Ketchum sated it sounded good to him, and Councilor Dawes noted anything was worth a try. Councilor Harris noted the streamline sales tax issue failed in Kansas and was completely shut off, prior to it being adopted in Washington, state.

b. **City Manager Annual Evaluation.** City Manager MacReynold reported, annually, the council goes through a process to conduct an evaluation of his performance. City Clerk Judy Schave reported she needed the forms filled out and returned to her by May 5, and that an executive session was schedule for Monday, May 11, at 5:00 p.m. to make comments and to review the evaluation.

6. **Council Reports.**

a. **Meetings and Events Attended by the Mayor.** Mayor Ketchum reported he attended the following:

- April 14 – Fire District # 6 meeting, would start meeting quarterly – next meeting was schedule in July

- April 16 – attended the Lewis County Historical Museum Open-house – Celebrating the Southwest Washington Fair's 100th Birthday
- Attended Centralia College Open-house for the new science building
- April 16 – participated as a Judge at the Centralia College Knowledge Bowl
- April 22 – attended a welcoming lunch at the Vernetta Smith Chehalis Timberland Library for PacifiCorp Energy, who announced they would be donating \$3,000 to the library
- April 24 – attended a ribbon-cutting ceremony at The Lunch Box on 13th Street
- April 25 – enjoyed hanging out at Recreation Park for the Girl's fast-pitch opening weekend

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7. **Award Contracts for Printing Services.** City Manager MacReynold reported, as part of the 2009 budget discussion, they talked about seeking ways to reduce costs. Ms. Schave reported it was noted in the agenda report that a request for proposals (RFP) was sent out in January, and the city received three proposals from local vendors. She stated both the RFP and the agenda report noted the city reserved the right to select the lowest proposals for each item to ensure the city received the lowest pricing. Ms. Schave reported three contract agreements were attached to the agenda for the council's consideration. She stated the administration was recommending that the council award printing services based on the lowest proposals received, and authorize the city manager to execute the agreements.

Councilor Harris moved that the council award printing services based on the lowest proposals received, and authorize the city manager to execute agreements between the city and The Chronicle Printing Division, Advocate Printing, and the Print Shop.

Councilor Taylor seconded the motion.

Mayor Ketchum asked if we would have any options if the economy got worse and the city couldn't afford the proposed prices. City Attorney Hillier reported the city would be bound to the three-year contracts; however if the council felt they had a problem up front, they had the opportunity to reject all bids and rebid for whatever number of years they wished. He noted the only other alternative would be to approach the vendor and negotiate a price, or they could always negotiate out of the contract.

The motion carried 5-0. Councilor Fuller abstained from voting.

8. **Justice Assistance Grant (JAG).** City Manager MacReynold reported the city was seeking funding to continue maintaining service levels in the department. Police Chief Schaffer stated, over the last couple of months the Department of Justice had released a series of grants, adding the particular one the city was applying for was the justice assistance grant in the amount of \$23,777. He reported the Chehalis School District normally contributed a sum of \$20,000 toward the city's School Resource Officer (SRO) position; however due to short-falls in funding the school could no longer submit those funds. Chief Schaffer stated the timing seemed to work out, and it was his intent to apply for the grant to supplement the funding for the SRO position. He asked that the council authorize the city manager to execute the application.

Councilor Dawes asked if the city had received notice of the money, or if it had to formally apply for it. He speculated it was typical government, in which they already handed out the money, and the city just needed to sign the paperwork before receiving it. Chief Schaffer stated that was pretty much it.

Councilor Harris moved that the council authorize the city manager to execute the application for the Edward Byrne Memorial Justice Assistance Formula Grant.

The motion was seconded by Councilor Fuller and carried unanimously.

9. **Resolution No. 6-2009, First and Final Reading - Declaring City Property Surplus.** Fire Chief Johnson reported the department had two pieces of apparatus they wished to surplus. He noted one vehicle was a 1960 fire truck that had been in storage for several years and was impacted by the flood of 2007; the second vehicle was a 1976 fire truck that was unable meet annual pump testing requirements. Chief Johnson stated the repair bill for the second truck was estimated by the bus garage to be around \$15,000. He noted, as they talked it over with their maintenance staff and the mechanics, the cost benefit of fixing the vehicle did not make good financial sense. Chief Johnson stated they were looking at surplus both vehicles at that time.

Councilor Dawes asked what it would do to the level of equipment on hand. Chief Johnson stated they would have one less pumper; however he had spoken with Patrick Conroy from the Washington State Rating Bureau regarding the issue, and Mr. Conroy felt it would not affect the city's rating, adding the city was a good solid five. He also explained to Mr. Conroy, the city's working relationship between Lewis County Fire District #6 and Riverside Fire Authority for automatic aid. Chief Johnson indicated they still had three working pumpers and the Tower also had a pumper on board, which was worth a half credit.

Councilor Lund inquired as to how much a new truck would cost. Chief Johnson reported they ran about \$400,000. Councilor Lund thought \$15,000 was kind of cheap, to just fix the old own.

Councilor Dawes moved that the council adopt Resolution No. 6-2009 on first and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

April 27, 2009

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

Mayor

Attest:

City Clerk

May 11, 2009

The Chehalis city council met in regular session on Monday, May 11, 2009, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Pope was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Peggy Hammer, Human Resources Administrator.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.110(1)(g) – public employee performance review, and RCW 42.30.140(4)(a) – collective bargaining for approximately sixty minutes and there would be no decisions following conclusion of the executive session.

Mayor Ketchum closed the executive session at 5:52 p.m. and announced the council would take a ten minute recess and reopen the regular meeting at 6:02 p.m. Additional staff included: Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Joanne Schwartz, Economic Development Administrator; and Judi Smith, Public Works Office Manager. Members of the news media in attendance included Marquise Allen of *The Chronicle* and Paul Walker of KITI.

2. **Citizens Business.** Rich Waring (1380 NW Arizona, Chehalis) reported he was approached by several different people with concerns regarding employee layoffs and furloughs. He presented the council with a questionnaire, asking them if they would fill it out individually in order for him to get to know the city council better. Mr. Waring stated he hoped the layoffs and furloughs would come from up above, as well as down below, adding he had concerns about potential layoffs in the police and fire departments. He suggested the council look at some of the city's top salaries and step everybody down. Mr. Waring believed the downturn in the economy was brought on by greed, and the council needed to look realistically at the safety aspect of the situation. He reported he would be attending the next council meeting, and would bring a list of things the city was going to have to spend money on this year. Mr. Waring requested that the Police Chief and Fire Chief also fill out the questionnaire.

3. **Proclamation – The Salvation Army Week – May 11-17, 2009.** Mayor Ketchum presented a proclamation to Steve Carnick, proclaiming the week of May 11-17, 2009, as 'The Salvation Army Week' in the city of Chehalis, Washington.

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

a. Minutes of the regular meeting of April 27, 2009; and

b. Claim Vouchers No. 93295-93460 in the amount of \$319,047.00 dated April 20, 2009; Claim Vouchers No. 93461-93570 in the amount of \$715,890.52 dated May 4, 2009; and Payroll Vouchers No. 32294-32390 and 568-638 in the amount of \$691,632.52 dated April 30, 2009.

The motion was seconded by Councilor Taylor and carried unanimously.

5. **Staff Reports.**

a. **Update on WiFi Project.** City Manager MacReynold stated, about two and a half years ago, the city started down the path of looking at implementing a WiFi program in the downtown area, which was later expanded to include the I-5 corridor. He indicated with the recent financial challenges the city was facing, he met with the WiFi Committee, who clearly felt it didn't make sense to continue the project unless the city was willing to spend more money.

City Manager MacReynold stated he directed to committee to bring the issue back to the council to get their thoughts on whether they should continue forward with the project, or not. He reported Joanne Schwartz had served on, and chaired the committee for pretty much the entire time, adding some of the members had changed during the course of its existence.

Joanne Schwartz reported on the project, noting the council started talking about the issue three years ago in June, and in October 2006, the administration put together a very dedicated group of volunteers. She introduced the committee members, including: David Hartz, Book 'n Brush; Mark Carrier, Local Access/Rainier Connect; Ed Schnoack, Comp Prime; Allyn Roe, Manager of the Chehalis/Centralia Airport; and David Reitz, originally with Lewis County Central Services (now with the Washington State Utilities and Transportation), who continued to be a committee member.

Ms. Schwartz reported the council had a good idea in the WiFi program, and the administration proceeded with their authority to put out a request for proposals (RFP). She noted as they kept the council up to date throughout the process, it turned out to be far more complicated than the committee anticipated, due to the complexity of the RFPs received. Ms. Schwartz reported they received seven proposals and three seemed to fit the needs of the city, and the cost was something the committee felt the city could manage.

May 11, 2009

Ms. Schwartz reported an agreement was negotiated with GoNetworks and the city proceeded to make plans to install the equipment. She noted with the help of City Attorney Hillier, they negotiated a couple of contracts with local building owners; however those contracts were never signed. Ms. Schwartz stated they were notified that GoNetworks had filed for bankruptcy, which at that point, the committee went to the city manager to discuss options.

Ms. Schwartz indicated it would cost another \$25,000 to install the equipment, with an additional estimated cost of \$14,556 per year for the annual up-keep.

Mr. Hartz stated the IT Committee was making the recommendation to surplus the equipment, for the reasons stated by Ms. Schwartz. He didn't feel the committee could have foreseen the company going out of business, adding they did a lot of homework by talking to other cities that used the same equipment and were very satisfied. Mr. Hartz believed WiFi was a good option because it would help take the city forward in a very progressive and pro-active manner to market the city; however the committee didn't feel it was a wise move to continue the project, adding it would be better for the city to cut its losses now.

Mayor Ketchum felt it was a good project as well. He believed there were more businesses in the city that were now giving people the opportunity to use WiFi, adding 13th Street, Main Street, Chamber Way and most of the downtown was covered. Mayor Ketchum noted his biggest issue with the WiFi project was using tax payers dollars for the annual upkeep of the system.

Councilor Dawes stated he originally supported the WiFi concept; however it was somewhat frustrating for him because he didn't believe the original intent he wanted to see was carried out. He believed restaurants and hotels were the more appealing places where people would go to use WiFi; and that they could have partnered with other businesses and shared the cost of providing it in the areas around I-5.

Councilor Dawes stated he could continued to support the project because it was funded with hotel/motel tax receipts and not general fund dollars; however he believed the committee came to a logical conclusion to discontinue the project and hoped they would be able to recoup some of the money to go back into the revenue base for perhaps another idea, project or event that would bring people in. Councilor Dawes felt he couldn't stress enough that the money being used was not general tax fund dollars, but money that was raised from people who stay in the motels, and was to be used for things to bring people in.

Councilor Fuller stated he had concerns about the evaluation made by Ms. Schwartz, adding he didn't remember the WiFi project being the council's idea. City Manager MacReynold stated he was the one who came to the council with the proposal, adding he felt it might be a good economic development tool. He suggested pulling a committee of technical people from the local community together, and ask them look at the issue to see if it was something that could happen. City Manager MacReynold reported the committee was formed and they came back with a recommendation that the city should look at it.

Councilor Fuller asked who put the committee together. City Manager MacReynold reported, at the time, he had gotten some names from the Chamber of Commerce Executive Director of people locally, who were in the high-tech business. He stated, at the same time, he asked Ms. Schwartz to chair the committee and help them work through the process. Councilor Fuller stated he had concerns, because Mr. Hartz seemed to be the only businessman on the committee; who actually already had WiFi installed at his business. Mr. Hartz reported they did have WiFi in their store; however it was not yet released to the public, adding he was hoping the city's project would have provided that service.

Councilor Fuller reported he heard a rumor that one of the key buildings in the downtown area pulled out of the project. Ms. Schwartz reported that was true; however they figured out they could still do the project without that building. Mr. Hartz indicated the business pulled out because they were concerned about potential interference of the WiFi with their own security system, which was also a wireless system.

Councilor Fuller stated he voted against the project because he didn't believe it was a good thing for Chehalis at the time, and as a business person, it was a benefit that the businesses should have provided. He thought there should have been more business representation on the committee, noting he felt the thinking was tainted because of the makeup of the committee members, who were either, governmental, people selling, or installing and maintaining equipment.

Councilor Fuller talked briefly about the company the committee selected to purchase the equipment from, noting it was alluded to, that the city received an exceptionally good price. He felt, as a businessman, you only sell stuff half price just long enough to go out of business, which should have been a red flag to the committee.

Councilor Fuller felt the council approved a negotiated contract, working on information that was less than solid. He had concerns about them purchasing the equipment before they even had contracts signed and locations located. Councilor Fuller discussed the request to surplus the equipment and asked the question, who would buy it. Mr. Hartz agreed, it was not a May 11, 2009

good position to be in and they would have preferred that the company was still viable and the project was moving forward. He indicated the committee felt the best thing was to surplus the equipment, adding they were asking GoNetworks to help to see if there were any existing buyers/installations that might need backup equipment. Mr. Hartz stated if the council wanted the committee to move forward with the project, they could still get the equipment installed, and up and running; however if they ran into mechanical difficulties, there would be a problem.

Councilor Fuller continued discussion on the purchase of the equipment and asked Ms. Schwartz what she thought they could get for the equipment if the council voted to surplus it. Ms. Schwartz thought it would be .20 cents on the dollar, which worked out to about \$5,000.

Councilor Fuller stated he felt the council acted in good faith with some incomplete information and it reminded him of how the prior administrations used to do things, which he called wasting tax payers dollars. He stated they, as a governing body, had an obligation to spend all tax dollars in the wisest and best fiscal manner. Councilor Fuller added he consulted one of the other councilors after the vote and asked them, if it were general fund money how they would have voted at the time, and the answer he received was they would have voted against it. Councilor Fuller felt it had turned into a real governmental fiasco. Ms. Schwartz stated she appreciated Councilor Fullers statements; however it was not her project. City Manager MacReynold stated the administration worked with the council on the project, and kept the council informed as they moved through the process; unfortunately it didn't work out.

Councilor Taylor asked if there was ever any legal opinion received on whether the use of hotel/motel tax dollars for WiFi was an appropriate expenditure, and if WiFi actually put heads in beds. City Manager MacReynold reported he and Ms. Schwartz had a phone conference with the state auditor's office and their attorney regarding the matter. He indicated they received counsel from the state auditor, which was, they should have met with the Lodging Tax Advisory Committee (LTAC) first. City Manager MacReynold stated the auditor indicated because the city's intent was to promote tourism, they just needed to meet with the LTAC to incorporate that step into the process, which the administration did.

Councilor Fuller stated they voted in June 2008 to negotiate a contract, and the equipment was purchased in August; the LTAC was called to a meeting on January 22, 2009, to make it a proper expenditure. He indicated that he too had conversations with the state auditor's office, and didn't believe it was going to be a dead issue.

Councilor Lund asked if anyone had a chance to talk to Rob Carter. Mr. Hartz stated he had not; however he saw the request in the previous minutes and reported he would be more than happy to give him a call. City Manager MacReynold believed someone had followed up with Mr. Carter, adding he would confirm it and find out what the outcome was.

Councilor Lund stated the council was a policy setting committee who told the administration what to do. He asked; when you tell someone what to do and it doesn't get done, what do you do? Councilor Lund reported the downtown businesses were happy that the council voted to move forward with the project, and they were counting on the city. He added the city had failed.

Councilor Dawes moved that the council declare the WiFi equipment surplus and that it be sold to the highest bidder.

The motion was seconded by Councilor Harris. Councilor Fuller abstained from voting and the motion carried 5-0.

City Manager MacReynold reported the administration would bring a resolution forward to the council at the next meeting, in order to officially surplus the equipment.

b. **Council Work Session Scheduled.** Mayor Ketchum reminded the council about the work session on Monday, May 18, 2009, starting at 4:30 p.m. in the city hall basement meeting room, regarding the Chehalis Renaissance Plan implementation.

5. **Council Reports.**

a. **Update on Lewis County Historical Museum Paver Project.** Councilor Dawes reported the Lewis County Historical Museum was busy working on their paving project. He stated the project was a partnership with the county, and believed the contractor who was awarded the bid was MDK Construction. Councilor Dawes noted, in addition to the pavers, there would be a retaining wall/flower bed that would go along the length of project. He reported they were working with the Chehalis public works department to try to figure out a way to keep the water from running off the street into the flower beds. Councilor Dawes thanked Commissioner Bill Schulte for helping out on the project, by getting the ball moving at the county.

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b. **Lodging Tax Advisory Committee (LTAC) Meeting Update.** Councilor Harris reported he met with the LTAC last week, and they agreed to help fund the freeway signage for the downtown and business districts. The committee also agreed to fund some website development for tourism. Councilor Harris stated he was proud of the committee for stepping up.

c. **Streamline Sales Tax Update.** Councilor Harris reported they met with Senator Swecker to follow up on some questions regarding streamline sales tax issues. He indicated the Senator would have something together within a week, to potentially take back to the legislature, to include some of the city's recommendations to suspend the streamline sales tax re-distribution, which could save the state \$65 million. Councilor Harris reported Senator Swecker would have some legislation written up during the week and hoped to have it back to the city by next week. He stated the legislature was not suppose to meet until next year; however if the economy continued to be a problem they would have some issues to deal with; and saving the state \$65 million might be a feather in the city's cap, as long as the city continues to receive its original sales tax revenue that we would normally be getting. Councilor Harris noted they pointed out that there were some flaws the system and they believed Senator Swecker saw that. He added Ms. Lindgren did a good job laying them out in the memo the council received at the previous meeting. Councilor Harris indicated he was very pleased with the meeting, and it was looking very hopeful.

Mayor Ketchum added, if the legislature does not get called back into action, they would look at working with the other cities that were on the losing side of the tax return to file a law suit with the state to suspend the streamline sales tax right away instead of having to wait another year.

d. **Fire Hose Returned After 23 years.** Councilor Lund reported, 25 years ago he bought a fire truck from Fire District #6, and 23 years ago, the city came to him because they had to test their pumps and they didn't have the proper hose to do it. He reported he loaned his hose to the city and they never brought it back, even though he asked for it back throughout the years. Councilor Lund thanked City Manager MacReynold and Fire Chief Kelvin Johnson for seeing that it was returned to him. He indicated it was nice to have it back.

There being no further business to come before the council, the meeting adjourned at 6:39 p.m.

Mayor Pro-tem

Attest:

City Clerk

May 18, 2009

The Chehalis city council met in regular session on Monday, May 18, 2009, in the Chehalis city hall basement meeting room. Mayor Ketchum called the meeting to order at 4:30 p.m. with the following council members present: Terry Harris, Robin Fuller, Dr. Isaac Pope, Chad Taylor, and Dennis Dawes. Councilor Lund was absent (excused). Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Glenn Schaffer, Police Chief, Joanne Schwartz, Economic Development Administrator; Peggy Hammer, Human Resources Administrator; Bob Nacht, Community Development Director; Becky Fox, Court Administrator; Rick Sahlin, Street Superintendent; and Judi Smith, Public Works Office Manager.

1. **Work Session – Presentation of Chehalis Renaissance Implementation Plan.** City Manager MacReynold introduced the subject, noting two years ago they started talking about how to get their arms around the future growth of the community with reference to community development, what they wanted the community to look like, and how they could move the city into the future in a positive way. He reported it was a very comprehensive plan that the city would be working on over the next 20 to 25 years.

City Manager MacReynold thanked Joanne Schwartz who ran the city through the process by forming a committee, and provided the support necessary to make it happen. He thanked Gail Shaw, who stepped up to the plate very early, who saw the importance of the plan and what it would mean for the community. City Manager MacReynold also thanked Tom Beckwith, the consultant hired by the city, adding he turned out to be the right guy to do the job for this community. He reported Mr. Beckwith stuck with the city through some tough times, including three major disasters, and managed to keep those involved with the process focused.

Tom Beckwith gave the council a brief review of the 'Action Plan' and talked about how the city would transition it into a community plan. Mr. Beckwith reported on Chapter 3: Implementation – 2009, which included the following:

- Implement new Chehalis brand (Concept of brand, tagline and logo development) – A committee was formed of Economic Development Steering Committee members and people throughout the community. Would need a consistent image to reflect the marketing of the city, which would translate into wayfinding and gateway signage, and promotional materials.
- Expand current website so it does more than talk about the city: link with Chamber of Commerce; museums; and other attractions.
- Initiate 'Young Chehalis' and a 'Younger Chehalis' Outreach Program – involve them to carry on some of the future tasks.
- Adopt a Main Street Program – to include design, economic restructuring, promotion and organization. Develop historic and business directories, historical walking tour, outdoor sculpture walk, arts festival, and investigate expanding the farmers market.
- Initiate Retention and Recruitment Program – Attract new small start-up businesses, as well as recruit our own business opportunities. Make known what stores are for sale and which ones are for lease. Façade improvements.
- Adopt Building/Landscape/Sign Standards – Draft urban design standards for the downtown area to go to the planning department and commission for their review sometime in June. Develop citywide landscape standards, and citywide and downtown district signage standards.
- Erect National Historic District signage on I-5 – Park and historic wayfinding signs.
- Erect major district identification gateways and wayfinding signs throughout the city.
- Create Dillenbaugh Creek Conservancy Park.
- Relocate the Chehalis-Centralia Railroad and Museum steam train to Main Street.

- Install Street Trees on main Arterials – Parkway corridors on the Chamber and Louisiana intersection, Main Street median, Chehalis Avenue, Market Boulevard and West Street. Demonstration project this summer. (The Chehalis Foundation agreed to pay for those trees.)
- On-street Parking and Traffic Calming – Use Chehalis Avenue for demonstration project.
- Support continued development of Lewis County campus complex.

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- Acquire the St. Helen's Inn - Charter a Public Development Authority (PDA) and renovate the building.
- Surface parking lots. Issue a request for proposals (RFP) for parking and mixed use projects.

Mr. Beckwith stated it was a very aggressive comprehensive plan that would reach out to youth, business development, promotion, investment, and new entities. He reported the key issue in getting things started would be to transition it from being a community planning process to an implementation process. Mr. Beckwith noted the fire for the plan was lit and the city needed to make sure the committees and volunteers had the resources and continued support to carry it out.

Mr. Beckwith reported the city would need to codify an organization representative of the city's interest, and give them the charter to continue to implement the key portions of the plan approved by the council.

Mr. Beckwith responded to a question from the audience, asking what the plans were for the St. Helen's Inn. He reported there were a lot of alternatives; however most would involve ground floor retail; possibly one floor of office space, and the top floors for hotel. Mr. Beckwith felt they needed to keep as many apartments as they could with mixed income possibilities, adding the current apartments ranged from 500 square feet to 1500 square feet. He reported one of the objectives for the Boistfort project would be to put a couple layers of parking decks under a structure, giving them at least 46 parking stalls to support the needs of the building, making it a lot more viable.

Councilor Dawes asked if they were looking to make the downtown area self-sufficient. Mr. Beckwith noted they were looking at two zones; Market Street - a mixed area of stores and offices that would be able to support people who want to live downtown; and Chehalis Avenue - which would include more art gallery type businesses, and a working hotel/warehouse area.

Councilor Pope asked, if by codifying a group, would obligate the city financially in any way. Mr. Beckwith indicated it would not, adding when the council decided to create the plan they gave a charter to the group to create it, along with some requirements. He stated now that they were in the implementation stage, while some projects leaned toward city oriented projects, a lot of them involve other organizations and interests. Mr. Beckwith stated it would be much easier to let the group continue the charter, but charter them for the approved plan. Councilor Pope asked if the plan needed to be approved by the council. Mr. Beckwith indicated yes, adding under the growth management act, it would need to be an approved plan, and would become a part of the city's comprehensive plan.

Rick Burchett, from the Chehalis-Centralia Railroad Association, reported on the concept of moving the Steam Train. He indicated they talked about moving the loading platform over to the area near the park-and-ride along Main Street, to make it more visible. Mr. Burchett noted they would keep the maintenance facility at its current location, which was on city property. City Manager MacReynold reported one of the exciting projects currently underway in that same area was the new Liberty Plaza. He added those two things, in addition to the county's campus plan, could totally change that part of town.

Councilor Dawes felt the city had a perfect opportunity, using steam the train to draw people off the freeway. He noted the city had some areas along main arterials where things were not that attractive, and asked if they would be looking at similar projects, or if that was something they would deal with a little further down the road. Mr. Beckwith reported one of the objectives of the parkway approach was to use street trees, gateways and signage to begin to unify the image of the city. He felt the council would be surprised with the tree demonstrations at just how effective the trees and wayfinding signs would be. Mr. Beckwith reported it was a city-wide project; however all the ideas kept coming back to the downtown area. He felt, as the downtown started to develop, the energy and interest would start to flow across the rest of the city.

Allyn Roe reported the Airport Board expressed interest in supporting the plan in the area of the Louisiana Avenue and the roundabout. He stated they submitted a letter to the city notifying them that they would support the project up to \$10,000. Mr. Roe noted he was also tasked with trying to get support from local businesses such as Wal-Mart, Home Depot and other larger retailers in the area.

Greg Lund, Century 21 Lund Realtors, reported there was a lot of stuff already underway, such as the signage that was approved by the Washington State Department of Transportation and the wayfinding signage, which was being worked on as

well. He noted there were several people on the committee that had 'pet' projects they wanted to work on, with regard to structures that may not look so good. Councilor Dawes felt a community approach to such projects would work a lot better than a government approach.

Larry McGee reported on the need of getting youth involved in community projects. He reported every year during 'Business Week' he met with 400 to 500 high school students, and indicated he would like the plan to become part of the fabric of what they learn. Mr. McGee felt it would be a way to plant the seeds of what we were trying to do in the community, and how they could be a part of it.

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Chamber Director Vernadel Peterson talked briefly about the Young Professionals Program, geared toward 20 to 30-year olds in the community. She reported their first meeting, which would be a networking and social event, was coming up on June 3, at The Shire. Ms. Peterson reported they wanted to first focus on gathering the group, and next year they would start working on fundraising opportunities.

Lewis County Historical Museum Director Debbie Knapp reported the business and the historical walking tour directories were both underway. She noted they were getting a group together to go to Anacortes, Washington, to get some ideas from their art festival.

David Hartz thanked Mr. Beckwith, adding he floated a lot of balloons and had given the city an opportunity to grab on. He talked briefly about the art festival and about putting together an Art Commission. Mr. Hartz noted, as he talked with various individuals, he received a lot of negative history on how it didn't work before, but he wasn't going to let that stop him. He indicated he had some people come forward who showed interest in the project, adding they would start out slow and get creative. Mr. Hartz reported Mr. Beckwith suggested using some of the empty storefronts downtown to display work by local artists, giving them some visibility. He added they needed all of the volunteers they could get to network and come up with some ideas.

Lewis County Economic Development Council Director Dick Larman spoke briefly on the industrial area and about bringing in people from out of town and out of state. He noted people want to see a community that they could make an investment in. Mr. Larman added the kids in the community would be the next investors of the buildings and businesses, and if they didn't make it attractive for those that are already here, it would be even harder to get outsiders to come in. He reported their plan was to focus on some of the businesses downtown through their small business development council. Mr. Larman felt they needed to keep focused on the areas they want to develop, and keep adding layers so it isn't just a place to talk about investments, but a place where investments are occurring.

City Manager MacReynold reported the city received some good news about a bakery investing in the bottom floor of the St. Helen's Inn. He reported they were still in the permit process and hoped to be open by June. Ms. Schwartz added the bakery was part of the Farmers Market last year, and they were very well established.

Ms. Knapp reported she had a gentleman come by the museum who was interested in some property on Market Boulevard. She stated the business, Twin Cities Trading Post, was in the process of getting permits as well. City Manager MacReynold reported, what was exciting about it was, he asked for some historic photos of what the building used to look like as well as others, so he could restore it back to the same look. Mayor Ketchum stated he too had met the gentleman, adding if he stayed true to his format and design it would be a real nice building. He felt the gentleman had a lot of community spirit and wanted to get involved. Councilor Dawes stated he didn't have anything against the service industry, but it was nice to see the downtown getting back to retail service. He felt the two served two different interests and didn't really mesh well together.

Gail Shaw stated he came to infect the city with the project because it looked like a fantastic opportunity. He asked that the city not get discouraged, adding the plan wouldn't always work just the way it was outlined, or the way we had hoped. Mr. Shaw reported it was a huge project and it was going to be a real challenge to make some of the things work, but it would change the focus of the downtown and make it a viable place. He felt the opportunity was here, and the city would have such pride after the project was done. Mr. Shaw stated he was satisfied with the council's joy and focus to make things happen.

City Manager MacReynold reported the action plan would be before the council on Tuesday, May 26, for their consideration and approval. He noted he appreciated the council's support and continued good questions.

Mayor Ketchum thanked everyone for coming, adding he appreciated their commitment and spirit, and to keep up the good fight.

There being no further business to come before the council, the meeting adjourned at 5:45 p.m.

Attest:

City Clerk

May 26, 2009

The Chehalis city council met in regular session on Tuesday, May 26, 2009, in the Chehalis city hall. Mayor Pro-tem Dawes 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, and Chad Taylor. Mayor Ketchum was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Bob Nacht, Community Development Director; Tim Grochowski, Public Works Director; Dave Vasilauskas, Water Superintendent; and Russ Cox, Engineering Tech III.

1. **Executive Session.** Mayor Pro-tem Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(i) – potential litigation for approximately thirty minutes and there would be no decisions following conclusion of the executive session.

Mayor Pro-tem Dawes closed the executive session at 5:57 p.m. and announced the council would take a five minute recess and reopen the regular meeting at 6:02 p.m. Additional staff included: Kelvin Johnson, Fire Chief; Joanne Schwartz, Economic Development Administrator; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; and Judith Smith, Public Works Office Manager. Members of the news media in attendance included Marquise Allen of *The Chronicle* and Ron Hall of KITI.

2. **Letter to Chehalis-Centralia Railroad Association from Governor.** Rick Burchett reported they received a letter from Governor Christine Gregoire dated May 23, 2009, extending her greetings to those attending the Curtis Line grand reopening celebration of the Chehalis-Centralia Railroad and Museum. She noted it was a wonderful opportunity to celebrate the completion of repairs to the Curtis Line tracks, which were damaged in the 2007 flood. Mr. Burchett reported during the event, they ran eight trips and averaged approximately 100 people per trip.

Mayor Pro-tem Dawes thanked Mr. Burchett for the invitation to Saturday's grand re-opening. He felt the city had two jewels over in that area, which included the steam train and the Veterans Memorial Museum.

3. **2009 Community Farmers Market.** Brenda Book, manager of the Community Farmers Market at Chehalis, briefed the council on their fifth season in downtown Chehalis. She reported the market would open on June 16, running every Tuesday afternoon until October 27. Ms. Book stated the market couldn't have asked for a better partner than the city of Chehalis, who had been a great supporter. She reported markets around the nation were seeing an increase in sales and in 2008, sales in Chehalis increased by 55 percent over 2007.

Ms. Book reported on the results of the 2008 customer survey, which was conducted by the Chehalis Market, the Washington State Farmers Market Association, and the Lewis County Extension Office.

Ms. Book reported the market was a non-profit organization, and they only collected enough to pay for operational costs. She noted the funding dollars received through the economic development budget fully covered their printing costs over the last few seasons, which included brochures and market posters that featured local artists. Ms. Book reported they also depend on community member support on an individual basis, and are always looking for volunteers.

Ms. Book was pleased to announce the Chehalis market had received approval by the USDA, and a grant funded through the Washington State Local Farms and Healthy Kids Act, to be able to accept food stamps in exchange for market products. She added, with that, they would also now be able to accept debit and credit cards, which would increase the buying power for those who come to the market. Ms. Book noted the new project was in addition to the Farmers Market Nutrition Program, which they had participated in since 2006. She reported last year approximately \$16,000 worth of vouchers were received by market vendors from Lewis County individuals that live below the poverty line.

Ms. Book reported on upcoming events, of which the proceeds would go toward offsetting the costs of the new technology for the wireless machine to take food stamps and debit/credit cards. She noted they would also be adding some customer seating at the market, to allow customers to sit and enjoy the afternoon.

Ms. Book thanked the city, as well as Joanne Schwartz for her efforts in making sure the market had a welcome home on Boistfort over the last five years. She felt the market had become a part of the community, and they all benefited from the work of Ms. Schwartz. Ms. Book stated they looked forward to their continued partnership with the city.

Mayor Pro-tem Dawes stated the city certainly liked having the market, adding they had definitely improved things downtown. He was also glad to hear that business had improved and hoped that it would continue to do so. Mayor Pro-tem Dawes suggested the administration make sure the market's website was linked to the city's website.

Councilor Harris asked if the posters would be placed at the Department of Social and Health Services office. Ms. Book indicated they already were, along with some handbills with a map to the market.

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

- a. Minutes of the regular meeting of May 11, 2009;
- b. Resolution No. 7-2009 – Surplus city property (Service weapon - Shupp);
- c. Resolution No. 8-2009 – Surplus city property (WiFi equipment); and
- d. Set date and time of June 8, 2009, at 6:05 p.m. for a public hearing on the 2010-2015 Six-Year Transportation Improvement Program.

The motion was seconded by Councilor Pope and carried unanimously.

5. **Staff Reports.**

a. **April Financial Report.** Eva Lindgren talked briefly on the property tax, which she noted was not reflected in the report. She stated she had spent some time down at the Lewis County Treasurers office going over their reports. Ms. Lindgren indicated they had collected approximately 54 percent of the property tax for the year, noting they were seeing more people pre-paying their full amount for the year. City Manager MacReynold reported the property tax information would be reflected in next month's report.

Councilor Pope inquired about the water sales, comparing 2008 to 2009. Ms. Lindgren briefly reviewed the water fund revenues. Mayor Pro-tem Dawes reported the question was brought up at a prior meeting and it was thought that the increase in the 2008 connection fees for both water and sewer came from hookup fees for the new motel.

b. **Update on Chamber Way Project.** Tim Grochowski reported a news release was sent to the media last week regarding the Chamber Way improvement project. He noted the contractor would be shutting off the traffic signal power at Chamber Way and Louisiana Avenue on Tuesday, May 27, starting at 6:00 a.m. through Thursday, May 29th. Mr. Grochowski reported the area would be flagged 24-hours a day during that time period. He felt there would be a little bit of congestion; however, there was no way around it.

Councilor Pope noted during the construction of the LeBree Road overpass, the state used portable traffic signals, and asked if the city had looked into using those instead of flaggers. Mr. Grochowski reported they did look into it; however as part of the contract the contractor chose not to go that route because it was cheaper to use flaggers. He noted some portable units also required someone to run the remote control, although the equipment used at LeBree Road may have been on a timer.

Mayor Pro-tem Dawes indicated from what he heard on the radio, the project was scheduled to be done on time. Mr. Grochowski reported the project was currently 70 percent complete. He added the other three intersection lights, at the north and south bound ramps of I-5, and State Street would be shut off and the new lights turned on in the next three to four weeks.

Mayor Pro-tem Dawes asked what the plan was for the old signals. Mr. Grochowski reported the north and south bound lights would go back to the state, and the lights at State Street and Louisiana Avenue belonged to the city. Mayor Pro-tem Dawes asked if they could potentially be used somewhere else. Mr. Grochowski indicated the city planned on keeping the equipment and making good use of it, noting it would fit in the city's other boxes. He reported the traffic masts were specifically designed for their current locations, and the city would be contacting the Department of Transportation to see if they had any interest in those.

6. **Council Reports.**

a. **Flood Authority Update.** Councilor Taylor reported he attended the flood authority meeting last week, at which time they voted to retain Commissioner Ron Averill as the Chair; and the Vice-Chair went to Grays Harbor County. He indicated it was a split vote and Commissioner Averill won by one vote. Councilor Taylor stated they would be receiving an update on phase 2 at their next meeting. He added they were also asked to look at another basin-wide study, to be able to give a number value to things that the Army Corps of Engineer doesn't usually put a dollar value to, such as wetlands and fish. Councilor Taylor stated the discussion was postponed to the next meeting until they could get some more information.

City Manager MacReynold reported the study was actually coming through the Chehalis River Basin Partnership. He added it was a more comprehensive evaluation of the financial impacts on basins. City Manager MacReynold indicated they were projecting to spend approximately \$900,000 to do the study, of which the authority's portion would be about \$75,000. He added there was some question about the openness of the study and they really needed some checkpoints to insure that the May 26, 2009

authority was receiving the information they need. In addition, the study would need to focus on the elements that the authority was looking at, and they would need to make sure those were included in what they were evaluating.

Councilor Taylor added they also wanted to make sure the studies they had going on complimented each other, rather than repeating a lot of the same stuff over and over again.

b. **Chehalis Business Association (CBA) Meeting Update.** Councilor Fuller reported he attended a CBA meeting, which was very well attended. He indicated the Krazy Dayz Car Show was moving forward and on schedule, and should be a lot of fun again this year.

c. **Streamline Sales Tax (SST) Update.** Councilor Harris reported it was mentioned at the last city council meeting that he, along with Mayor Pro-tem Dawes, Mayor Ketchum and City Manager MacReynold met with Senator Swecker, who was very enthused about doing something in response to the issue the city was having with SST and the Department of Revenue. He reported he and the city manager met with Representative Alexander last week and by the time the conversation was done, he believed Representative Alexander had the same amount of enthusiasm. Councilor Harris stated it was nice to listen to Representative Alexander because he was very aware of the SST from all aspects.

Councilor Harris reported he had been sending out phone calls to different mayors, city managers and financial directors from the original 10 cities that were in the group that challenged the SST at its onset. He stated he had received several return phone calls, noting there was a lot of apprehension and a lot of questions, the first being, what side was he on. Councilor Harris noted the financial director for the City of Kent was disturbed by the fact that DOR continued to hide behind the legalities of not being allowed to share other cities and entities tax information with other entities, which protected them from having to be 100 percent transparent.

Councilor Harris reported there would be challenges ahead and so far he had gained some interest, but not a lot of momentum. He noted over the next couple of weeks he hoped to try to re-infect a few people, to see if they could get some communities together to lead some kind of a challenge.

Mayor Pro-tem Dawes asked if there was any more contact made with Representative DeBolt's office, stating he thought it was important to get him on board so he could be part of the solution for us. City Manager MacReynold reported the administration was continuing the effort to get something set up.

d. **Update on Lewis County Historical Museum Paver Project.** Mayor Pro-tem Dawes reported the paving and retaining wall project was still underway at the museum.

e. **Relay for Life.** Mayor Pro-tem Dawes reported he participated in one of the food service booths at the Relay for Life event, which took place on May 15-16, at the Centralia High School "Tiger" Stadium.

7. **Chehalis Renaissance Plan.** City Manager MacReynold talked briefly about the plan, noting it was a two-year project that started out from a discussion with the council about how to get their arms around the city's future. He stated, as part of the project, the city hired Tom Beckwith as the consultant; held numerous workshops and surveys; and engaged a great many of our community leaders and members. City Manager MacReynold stated the council was briefed on May 18 on the details of the project, noting Mr. Beckwith was available to answer any questions the council might have.

City Manager MacReynold recognized the importance of Joanne Schwartz, who staffed the process; the Industrial Commission, specifically Gail Shaw, who took the project on with a passion; and the Economic Development Council, who provided location, support, and technical help through the whole process. He believed that without their help, what the council had before them would not have happened. City Manager MacReynold indicated it was a 25-year plan that would give the city a chance to change its future in a way that we want it to change, and asked for the council's support and approval.

Councilor Pope stated it had been a long process and long overdue. He noted it was encouraging to see so many people in the community involved, and the groups who were willing to take on various projects in an effort to help make it happen.

Councilor Fuller stated he was excited about the project and felt they were heading in the right direction.

Councilor Lund thanked the 'Father' of the Industrial Park, Mr. Gail Shaw, adding he was one of the shining stars and a leader in the community. He noted Mr. Shaw helped the city 50 years ago and now here he was helping the city again, adding we were lucky to have him.

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Mayor Pro-tem Dawes felt it was a long-range program that would not get done overnight. He was grateful that it wasn't a program that someone thought of and left at the council's doorstep, adding it was going to take continued partnerships with the citizen groups. Mayor Pro-tem Dawes stated it would take small significant steps to show progress, and the continued interest would help the program gain the momentum needed to get through it. He felt, even though we were seeing some challenging economic times, this just might be the time to do it, adding good things come from tough challenges. Mayor Pro-tem Dawes stated he was supportive and enthusiastic about the project, and hoped it would be one that they could get started on and carry out.

Councilor Pope moved that the council approve the Chehalis Renaissance Plan as presented.

The motion was seconded by Councilor Taylor and carried unanimously.

Mr. Shaw stated it was going to be a 'people' program that would take some money, and a lot of enthusiasm and leadership. He noted they needed to find a way to get enthusiastic support from a dozen or so different committees, who are interested in different parts of our town. Mr. Shaw believed all they really needed were people and enthusiasm, and Chehalis had it.

8. Award Contract for Solid Waste and Recyclables Collection and Other Services. City Manager MacReynold reported the administration was recommending the council consider awarding the contract to the lowest overall bidder, which was Harold LeMay Enterprises, Inc. He noted representatives for LeMay, Inc. were available to answer any specific questions the council might have related to their bid. City Manager MacReynold stated the administration was also recommending the council set up a work session prior to the next regular meeting, to make specific decisions about how often they pick up for garbage and recycling.

Judy Schave reported, at the direction of the council, the administration met with the city attorney and revised the bid documents to include a higher performance bond of \$100,000; a fee schedule to include a one-bin recycling container, and an alternate pick-up schedule for weekly or every other week pickup for garbage service.

Ms. Schave noted the city received two bids: one from J&L Venture's, dba as M&M Disposal Services; and the other from Harold LeMay Enterprises, Inc. She noted their recommendation was based on the overall low bid, which was \$2,953 less per month than the second lowest bid.

Councilor Harris moved that the council accept the bid from Harold LeMay Enterprises, Inc. and authorize the city manager to execute the contract agreement.

Councilor Taylor seconded the motion.

Councilor Harris stated his concern with the two bids, in comparison, was LeMay's bid was comparably better on the commercial end and not on the citizen's end, while M&M's bid seemed to be more resident friendly with a higher cost to the businesses. Councilor Harris stated he wrestled with trying to determine which way they should go, and what would be the most responsible way to look at it from a council perspective.

Mayor Pro-tem Dawes stated, as Joe Citizen, he wanted to know what he was going to pay for his one can at the curb. He noted comparing his personal bill to the bid document, there was a difference between what the current rate was and what he was actually billed. Mayor Pro-tem Dawes stated it had nothing to do with the bid document; he just wanted to know what the difference was. Ms. Schave stated she would look into it and report back to Mayor Pro-tem Dawes.

Councilor Harris noted he contacted the city clerk to let her know he had some questions and concerns. He stated he was going to have a difficult time trying to explain to someone why their bill was going up, if they go with one company over the

other. Councilor Harris indicated, being a business owner, he would much rather see it hit his business, than him personally. He felt the council needed to look at who they were going to impact more.

Councilor Lund believed the council had set a precedent by splitting the printing services bid, and wondered why they couldn't split the garbage bid up. City Attorney Hillier noted the bid specs were not written to do that.

Councilor Pope called for the question. The motion carried 5 to 1. Mayor Pro-tem Dawes voted against the motion, based on his earlier question about the billing, of whether there were going to be additional charges added.

Ed Lewis, Manager for Harold LeMay Enterprises, Inc., thanked the council for the opportunity, adding he looked forward to serving the City of Chehalis.

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9. **National Avenue 2009 Flood Repair Work.** City Manager MacReynold reported the administration was trying to put closure on the work being done on National Avenue. Mr. Grochowski stated the bids were out for the National Avenue flood repair work. He noted because it was a federal project, they were required to advertise for two consecutive weeks. Mr. Grochowski reported the bid needed to be awarded on June 9, in order to allow the selected contractor to meet the completion deadline. Because the next council meeting fell on June 8, he asked that the council authorize the city manager to execute a contract with the lowest responsible bidder and the administration would come back to the council on June 22, with a formal presentation on the bid award. He reported the engineer's estimate was \$356,000, and the contract needed to be completed by July 5. Mr. Grochowski indicated the project would be reimbursed 100 percent from federal highway funding.

Councilor Harris moved to authorize the city manager to execute a contract agreement to the lowest responsible bidder for the National Avenue 2009 Flood Repair Work.

The motion was seconded by Councilor Pope and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 6:56 p.m.

Mayor

Attest:

City Clerk

June 8, 2009

The Chehalis city council met in regular session on Monday, June 8, 2009, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:03 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Chad Taylor, and Dennis Dawes. Councilor Lund arrived at approximately 5:55 p.m. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Peggy Hammer, Human Resources Administrator; Bob Nacht, Community Development Director; Tim Grochowski, Public Works Director; Rick Sahlin, Street Superintendent; and Judith Smith, Public Works Office Manager. Members of the news media in attendance included Marquise Allen of *The Chronicle* and Paul Walker of KITI.

1. **Work Session – Solid Waste, Recyclables Collection and Other Services.** Prior to the regular meeting, the council and administration met with Dan Schooler and Eddie Lewis from Harold LeMay Enterprises, Inc., to discuss container options and pickup schedules for solid waste, recyclables collection and other services.

Mr. Schooler and Mr. Lewis provided containers in various sizes ranging from 20 gallons to 95 gallons. The council selected the containers they felt would best serve the residents of Chehalis.

The council reviewed the rate schedule, noting they wanted to give customers as many options as possible. After a brief discussion, it was decided to amend the rate schedule to include a 1 time every 2 weeks - mini-can pickup. Mr. Schooler stated he could provide the city with a rate for that service.

The council discussed the recycling services offered with the new one-bin container. Mr. Schooler pointed out a few items that could not go into the bin, such as glass, because it contaminated the paper products; and hazardous materials, such as oil and anti-freeze containers. The council briefly talked about whether or not to have key locations around the city where people could drop off glass; however it was decided to try a six-month pilot program, using small recycling bins to be picked up every other week. It was noted if that program wasn't working or if it started creating problems, they could look at setting up drop boxes at various locations.

Mr. Schooler reported customers still had the option of taking glass to the transfer station, or in most cases, they would just add it to their regular garbage container. He indicated, in the State of Washington, more and more communities were moving away from recycling glass altogether. It was agreed that LeMay would provide customers with a small recycling container for glass disposal. Mr. Schooler noted, for those customers who were already recycling, they would provide stickers to be applied to one of the bins for recycling glass. He reported customers were welcome to keep their old recycling containers; however if they didn't want them, LeMay would take them back and keep them in their inventory for future customers.

Mr. Schooler reported LeMay would provide a separate truck to come around to pick up glass every other week, on the same day as recycling. He noted it would be an expense to them to have the extra route, and they would ask customers to only set glass out when their container was full, in order to keep some of the costs down.

Mr. Schooler talked briefly about giving customers the option of two different sized recycling containers; the first being a 65 gallon container and the second a 95 gallon container. He noted because the cost of recycling was built into the regular solid waste service, there would be no adjustment for using the smaller recycling container.

Councilor Fuller asked if LeMay was going to offer yard waste containers. Mr. Schooler noted that was not in the contract; however LeMay was already offering that service in the county and Centralia, and it was available to Chehalis residents as well.

Mr. Schooler thanked the council for their time, adding they would be getting started on the promotional material right away.

Mayor Ketchum closed the work session at 5:39 p.m. and announced they would take a twenty minute recess before opening the regular meeting at 6:01 p.m.

2. **Citizen Business.** Rich Waring (1380 NW Arizona, Chehalis) reported he had a few suggestions for the city on how to spend some money that they didn't have. Mr. Waring suggested the following:

- Installation of a pedestrian crossing at the intersection of Coal Creek Road and National Avenue for the seniors who lived in the complex on the hill.
- Clean up city owned properties to include: mowing tall grass, cutting down brush and picking up garbage.
- Look at how to treat for mosquitoes as a result of the standing water at the south end of the airport.

June 8, 2009

4. **Public Hearing on the 2010-2015 Six-Year Transportation Improvement Plan (STIP).** Tim Grochowski reported on the STIP as proposed by the administration. He noted the projects were listed in the priority of the administration and the council, as to how and when the projects would be submitted for funding and/or built and constructed. Mr. Grochowski talked briefly about the capital improvement plan, which listed funding needs for future projects.

City Manager MacReynold reported the matter would come back before the council at the next regular meeting for council discussion and recommendations.

Councilor Lund asked whether or not they could add chip seal projects to the list. Mr. Grochowski noted they could if the project was done on one of the federally funded routes. He added chip sealing was really more of a maintenance issue.

Mayor Ketchum closed the regular meeting a 6:09 p.m. and opened the public hearing. There being no public comment, Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:10 p.m..

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

- a. Minutes of the special work session of May 18, 2009, and the regular meeting of May 26, 2009; and
- b. Claim Vouchers No. 93571-93727 in the amount of \$1,035,875.53 dated May 18, 2009.

The motion was seconded by Councilor Pope and carried unanimously.

5. **Staff Reports.**

a. **Chehalis Avenue Proposed On-Street Parking and Lane Changes.** City Manager MacReynold reported on Sunday, June 14, 2009, the Chehalis public works department would be conducting a street parking and lane reconfiguration demonstration along NW Chehalis Avenue. The road would be closed from 7 a.m. to 1 p.m. in the 200, 300, and 400 block areas of NW Chehalis Avenue. Councilor Lund asked if the businesses along Chehalis Avenue received the notice. Rick Sahlin reported flyers were handed out today.

6. **Council Reports.**

a. **Upcoming Events.** Mayor Ketchum reported on various upcoming events, which included:

- Sunday, June 14 – Liberty Plaza flag dedication ceremony at 2:00 p.m.
- Monday, June 8 – Open-house for the Blue Ridge Pipeline Project, starting at 7:00 p.m. at Kit Carson
- Friday, June 12 – Ribbon cutting ceremony for the new track at the Chehalis Middle School, starting at 10:30 a.m.
- Friday, June 12 – Ribbon cutting ceremony at Deco Gifts, 330 NW Pacific Avenue, starting at 12:00 p.m.

b. **LaBree Road Interchange Ribbon Cutting Celebration.** Councilor Dawes reported on June 2, he and others including Councilors Taylor and Fuller, and City Manager MacReynold attended the LaBree Road Interchange ribbon cutting celebration. He indicated the project was finished a full season ahead of time, adding the new interchange was very modern and would benefit the entire region. Councilor Dawes noted they had a good crowd show up for the event, as well as a number of speakers.

7. **Executive Session.** Mayor Ketchum announced the council would convene into executive session at 6:30 p.m. after a short break beginning at 6:14 p.m. pursuant to RCW 42.30.140(4)(a) – collective bargaining for approximately 30 minutes and there would be no decision following conclusion of the executive session.

There being no further business to come before the council, the meeting adjourned at 7:08 p.m.

Mayor

Attest:

City Clerk

June 22, 2009

The Chehalis city council met in regular session on Monday, June 22, 2009, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:31 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Chad Taylor, Daryl Lund, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Amanda Vey, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Bob Nacht, Community Development Director; Tim Grochowski, Public Works Director; and Rick Sahlin, Street Superintendent. Members of the news media in attendance included Marquise Allen of *The Chronicle* and Paul Walker of KITI.

1. **Work Session – Report on Snow and Ice Standard Operating Procedures (SOP) - Remediation.** Prior to the regular meeting, the council met with the administration to follow up on a previous discussion regarding snow and ice removal procedures. Tim Grochowski gave a report on their findings and provided recommendations to improve the existing policies.

Mr. Grochowski reported, at a meeting four months ago, there were some issues brought up about the city's snow and ice removal policies and procedures. He stated the public works department met with staff from the community development department and police department, to develop a strategy on how to deal with future weather events. Mr. Grochowski reported the goal was to improve upon the existing SOPs that serve the city during inclement weather conditions.

Mr. Grochowski reported they contacted eight different agencies to find out how they responded to inclement weather conditions, and found that some had more detailed policies than others. He noted two of their objectives included: to ensure routes were accessible as quickly as possible; and to clear streets to allow safe public access. Mr. Grochowski reported the group would be meeting again in October, prior to the winter season, to talk about what they should prepare for.

Councilor Pope suggested the administration look at incorporating a 'winter hotline' for citizens to call to get information and to voice their complaints as issues came up. Councilor Fuller felt a hotline would also be good to have during a flood event. Councilor Harris suggested adding a dedicated phone line that could be used at any time. Mr. Grochowski stated he would look into it and if it wasn't too expensive, they would just implement it. Councilor Dawes felt most of the calls were going to be public works related and perhaps they should be directed to one of the public works lines.

Councilor Dawes stated one concern he had from last year was, after Market Boulevard was cleared, the trucks kept going back and forth on it while a number of side streets were left unattended. He felt there were really only two things people needed to get out for; work and supplies. Councilor Dawes believed they first needed to identify the main streets to get people out and about between the two cities, and to businesses. He noted another issue would be the schools; however, most of the time they would be closed, or at least two hours late because of safety concerns. Councilor Dawes stated he would like to see the administration get back to that type of response, adding in the past the city had always been complimented on the fact that our streets were in better shape and were easier to get around on than in surrounding communities.

Councilor Fuller stated he was impressed with what the administration came up with, as far as looking at the whole area. He asked if there wasn't more they could do for the streets on the hills. Mr. Grochowski reported the hill streets and neighborhood collectors would be the last streets they would hit. He added, if after all the major routes were done and they felt comfortable about going up the hills, they would; however, they would not be going up Winchester Hill because they couldn't make it up there with a snow plow.

Mr. Grochowski reported some people felt the city really concentrated on the areas around I-5, such as 13th Street, Main Street and Chamber Way, noting they appeared to be well taken care of. He indicated a lot of that was done by the Department of Transportation, who put down deicer on the off ramps, and vehicles coming off of I-5 carried it onto our streets.

Councilor Harris inquired about Washington Avenue and Adams Avenue, asking if the city vehicles couldn't start down near 11th Street where there wasn't as much incline. Mr. Grochowski believed both Washington and Adams Avenues were hit

from 11th Street north. He added they were not on the list of street priorities because neither one was a main arterial or major route.

Councilor Taylor asked when and who would make the decision to shut down a road. Mr. Grochowski reported that would come from the police department or from public works.

City Manager MacReynold stated he was very pleased with the policy as well, noting it took a comprehensive approach and a look at the bigger picture. He appreciated Councilor Fuller's positive comments about the guidelines, adding it provided a longstanding approach to what they were trying to accomplish. City Manager MacReynold felt Councilor Pope's idea of an emergency contact number was very good and didn't believe it would be that difficult to implement.

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Councilor Dawes noted from time-to-time the administration had set up hotlines, which was usually one of the numbers they already had and could be used as part of the emergency preparedness plan. He inquired about the administration's investigation into purchasing deicing equipment, asking if it was necessary to go out and buy another truck, or if they could just use one of their current vehicles. Mr. Grochowski reported the equipment would put a lot of weight on a truck and he didn't know if they wanted to go that way. He believed they could probably use the existing chassis of the oil distributing truck; however that vehicle was too big to go where they wanted it to go. Mr. Grochowski stated they could also look at taking the bed off one of the dump trucks, but that would leave them down one vehicle.

Councilor Fuller asked if the policy guidelines would lend themselves to be put on the city web site, along with Dr. Pope's idea of a hotline. City Manager MacReynold stated they would. Mr. Grochowski felt the information should be on the web site year-round.

Mayor Ketchum felt it was a useful exercise, even though the city doesn't have events too often.

Mayor Ketchum closed the work session at 5:51 p.m. and announced the council would take a ten minute recess before opening the regular meeting at 6:02 p.m.

Mayor Ketchum welcomed Lewis County Commissioner Bill Schulte to the meeting. He also noted an amendment to the agenda, to move item No. 6 - Web Site Redesign Project from the consent calendar to new business. There being no objections, the item was moved to new business.

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

- a. Minutes of the regular meeting of June 8, 2009;
- b. Claim Vouchers No. 93728-93834 in the amount of \$374,902.98 dated June 1, 2009; Claim Vouchers No. 93835-94006 in the amount of \$327,128.56 dated June 15, 2009; and Payroll Vouchers No. 32391-32488 and 639-711 in the amount of \$712,449.42 dated May 29, 2009; and
- c. Set date and time of July 13, 2009, at 6:05 p.m. for public hearing on final action of condemnation of property.

The motion was seconded by Councilor Taylor and carried unanimously.

3. **Staff Reports.**

a. **Report on Bid Award for National Avenue 2009 Flood Infrastructure Repair Work.** Mr. Grochowski reported the city received five bids for the project, which were opened on June 9. The low bid came from Martin Sand and Gravel, Inc., in the amount of \$208,880. He indicated the original estimate for the project was \$399,428.

Mr. Grochowski reported, due to the timeline necessary to complete the project to meet the Washington State Department of Transportation Local Program Guidelines for funding reimbursement, at the May 26 council meeting, the council authorized the city manager to execute the contract agreement. He noted the contractor was moving fast on the project, and they were able to get Federal Highways to buy off on mitigating the project, to add shotcrete to the shoulder area to try and prevent similar damage from occurring in the future. Mr. Grochowski stated the contractor was also cleaning out a 36-inch culvert, which ran from the open ditch area near Yard Birds, over to the Lewis County Mall. He reported the project should be completed by July 3.

b. **May Financial Report.** Ms. Lindgren reported the May financial report showed they were still lagging in sales and use tax. She noted, in the June report, the council would see the rest of the receipts for general property tax, reminding them that they received a little more collection than usual because some people were paying the second portion of their annual property tax in advance. Ms. Lindgren reported on grants and entitlements, noting she was generating several grant reimbursement requests and anticipated getting quite a bit in. She felt they should be ahead of the curve within the next month or so because of the Chamber Way Project.

Ms. Lindgren reported she had been working extensively with the Washington State Military Department and FEMA, on the two most recent disasters. She noted they didn't quite have all the worksheets done; however they were close to knowing what the total damages were for the 2009 flood.

Ms. Lindgren continued discussion of the revenues, including proceeds of long-term debt and operating transfers-in. She then reviewed expenditures, noting a variance that was slightly to the positive of 2.5 percent. Ms. Lindgren reported, overall, June 22, 2009

they were showing a negative \$500,000 net; part of that being the transfer-in of \$318,000 from the public facilities reserve fund in accordance with the council's expressed desire to use the money to pay off the interfund debt. She noted the money was transferred into the general fund in order to pay the interfund debt back to the water and sewer funds.

Ms. Lindgren talked briefly about the utility funds. She discussed the interfund principal repayment, adding because the water fund had provided \$850,000 and the wastewater fund provided \$600,000, she reimbursed the funds so that the same amount would now be owed to each fund. Ms. Lindgren indicated, at a later date, a portion of the principal payment to both the water and sewer funds would be re-coded to reflect the interest amount due on the debt.

Ms. Lindgren reported the storm utility fund was ahead of the curve to the positive by \$52,000.

The council briefly discussed the projected shortfall in sales tax revenue through the end of the year. Ms. Lindgren estimated the total shortfall would be roughly \$400,000; adding year-to-date, the drop was 18.8 percent from last year.

Ms. Lindgren reported she talked with the State Department of Revenue regarding the streamlined sales tax mitigation issue. She was pleased to report they had made some changes to the underlying data, and as a result, the city would be receiving over \$33,000 at the end of the quarter.

4. **Council Reports.**

a. **Community Health Network.** Councilor Pope reported the Lewis County Health Partnership had been in existence in Lewis County for the last 10 to 15 years, and had initiated several different programs in both the county and the community. He stated the partnership was going to become a Community Health Network, which was part of a taxing authority. Councilor Pope asked Ms. Lindgren if she could review the information to help him decipher it. Ms. Lindgren noted she would do her best.

b. **Lewis County Historical Museum.** Councilor Dawes reported the paver project at the museum was moving along; however, they came across an old fuel tank in the ground, which needed to be removed. He noted they contacted Burlington Northern Santa Fe Railway, who responded very quickly and would be taking care of the cost related to removing the old tank. Councilor Dawes indicated the paver project was still on schedule.

c. **Invitation to Sky Lane Regarding Noise.** Councilor Dawes reported he received an invitation from the residents up on Sky Lane, located above the Lewis County Mall. He stated the crux of their complaint was a large amount of noise coming from some kind of dance hall in Yard Birds. Councilor Dawes noted the residents reported they had contacted the city about the issue and were told nothing could be done. He felt it was something the city needed to follow up on, since it seemed to be a problem seven days a week.

City Manager MacReynold reported the police department had been working with the residents, and suggested staff give the council a briefing at the next meeting as to what was going on. Councilor Dawes thought that was a good idea.

d. **Various Meetings Attended.** Councilor Dawes reported he, along with other council members and city staff, attended the following events:

- Ribbon cutting at the Chehalis Middle School for their new 9-lane track
- Ribbon cutting at Deco Gifts
- Flag dedication ceremony at Liberty Plaza
- Ribbon cutting at the Chehalis Farmers Market
- Business after hours at the Holiday Inn Express

Mayor Ketchum added he also attended a ceremony where Congressman Baird was to present the Fire Districts with grant money, which they were awarded for the purchase of radios and computers; however the Congressman was unable to attend due to flight delays. Mayor Ketchum also judged a car show, and hosted one of the Chehalis Homes during the Visiting Nurses Open Home Tour.

e. **Solid Waste Advisory Committee and Chehalis Business Association Updates**. Councilor Harris reported he attended a Solid Waste Advisory Committee meeting on June 10. He stated they were very pleased that the city came to a conclusion on its solid waste service, and immediately inquired about the city receiving glass pickup.

Councilor Harris reported he attended the Chehalis Business Association meeting last week where they had a lot of new faces, which was very encouraging. He felt a lot more people were getting involved with upcoming events, adding on July 17 they were planning a Chehalis "Amazing Race" event, and encouraged everyone to take part.
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5. **Resolution No. 9-2009, First and Final Reading – 2010-2015 Six-Year Transportation Improvement Plan (STIP) Update**. Mr. Grochowski reported the projects on the STIP had been presented to the council at the previous meeting. He noted they labeled the columns on the attached Capital Improvement Plan to show the years and funding needed.

Councilor Taylor moved that the council adopt Resolution No. 9-2009 on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

6. **Ordinance No. 845-B, First Reading – Establishing Regulations and Guidelines for Solid Waste and Recyclables Collection and Other Services**. City Manager MacReynold reported the ordinance was a critical step in moving forward on the agreement with the new garbage hauler and recycler. He indicated they held a workshop on June 8 to discuss containers and pickup schedules.

City Clerk Judy Schave reported the ordinance would amend the existing ordinance to change billing and collection of revenues, and otherwise make it consistent with the new contract with Harold Lemay Enterprises, Inc. She noted the effective date of the ordinance would be August 1, and the contractor was scheduled to begin providing service on August 2, 2009.

Mayor Ketchum asked if they would have the new rate schedule before the second reading. Ms. Schave reported she would make sure the council had that information prior to the next meeting.

Councilor Dawes moved to pass Ordinance No. 845-B on first reading.

Councilor Harris seconded the motion.

Councilor Lund inquired about Section 12 – Placement of Solid Waste Containers, noting it stated they couldn't place solid waste containers in the alley. He added they were in the alleys all over town and wondered if they were going to make everybody get rid of their dumpsters.

Ms. Schave stated she believed customers could not leave their containers in the alley permanently, but should only put them out on their designated pickup days; however she would confirm that with the City Attorney. Councilor Lund stated customers couldn't move dumpsters into their buildings. Councilor Pope felt the key word was 'on.' Ms. Schave reported she would speak with the city attorney and report back to the council.

The motion carried unanimously.

7. **Web Site Redesign Project**. City Manager MacReynold reported the web site redesign project was part of the Chehalis Renaissance plan, which would make our current web site more 'user' friendly. He noted the council was provided some additional information on the history of the web site, and how it got to where it was to date.

Councilor Taylor felt a web site was very important to have and that it was important to look at all of our options. He noted he didn't feel the administration had done that, by looking at just one vendor. Councilor Taylor thought there might be another company out there who could do a better job, or had some different ideas on how the city could host it.

City Manager MacReynold asked if Councilor Taylor was saying he would like the administration to put out a request for proposals (RFP) on the whole web site and the update. Councilor Taylor stated yes, adding it was just an idea.

Councilor Pope asked if the Lodging Tax Advisory Committee approved money to pay for what they were asking for. City Manager MacReynold stated they did. Councilor Pope felt the money should then be used to update and expand the web site, which was already in existence; it was not to create a new web site. He wondered what the purpose of going out to bid was. City Manager MacReynold speculated they would pretty much be re-doing the whole web site, adding once the council approved the brand and tagline; it would change a lot of things. He noted the purpose of the web site would be to allow visitors to go in and click on different services and things to do in our city. Councilor Pope believed if they were going to use the money to create a new web site and not just expand it, they were using the wrong terminology. He asked if they were going to start from scratch. Mayor Ketchum suspected they would use some of the basis that already existed, but they would need to redesign and expand it with the new branding. City Manager MacReynold reported the council and administration information would not change, but the look would be significantly different.

Councilor Pope asked where the rest of the money would come from if they put it out to bid and it came in higher than what was approved. City Manager MacReynold noted they would do an RFP, which would allow vendors the opportunity to tell us what services they can do and for how much money. He noted the issue would come back to the council for their approval.
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Councilor Lund noted he liked the idea, and perhaps the city might receive a proposal from a local vendor or someone in the county, which would keep the money local.

Councilor Taylor moved to direct the city manager to do an RFP for web site redesign and development.

The motion was seconded by Councilor Harris and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 6:39 p.m.

Mayor

Attest:

City Clerk

July 13, 2009

The Chehalis city council met in regular session on Monday, July 13, 2009, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:33 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Chad Taylor, and Dennis Dawes. Councilors Fuller and Lund were absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; and Larry Allen, Assistant Fire Chief/Fire Marshal.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.110(1)(i) – potential litigation for fifteen minutes and there would be no decision following conclusion of the executive session. City Attorney Hillier excused himself during the executive session due to a conflict of interest.

Mayor Ketchum closed the executive session and opened the work session at 5:52 p.m. Additional staff included: Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Tim Grochowski, Public Works Director; and Dave Vasilauskas, Water Superintendent. Members of the news media in attendance included Eric Schwartz of *The Chronicle* and Paul Walker of KITI.

2. **Work Session – Interview Applicant for Historic Preservation Commission Appointment.** Bob Nacht introduced Rick Alexander who submitted an application for appointment to the historic preservation commission. Mr. Alexander reported he had served on the commission under Joanne Schwartz for about a year and a half, and unfortunately had to resign due to a conflict with his work schedule. He noted his work situation had changed since then, and he would really like to get back on the commission. Mr. Alexander noted he had also been the president of the Westside Neighborhood Association. The council later confirmed the appointment of Mr. Alexander, under the consent calendar.

Mayor Ketchum announced the council would take a six minute recess at 5:57 p.m. and reopen the regular meeting at 6:03 p.m.

3. **Introductions.** Councilor Pope introduced Amy Chaney, a medical student on location for the next month with Pope's Kids Place and various other offices in the community.

4. **Public Hearing- Final Action on Condemnation of Property.** Airport Manager Allyn Roe reported the airport had been working for some time on a public safety issue regarding trees north of the airport. He noted for the past 12 years they had tried to resolve the issue, with no success. Mr. Roe felt in the short-term they might possibly reach an agreement before they have to exercise any condemnation; however, the airport board was still seeking permission to move forward with condemnation just in case talks fall apart with the property owner.

Mayor Ketchum closed the regular meeting and opened the public hearing at 6:05 p.m. There being no public comment, Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:06 p.m.

5. **Update on the Chehalis Foundation.** Mike Austin, President of the Chehalis Foundation, gave the council an update on what they had done in the last few months. Projects included:

- Purchase of two washed aggregate concrete benches for the dedication circle at Dobson Park
- Purchase of a gate for the south side of the kiddy spray pool, recently installed
- Acted as a conduit for funds for a scout project - a second covered picnic shelter in the area of the old McKinley stump
- Received \$36,000 from the Lintott Family to build a second picnic shelter with a fireplace at Lintott-Alexander Park - to open to the public on August 1, 2009

- In the process of selling 15 picnic tables for \$225 each, which they purchased from Lewis County Work Opportunities, to raise money for the foundation. Commemorative plaques could be added to each table.

Mr. Austin reported their 2nd Annual Fun Day was scheduled for Saturday, July 25, at Lintott-Alexander Park. He stated they were also in the process of producing "The Chehalis Story," a Bob Spahr project, on DVD. Mr. Austin reported they had distributed close to \$650,000 to projects within the city of Chehalis, to date.

6. **EMS Levy Presentation.** City Manager MacReynold reported the current EMS levy would end December 31, 2009 and the Fire Chief and Assistant Fire Chief had been working to determine what a new levy might look like.

Assistant Fire Chief Larry Allen reported they would like to see the EMS levy on the November 3 ballot, noting the money brought in would continue to provide for two current EMT/firefighter positions; the purchase of EMS supplies and equipment; and contribute to an equipment replacement fund.

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Mayor Ketchum asked what the city's current levy level was. Assistant Chief Allen reported they were currently at \$0.36 per \$1,000 assessed valuation.

Councilor Dawes noted over the last few years he didn't recall the council ever requesting any amount for the EMS levy and asked how they came up with the requested amount. He indicated he knew there were two positions funded, as well as EMS equipment and such, but added it would be nice to know how much was delved out for each. Councilor Dawes liked the fact that it allowed for up to \$0.50 cents per \$1,000, and pointed out the city had a history of maintaining a reasonable amount.

Councilor Dawes noted he had been involved in a number of levies in past careers and was a little concerned about the economy and the timing. He felt if they were unsuccessful in the November election, they could potentially lose a year's funding. Councilor Dawes wondered if it might be better to try and run it in September; however, he didn't know if they could meet the 45-day timeline. He was hopeful the citizenry would support it, and felt they would as long as they keep it at a reasonable amount.

Mayor Ketchum noted he was concerned about not having enough time to properly educate and explain to the public that this was not a new tax, but a tax that had been in place over the last several years. He believed if they didn't take the time and do it right the first time they would end up having to come back, like Centralia did. City Manager MacReynold stated the fire district to the north learned from their experience that they did not do a good job of getting the information out the first time.

City Manager MacReynold felt the city had a great deal of flexibility with regards to the current levy, and the council had been very conservative about what they were willing to act on, which was why the rate had stayed low. He stated the council would need to decide whether they were going to do a permanent, six-year or ten-year levy. City Manager MacReynold noted, based on the experience of the Riverside Fire Authority, the administration was recommending the council look at a six-year levy, with the belief that it was better to go with a shorter term and revisit the issue in six years. Councilor Harris felt that would also give them more flexibility, with the potential of reducing it in six years.

Councilor Pope asked if the department was geared up to start promoting it. Assistant Chief Allen indicated they were. Councilor Pope stated he participated in Centralia's attempt to pass their levy and was very impressed with how well it was organized. Assistant Chief Allen felt by putting it on the November ballot they would have plenty of time to educate the public and answer any questions they might have.

Councilor Dawes believed that any time you ask the public for money, you had the paramount duty to education them on what it was for. Mayor Ketchum stated he had faith in the citizens, adding they had always responded well in the past.

Councilor Dawes inquired about the length, adding he couldn't support a permanent levy. Mayor Ketchum agreed. Councilor Taylor also inquired about the time and the amount. City Attorney Bill Hillier indicated the resolution would need to state the duration and limit of the levy, and the council would need to have that in mind prior to the next meeting.

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

- a. Minutes of the regular meeting of June 23, 2009;
- b. Payroll Vouchers No. 32489-32620 and 712-783 in the amount of \$760,855.44 dated June 30, 2009;

c. Confirm appointment of Rick Alexander to the Chehalis Historic Preservation Commission for a 3-year term expiring December 31, 2012: and

d. Accept Combined Raw and Treated Water Booster Pump Station Project as complete and release retainage to Balmelli Trucking, Inc. (Balmelli Contracting, Inc.) in the amount of \$30,284.

The motion was seconded by Councilor Taylor and carried unanimously.

8. Staff Reports.

a. **Update on Noise Issue at Club El Rey De Oro.** Police Chief Glenn Schaffer reported Club El Rey opened up at the end of March, or in early April, 2009, after going through an exhaustive application and inspection process by the fire and community development departments. He indicated the club had the capacity of 400 to 500 people, and had stereo speakers the size of an average truck that hung vertically from the ceiling. Chief Schaffer stated the club was pretty much filled to capacity every night, adding the city worked with the owners prior to opening to have them hire their own security. He didn't believe the department had a single call for service, in spite of the crowds.

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Chief Schaffer reported the one problem they were having was complaints about the noise. He noted the music and base were loud and although they could almost hear it outside in the parking lot with the doors closed, residents up on the hill above the Lewis County Mall were hearing the echo very clearly. Chief Schaffer noted a number of calls regarding the noise were during the first couple of weeks they were open, and in response to that officers went out on a couple of different occasions with a decibel reader. He stated on May 2, 2009 they took several readings from both the parking lot and from Sky Lane, which ranged from 50 to 54. Chief Schaffer reported the Washington Administrative Code (WAC) regarding maximum permissible noise levels was 55 to 70. He indicated the noise levels from the club were at the maximum allowed by the WAC, therefore there wasn't a lot they could do with that regard.

Chief Schaffer reported he had conversations with residents and business owners, and as a result of those, he spoke with club owner Antonio Lopez about the problem and asked if he would make some adjustments. He stated most of the noise complaints had ceased with the department, but understood that perhaps people were now calling the council instead.

Mayor Ketchum wondered if the club would be willing to plant shrubs to use as a noise barrier between the two. Councilor Harris stated a lot of times it's not necessarily the volume, but rather the beat, and asked if that was part of the problem. Chief Schaffer believed it was.

Councilor Dawes noted from the comments he received it wasn't so much the weekends that they were complaining about, it was the noise during the work week. Chief Schaffer believed the club was open Wednesday through Sunday.

Councilor Harris asked if it would be fruitless to establish a noise ordinance to be more stringent than the WAC. City Attorney Hillier stated the council had the authority to restrict music at certain times on certain days, and to lower the level of the suggested levels of the state; however, the policy would be citywide.

Councilor Pope stated he had a problem with the fact that they asked the owner to invest money to comply with the law, which they had, and now they were suggesting putting more restrictions on him. He didn't believe that was fair. Chief Schaffer stated the owner had done everything the city asked of him, investing an extremely heavy amount of money.

b. **Update on Chamber Way Project.** Tim Grochowski reported the project was getting closer to being done. He indicated the contractor put up some reader board signs noting Chamber Way and ramps would be closed July 20-22, from 8:00 p.m. to 6:30 a.m. to allow the contractor to asphalt the area. Mr. Grochowski noted closing the street wasn't part of the contract; however, the administration worked with the contractor to allow them to make it safer and to get the work done quicker. He reported the only items left on the project were the paving, striping, guardrails and timing, and anticipated the project to be completed by August 3.

Councilor Dawes inquired about the detour, asking if the reader board signs were directing traffic to use other routes. Mr. Grochowski noted they could only put so much on the reader boards and the detour information was not noted. He indicated Louisiana Avenue would be open to one lane of traffic, both directions, during the closure of Chamber Way. Mr. Grochowski stated he would be putting out another press release on the closure, so locals would be aware of the closures and what routes would be open to get to the west side of I-5.

c. **Spirit of America Foundation Memorial.** City Manager MacReynold reported he and Lee Grimes, Executive Director for the Veterans Memorial Museum, met with John Jackson and Morgan Lindbergh from the Spirit of America Foundation. He noted the meeting was prompted by another meeting that Mayor Ketchum attended, adding the foundation was

looking for a site for a Spirit of America Memorial for 9-11. City Manager MacReynold stated initially they were looking at a site in Olympia; however, according to Mr. Jackson, they were not allowed to put any memorial up until eleven (11) years after the event.

City Manager MacReynold noted they would be asking the foundation to come back to make a presentation to the full council at the next meeting, depending on their availability.

Councilor Pope inquired as to where they proposed to put the memorial. City Manager MacReynold stated it would be over near the Veterans Memorial Museum, adding the foundation felt that was a good location and it would get good exposure from the freeway.

d. **Fire District #6 Quarterly Meeting.** City Manager MacReynold reminded the council about the quarterly meeting with the fire district on Tuesday, July 14, at 7:00 p.m.

e. **Response Letter Regarding Pedestrian Crossing Closures.** Mayor Ketchum noted he received the response letter from City Manager MacReynold to Christopher Tames regarding potential closures to pedestrian traffic. City Manager July 13, 2009

MacReynold reported the city received notification from the Department of Transportation that they were considering closing pedestrian crossings at three different locations. He stated that would not be good for the city and had no idea why they were considering it, but thought it might have been prompted by the Federal Highway Department. City Manager MacReynold indicated the city's position was 'no,' and he was waiting to heard back from them.

9. **Council Reports.**

a. **Events and Meetings Attended by Councilor Dawes.** Councilor Dawes reported he attended both the Timberland Bank and the Riverside Golf Course ribbon cutting ceremonies. He also attended a Renaissance meeting with Larry McGee and Allyn Roe, adding he hoped the rest of the council would take the time to meet with them.

Councilor Dawes reported on the Lewis County Historical Museum paving project, noting it was moving along and was expected to be finished in the next week or so. He indicated they had a local business donate flowers for the flowerbeds, and they planned to make the lawn area a little more attractive.

b. **Local U-14 Select Team takes 1st Place in State Championship.** Councilor Taylor reported the U-14 Select Team, which his daughter played on, competed for the state championship last weekend in Selah, Washington, and took 1st Place for the second year in a row.

c. **Traffic Calming Circle.** Councilor Taylor reported he also attended the Riverside Golf Course ribbon cutting ceremony and was approached by the owner, Darrell Sorenson, regarding the West Street Crossing at the intersection of Airport Road and Louisiana Avenue. He noted Mr. Sorenson wondered if there was a way to put in some kind of traffic calming device to slow traffic down in that area. City Manager MacReynold reported the administration would look into it.

d. **Condolences to Councilor Lund.** Councilor Harris offered his condolences to Councilor Lund, whose mother passed away.

e. **Chehalis Basin Partnership Update.** Councilor Harris reported he attended the Chehalis Basin Partnership meeting on June 26, and subsequent to that, he talked to City Manager MacReynold about meeting with him every Monday following the partnership meeting to debrief on what was happening.

Councilor Harris noted there was always a growing concern about funding and implementing the plan they adopted four years ago. He indicated there was a lot of confusion about the Chehalis Basin Partnership and the Flood Authority, and what they do. Councilor Harris stated he would like to set up a monthly meeting between himself and Councilor Taylor to educate each other. He felt water was way too important for the city to put on a back burner and believed the more information hey could share, the more likely they were to stay ahead of the curve.

f. **Various Events Attended.** Mayor Ketchum reported he attended the following events:

- ribbon cutting ceremonies at the Juniper Art Center and the Gibson House in Centralia; and the Timberland Bank and Riverside Golf Course rooftop opening in Chehalis
- the unveiling of the September 11 memorial at the Veterans Museum

10. **Ordinance No. 845-B, First Reading – Establishing Regulations and Guidelines for Solid Waste and Recyclables Collection and Other Services.** City Clerk Judy Schave reported at the June 22 council meeting, Councilor Lund inquired about Section 12 of the ordinance, pertaining to the placement of waste containers, specifically in alleys. She indicated she sent an email out to the council, which stated Section 12 was specifically referring to residential customers who are required to keep their cans on their private property, but allowed to bring them out to the alley on their designated pickup days.

Ms. Schave reported on the updated rate schedule, which now included the one (1) mini-can to be picked up one time every two weeks at a rate of \$6.34. She noted Harold LeMay Enterprises also offered additional options for 3, 4, and 6-yard dumpsters for commercial customers, which were also now included in the updated rate schedule.

Ms. Schave updated the council on the transition of service to Lemay Enterprises. She noted the new mini-cans were still about eight weeks out, and the contractor would continue to use the old containers until they arrive. Ms. Schave stated the mailers and literature were almost ready to send out to customers regarding the change in service providers, and what customers could expect as far as options and services. She reported the city staff worked with LeMay Enterprises to get the billing information transferred over to them, which was going very well.

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Ms. Schave stated she was informed by Ed Lewis, of LeMay Enterprises, that there would be a change for some customers with reference to their pickup day. She reported he indicated they would be picking up residential garbage on Mondays and Tuesdays, and recycling would be picked up on the same day but on the opposite week. Ms. Schave noted their phone system had been switched over to have all calls directed to their office in Centralia, which seemed to be working well for them.

Mayor Ketchum noted the agenda report stated 'as part of adding the every two-week pickup option for the mini-can, the contractor opted to remove the monthly service option.' Ms. Schave reported the original rate schedule offered a one-month service for \$7.66, which was removed and replaced with an every two-week pickup for \$6.34. She added the customer still had the option to put their container out once a month, but it would be at the lesser rate of \$6.34.

Councilor Taylor moved to pass Ordinance No. 845-B on second and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

11. **Resolution No. 10-2009, First and Final Reading - Designating the City Manager as the City's Agent for a Hazard Mitigation Grant Application.** Bob Nacht reported after the January 2009 flood, the city identified 37 potential residential properties in Chehalis that appeared to qualify for an elevation program if the city were to apply for hazard mitigation grant funds. He noted Bobbi Boone was doing the detailed work on all the buildings to see if they in fact qualified under the criteria. Mr. Nacht stated they intended on applying for nearly \$1.5 million for an elevation program, and in so doing, there needed to be a designated agent from the local jurisdiction. He noted under FEMA rules and guidelines that person would be the city manager, and it required the designation be made by resolution.

Councilor Dawes asked if the city wasn't successful in some other recent mitigation grant. Mr. Nacht reported the city went through the same process after the 2007 flood event, adding they were somewhat successful and were still working on the application for that event. He noted because it was a significant disaster there was a lot of requests for those monies. He felt they were going to receive enough money to buyout four (4) flood-prone repetitive loss properties under that program. Mr. Nacht reported the 2009 event grant application deadline was September 2009.

Councilor Harris moved to adopt Resolution No. 10-2009 on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

12. **Resolution No. 11-2009, First and Final Reading – Authorizing Condemnation of Avigation Easement and other Property Rights.** Mr. Roe reported the resolution was part of the joint operating agreement between the city and county, which would authorize the purchase of the property and easement. He stated if it turned out the property was not purchased, the resolution would authorize condemnation of an easement only.

Councilor Dawes reported this was the third, if not the fourth time, the council had this brought before them for that particular process and hoped this would be the last time.

Councilor Dawes moved to adopt Resolution No. 11-2009 on first and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 7:01 p.m.

Mayor

Attest:

City Clerk

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The Chehalis city council met in regular session on Monday, July 27, 2009, in the Chehalis city hall. Mayor 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, and Dennis Dawes. Councilor Taylor was absent (excused). Staff present included: Glenn Schaffer, Acting City Manager/ Police Chief; Amanda Vey, Assistant City Attorney; Judy Schave, City Clerk; Kelvin Johnson, Fire Chief; Larry Allen, Assistant Fire Chief/Fire Marshal; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Director; Eva Lindgren, Finance Manager; and Peggy Hammer, Human Resources Administrator. Members of the news media in attendance included Marquise Allen of *The Chronicle* and Paul Walker of KITI.

1. **Work Session – Spirit of America Foundation Presentation**. Acting City Manager/Chief Schaffer introduced John Jackson Jr., President of the Spirit of America Foundation (SAF), who briefed the council on the foundations interest in a 9-11 memorial.

Mr. Jackson reported the SAF was formed in 2001, shortly after 9-11, and the best presentation he could give would be to have the council stop by the Veterans Memorial Museum to see the display of artifacts. He stated Congressman Baird helped them by sending a congressional request to the internal revenue service to help get their 501-C3, which was one of the first hurdles for any non-profit organization to go through, in order to become a legitimate organization in the State of Washington.

Mr. Jackson reported their initial goal was to build the memorial at the state capital; however, the Revised Code of Washington sighted that no commemorative art works could be built on capital grounds until 10 years after an event.

Councilor Dawes asked if Mr. Jackson had narrowed down the site for the memorial. Mr. Jackson reported Director Lee Grimes of the Veterans Memorial Museum had mentioned an elevated piece of land next to the museum, which was owned by a private party. He noted Mr. Grimes felt there might be some interest in donating the property to the foundation, or a possibility of working something out with them. Mr. Jackson stated he heard there were other potential sites the city might have that could be developed into a memorial park.

Councilor Dawes stated he was thrilled with the prospect of the project becoming a reality. He felt if they put the memorial near the Veterans museum there would definitely be a tie to it, considering the significant conflict the nation was currently in. Mr. Jackson reported they had the sense that the memorial was more than just about 9-11, adding it was about Americans who stepped up and gave the ultimate sacrifice. He stated they would like it to be a living memorial where they could have a dedication ceremony every year for servicemen killed after 9-11. Councilor Dawes felt 9-11 affected not only service people, but police, fire, the airlines, and ordinary citizens, as well. He felt one of the other sites might ultimately be the ideal place, so it doesn't appear they are just trying to recognize the one segment.

Mr. Jackson stated he was interested in putting together a committee to work on the project, consisting of fire and police personnel, as well as retired military citizens. He briefly discussed the support they received from Kelly Fox, who was working with the Washington State Fireman's Council, adding he felt there would be some funding opportunities with that organization. Mr. Jackson stated they also had Berschauer Phillips signed on as the administrative contractor for the foundation, as well as a lot of other people who were willing to step up and help with the project.

Mr. Jackson talked briefly about his experience and ties to the community, noting he had lived in the Olympia area since 1977. He introduced their curator of historical artifacts, Jim Demetrio, who went back to meet with the renovation staff at the Pentagon, to pick out the material they wanted for the project.

Mayor Ketchum asked if Mr. Jackson was tied to the Lindbergh Foundation. Mr. Jackson reported Morgan Lindbergh was the grandson of Charles Lindbergh. He added Mr. Lindbergh (Morgan) was a contractor/welder whom he approached to see if he wanted to be involved with the project. Mr. Jackson reported he did, which opened a lot of doors for them on a national level.

Mr. Jackson stated their goal was to put the first memorial in Washington State, and hoped to set a precedent on how to work with communities to bring the project all together. He noted, eventually, they wanted to move to the east coast and put up a replica of the memorial in Washington, D.C.

Councilor Fuller asked what their main source of funding would be. Mr. Jackson reported they would be working with John Watus, a public certified fundraiser, on a fundraising campaign. He noted once a site was located, they would begin their campaign. Mr. Jackson stated they had a lot of companies that were willing to donate materials, as well as a lot of interest from the carpenters, ironworkers and teamsters unions, to help with the project. Mr. Jackson indicated they would also be looking at state grant programs.

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Councilor Pope stated he had the opportunity to walk around the area known as 'ground zero,' and asked if there would be an opportunity to get more artifacts. Mr. Jackson felt there was an opportunity to get more, if they wanted to.

Councilor Harris inquired as to how long the project would take to design, engineer, and construct. Mr. Jackson reported the lengthiest part of the project would be the artwork. He believed it could conceivably be built in 13 months. Mr. Jackson stated they would like to unveil the memorial on the 10th anniversary of the event.

Councilor Dawes indicated he was very interested in the project and thanked Mr. Jackson for looking at Chehalis.

The consensus of the council was to pursue the project.

Mayor Ketchum closed the work session at 5:26 p.m. and announced he would reopen the regular meeting at 6:00 p.m.

2. **Public Hearing- Emergency Medical Services (EMS) Levy**. Fire Chief Kelvin Johnson briefly reported on the history of the EMS levy. He noted it started back in 1989, and the current levy would expire at the end of 2009. Chief Johnson stated they would be seeking to renew the levy by resolution later in the meeting.

Mayor Ketchum closed the regular meeting at 6:05 p.m. and opened the public hearing. There being no public comment, Mayor Ketchum reopened the regular meeting at 6:06 p.m.

3. **Cascade Country Cook-off and Classic Car Show 2009**. Mayor Ketchum presented Tracey Lowrey and Maretta Berg a proclamation declaring August 8-9, 2009, as Cascade Country Cook-off and Classic Car Show 2009 in the city of Chehalis.

4. **Consent Calendar**. Councilor Dawes moved to approve the consent calendar comprised of the following:
- a. Minutes of the regular meeting of July 13, 2009;
 - b. Claim Vouchers No. 94007-94169 in the amount of \$765,362.73 dated July 6, 2009;
 - c. Accept Phase IV Water Filter Plant Combined Raw and Treated Water Booster Pump Station Project as complete and release retainage to Stellar J Corporation in the amount of \$54,471.56; and
 - d. Accept proposal from Lewis County IT Services in the amount of \$5,007 for the purchase of miscellaneous WiFi equipment.

The motion was seconded by Councilor Pope and carried unanimously.

5. **Staff Reports**.

a. **Chehalis Avenue Renaissance Plan Pilot Project.** Acting City Manager/Chief Schaffer reported one of the first projects of the Chehalis Renaissance Plan was a pilot parking project along Chehalis Avenue.

Tim Grochowski stated the administration came to the council back in June of 2008, to report on a parking demonstration that would take place along Chehalis Avenue from North Street to Park Street. During the demonstration, it was determined that the original plan was not going to work, so they came up with a similar plan of putting all of the angle parking on one side and have parallel parking on the other in that area.

Mr. Grochowski reported City Manager MacReynold planned on meeting with, or would be sending a letter to the downtown businesses to let them know what the plan entailed. He provided the council with a design plan for what they wanted to use for the pilot project.

Councilor Lund asked how many parking spaces were gained. Mr. Grochowski reported they gained four spaces. He noted, as part of the pilot project, the Chehalis Foundation would be adding some potted trees sometime in the fall.

b. **Chamber Way Ribbon Cutting Ceremony.** Mr. Grochowski reported they set a date of Wednesday, September 2, at 10:00 a.m., for the Chamber Way Project ribbon cutting ceremony. He noted the event would take place in The Chamber office parking lot.

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c. **Briefing on Business License Renewal Process.** Bob Nacht updated the council on how they intended on dealing with 2009 business license renewals. He noted in 2001, the council passed an ordinance requiring business licenses for those conducting business within the city limits of Chehalis. Mr. Nacht reported, at that time, the finance department was in charge of taking care of the licenses; however, in 2008 the community development department became responsible for administering the licenses, primarily because they were the department who inspected and approved the applications through the development review committee process.

Mr. Nacht reported in 2008, they issued just under a thousand business licenses, noting not all were necessarily located within the city limits of Chehalis. He indicated the current ordinance required that all business licenses expire on August 31. Mr. Nacht stated, for 2009, they decided to stagger the expiration dates on all business license renewals. He noted for the last couple of months they had been issuing 12-month licenses, rather than having them expire on August 31.

Mr. Nacht reported the annual renewal notices were due to go out later in the week. At that time they would be advising all businesses receiving the notice that, for this year only, the expiration dates were going to be extended anywhere from one to eleven months. He added in order to provide an incentive for businesses to renew early they would offer the longest expiration date to those who come in first to renew their license. Mr. Nacht stated it would be cost prohibitive to try and prorate the annual fee, therefore, they intended on keeping the renewal fee at \$15.00. He reported the new way of doing business was an effort to try and get all of the business licenses to expire equitably on a monthly basis, adding it would be relatively easy to set up the computer system to generate renewal notices on a monthly basis.

Mr. Nacht reported the finance department, through Microflex, Inc., was doing an audit of the city's business license system, to identify businesses located within the city that were not properly reporting or paying city sales tax.

Councilor Lund asked if the business licenses were listed on the city website. Mr. Nacht reported, because they changed on a weekly basis, they were not listed, but noted they had the capability of doing it. Mr. Nacht reported the license information was always available by calling the community development department, and the actual business license application was on-line, to allow businesses to apply on-line.

Councilor Pope noted for several years, people had been knocking on his door trying to sell him stuff. He asked if that was allowed, and if so, were door-to-door salesmen required to have a city business license. Mr. Nacht indicated the city did not have any regulations stipulating no door-to-door sales; however, a city business license was still needed to do it. Councilor Pope stated there were a lot of older people in his district and it bothered him having people selling door-to-door. Mr. Nacht stated those were typically police department type issues.

Councilor Dawes reported at one time the city had regulations against going door-to-door as part of the nuisance ordinance; however, there was a case a while back that struck that law down.

6. **Council Reports.**

a. **Events Attended and Update on the Lewis County Historical Museum.** Councilor Dawes reported he attended a ribbon cutting ceremony at Bella Bean Espresso on Market Boulevard; and the Business after Hours at Pope's Kids Place.

Councilor Dawes gave an update on the progress of the paver project at the Museum, noting it was pretty much done and they were just waiting on the handrail for the ramp. As part of the project, Kaija's donated and planted roses in the new planter box along Front Street.

Councilor Dawes reported the museum was planning on another fashion show sometime in February 2010, and anyone interested in participating should contact the museum.

b. **2nd Annual Fun Day at Lintott/Alexander Park.** Councilor Pope reported on the 2nd Annual Fun Day at Lintott/Alexander Park, adding they had quite a few kids participate and a lot of volunteers. He noted they would like to continue the annual event, and invited anyone willing to participate to come to their meetings.

c. **Chehalis Renaissance Update.** Councilor Pope reported they were trying to locate a place to display posters. He noted Councilor Lund had a good suggestion, which was to use one of his display windows. Councilor Pope reported he would be taking the idea back to the committee, and thanked Councilor Lund for his offer.

d. **Special Thanks to Police Department.** Councilor Lund thanked the police department for escorting the procession for his mother's funeral. He noted he received a lot of comments on how impressive it was.

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e. **Various Events Attended by Mayor.** Mayor Ketchum reported he attended a garlic festival committee meeting last week and things are well underway. He also attended the 2nd Annual Fun Day at Lintott/Alexander Park, as well as the Hispanic Festival at Centralia College.

7. **Resolution No. 12-2009, First and Final Reading – Adopting the Submission of a Ballot Proposition for an EMS Levy.** Chief Johnson reported that at the July 13 council meeting, Assistant Fire Chief/Fire Marshal Larry Allen provided some brief information to the council regarding the EMS levy proposition. Chief Johnson addressed the following questions that came from the meeting.

- How was the amount determined each year? – Chief Johnson reported as they go through the budget process, they determine what the figure will be. Once the council approved the budget that figure was sent to the Lewis County Assessor's Office, where each year they set the actual rate, based on the resolution adopted by the city.
- Timing – Chief Johnson stated, in looking at the majority of voters they had to have, they felt the general election typically showed the most voters to come out. He was very positive about the proposition and believed they had some strong information. He noted, in the event it does not pass, the next available election would be February 9, 2010. Chief Johnson stated, according to the elections office, if the city elected to run an election on its own, it would cost roughly \$6,500.
- Time to educate – Chief Johnson noted they had two solid months to educate people, which he believed was plenty of time. He indicated they were working with the stakeholders group and the local union, who were more than willing to pledge their support.
- Six-year timeframe – Mr. Johnson reported the RCW allowed for a six, ten, or permanent levy; however, in looking at the current economic time, they felt the six-year timeframe would be more appropriate.

Councilor Fuller asked if the department or city would be spending any amount of money on it. Chief Johnson stated the department would not, adding the stakeholders would be putting the information out.

Councilor Dawes noted he had always operated under the assumption that the ballot language was to be quoted verbatim in the resolution, and it had to be run by the civil attorney at the prosecutor's office to make sure it was per-say; and once they gave their blessing that was what was included in the resolution. City Clerk Judy Schave reported the language had been run by and approved by the prosecutor's office.

Councilor Dawes noted in section 4 of the resolution, it noted 'the city needed to certify to the Lewis County Auditor, at least eighty-four (84) days prior to said election.' He stated it was his understanding that the time-frame was forty-five (45) days. Mr. Johnson reported he talked with the elections office and was told that the primary election required the last day for the city to have the resolution in was August 11. He noted he checked again to make sure they were absolutely sure, and they confirmed it had to be in by August 11. Councilor Dawes didn't know why it would be any different from a school district levy. He noted he liked to error on the side of caution, and if for whatever reason they were not successful, he wanted a fallback.

Councilor Dawes moved to adopt Resolution No.12-2009 on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

There being no further business to come before the council, the meeting adjourned a 6:39 p.m.

Mayor

Attest:

City Clerk

August 10, 2009

The Chehalis city council met in regular session on Monday, August 10, 2009, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:04 p.m. with the following council members present: Dr. Isaac Pope, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilors Fuller and Harris were absent (excused). Staff present included: Merlin MacReynold, City Manager; Amanda Vey, Assistant City Attorney; Judy Schave, City Clerk; Kelvin Johnson, Fire Chief; Becky Fox, Court Administrator; Bob Nacht, Community Development Director; Eva Lindgren, Finance Manager; and Peggy Hammer, Human Resources Administrator. Members of the news media in attendance included Marquise Allen of *The Chronicle* and Paul Walker of KITI.

1. **Work Session – Chehalis Renaissance Plan Update – Logo, Tagline, and Wayfinding Signage.** City Manager MacReynold reported Tom Beckwith, of the Beckwith Consulting Group, would be briefing the council on the new city logo, tagline, and wayfinding signage, as part of the of the Chehalis Renaissance Plan. He noted they hoped to get feedback from the council on what was being proposed.

Mr. Beckwith provided a packet of information on the wayfinding signage and the potential locations for placement. He talked briefly about the elements and how they would incorporate the city logo into the design of the wayfinding signs. Mr. Beckwith reported the signs would be produced on an aluminum alloy sign panel, using an additional heat transfer printing process, which would keep the signs from fading for a minimum of 14 years. He noted the scale of the sign would be large enough to alert vehicles, and would be placed in front of intersections on the right-hand side of the roadway. Mr. Beckwith stated, ideally, the call-outs on the wayfinding signage should be about the size of the street name signs, which ranged from four to six inches high. He discussed the call-out emblems (arrows), noting they would prefer to keep them all on one side of the sign, making them easier to pick up on.

Mr. Beckwith reported he laid out approximately 40 locations for wayfinding signage. Councilor Dawes asked if the signs fell into the category of the uniform traffic control devices. Mr. Beckwith stated they did not, adding they could be installed on any city right-of-way; however, if they were on a state route they would have to conform to Washington State Department of Transportation (WSDOT) standards. He provided a large print, approximately 85 percent to scale, of what the wayfinding signs would look like.

Mr. Beckwith reported the budget for the signs averaged \$2,000 for each, which included all of the hardware. He added the more signs they could put on existing poles the better, in order to decrease sign clutter. Mr. Beckwith noted the signs themselves would be installed by the public works department for two reasons: 1) if the city were to contract it out, it would be more expensive than the signs themselves; and 2) they would be using the public works department anyway to determine the location of the signs. Mr. Beckwith reported they were getting rough cost estimates from two suppliers to know exactly how many signs they could afford.

Councilor Pope inquired about the signs on Chamber Way, reporting they looked similar in color. Mr. Beckwith believed those were put up by WSDOT, and required an annual payment for advertising. He noted, size-wise, they were pretty close to the same.

Mr. Beckwith suggested the council spend the \$2,000 to have a prototype made, and put it up to see how it feels and what it would look like. He noted the wayfinding signs were usually mounted at least seven to eight feet off the ground, in order

to make them effective. Mr. Beckwith stated they would request a basic bid to include at least 30 signs; and an optional bid to include additional signs up to the maximum allocated for the project. It was noted the money to pay for the signs would come from the proceeds of the hotel/motel tax, and from an EDC grant.

Mr. Beckwith discussed the city logo, noting they looked for a composite imagery of what the city was about. He reported they came up with an image to represent the different areas of Chehalis, and felt the railroad tracks added some drama to the concept. Mr. Beckwith reported on the colors of the signs, which included red, gold, green and black. He stated they were very pleasing colors and were used a lot in Victorian era architecture.

Mr. Beckwith talked briefly about the tagline, adding they went through at least 40 variations and narrowed it down to four. He indicated they put them on the city website for the public to vote on; however, they only received about 15 responses, and for that reason they had not gone back to the committee with the results. Mr. Beckwith noted the two most popular choices were "Choose Chehalis" and "Chehalis – History in the Making." He stated taglines were difficult because you had to be able to tag on to it. An example would be, 'Choose Chehalis - for business opportunities.'

Mr. Beckwith reported he needed to know from the council if they felt he was going in the right direction, with reference to the logo and the wayfinding signage. If so, he would take it to the next level and complete a rough cost and bring back a full-scale mockup before they approve it to go out to bid. He added he would prioritize the 40 locations in order to have some sense of what was absolutely essential for the bid, and what would be optional.
August 10, 2009

Councilor Dawes talked briefly about the lettering on the signs, noting it was too bad they couldn't have the words 'Kiddy Spray Pool' next to the word 'Pool.' Mr. Beckwith noted they were only going to be able to fit about two words per line.

Mr. Beckwith reported when they sat down with WSDOT, they not only looked for the historical call-out signs, but also two signs to promote Stan Hedwall and Recreation Park. He indicated the historical signs would call-out the downtown, the steam train, the motorcycle museum, and the historical museum. Mr. Beckwith reported once WSDOT figured out which signs to go with, they would bring a contract back to the city. He noted a one-time fee of \$3 per square foot would be charged to the city for the signs, and from then on WSDOT would maintain them.

Mayor Ketchum asked if the council was happy with the scale and design of the signs. The consensus of the council was to move forward on the signs.

Councilor Lund stated he was curious about what was going on with Chehalis Avenue, with reference to the angle parking issue. He noted he had been approached by two businessmen who wondered why the city would go to the trouble of spending money on a project that was only going to improve parking by four spaces. Councilor Lund felt if they were promoting "history" they should keep the historic look that already existed in the downtown. Councilor Pope explained the initial markup was just a demonstration to see how things work. Mr. Beckwith reported the photos provided by the Lewis County Historical Museum showed Market Boulevard with angle parking on both sides, and it being a two-way street. He added he did not see any photos of what Chehalis Avenue looked like.

Councilor Dawes stated it was tough because they had people who wanted to see change; however, the minute they try to do something everybody starts complaining about it. He felt they needed to give it a chance, and hoped everyone would look at it objectively.

Councilor Lund spoke briefly about the planting of trees in the downtown area, adding he thought trees were nice; however, he hoped they would take into consideration that the trees would block the signage of businesses in the area.

Mr. Beckwith first addressed the question of parking. He noted, over the length of Chehalis, by putting angle parking on one side and parallel on the other, they would gain 40 percent more parking stalls. Mr. Beckwith recommended they do a demonstration first before making any permanent changes. He then spoke to Councilor Lund's concern about the trees, adding in the past there was tendency to plant lots of trees in downtown districts; and then there was a feeling that it detracted from the buildings, so they clear cut them. He reported the University of Washington did studies on what the impact of trees was on customer behavior, as well as merchant opinions on them. Mr. Beckwith indicated merchants were not very fond of them, but what they found was customers tended to go where there were more trees, and they liked the canopy feel rather than little potted plants. He noted studies showed customers actually spent more in those types of districts than they did in treeless districts. Mr. Beckwith reported there were specific kinds of trees for business districts, which limb up and are not so overpowering that they block storefronts.

City Manager MacReynold reminded the council it was a temporary pilot project, and that the four additional parking spaces were only in the three block area of the pilot project. He added it was an opportunity to try something new to see how it

would work, and then decide what to do after they get feedback from the businesses and community. City Manager MacReynold felt Mr. Beckwith had given the city a lot of opportunities, and the city was taking a fiscally responsible approach.

Councilor Dawes stated, as comments come up, they as a council had to let people know they want to give it a try to see if it would work, with the least impact on costs. He believed people want to see change, but resist it at the same time.

Councilor Pope reminded the council that the trees were not going to cost the city anything because the Chehalis Foundation had taken over that part of the project.

Mayor Ketchum closed the work session at 5:39 p.m. and announced the council would take a twenty minute recess and reopen the regular meeting at 6:03 p.m. Mayor Ketchum welcomed Lewis County Commissioner Bill Schulte to the meeting.

2. **Spring Street Development.** Frank Dipola (104 Whitney Boulevard, Chehalis) reported he had been working on a development project on Spring Street for almost two years, adding it seemed like things just kept going back and forth and nothing was being accomplished. Mr. Dipola submitted several exhibits for the council to review. After briefing the council about his concerns, Mayor Ketchum suggested Mr. Dipola call and set up a meeting with City Manager MacReynold and staff, to try and resolve any outstanding issues through the development review committee process.

3. **Second Quarter Review of 2009 Revenues and Expenditures.** City Manager MacReynold reported the administration made a commitment as part of the 2009 budget process to brief the council quarterly on the status of revenues August 10, 2009

and expenditures. He stated it didn't appear the revenue situation was getting any better, at least with the current information provided. City Manager MacReynold noted he made some administrative changes, which he had already briefed the council on.

Eva Lindgren stated the bottom line of the general fund was not looking good. She reported on the results from the first half of the year, adding at first glance they looked pretty desperate. Ms. Lindgren indicated sales and use tax revenues were still down, which was expected. She pointed out that because the city had so many significant on-going grants, the negative situation was largely due to timing issues. Ms. Lindgren reported they had received some good one-time receipts that will help for the year.

City Manager MacReynold stated the administration recognized a few weeks ago that the situation was not getting any better, and administratively the management team went through a phase 2 reduction process. He provided the council with a worksheet outlining both proposals for phase 1 and 2, and addressed some of the phase 2 reductions, which included:

- A combination of one-time only revenues
- Truing up what utilities were paying versus what the general fund was paying with respect to some positions
- Furloughs
- Layoffs

City Manager MacReynold reported the firefighters were very cooperative in working with the administration to determine what they could do to not have a position laid off. It was their decision to do additional furlough time, which would bring in more money than the layoff would have saved. City Manager MacReynold stated he greatly appreciated the union was willing to step up to the plate and make that effort.

City Manager MacReynold stated phase 2 would be implemented in order to make sure there were enough reserves going into 2010. He added, based on the numbers provided, they had to deal with the reality that the trend was very clear. City Manager MacReynold reported both the sales tax and the permit revenues were significantly low from what had been projected for 2009, which was really hurting the city financially.

Councilor Lund reported they used to say, 'when times were tough the bar owners did great.' He added times were so tough that even the bar owners were not doing that well.

Councilor Dawes stated one good sign was people were paying their property tax. He commented on phase 2, noting there appeared to be a lot of charge-off to utilities. Councilor Dawes stated he was very uncomfortable with that, because enterprise funds were watched very closely by auditors. City Manager MacReynold assured Councilor Dawes, with confidence, what they did was true-up what should have been charged off to the utility. He indicated the finance manager was very intense about any changes made to the utilities, and spent a significant amount of time looking at what people actually did. City Manager MacReynold believed the numbers they came up with would meet the test and scrutiny of the auditor. Ms. Lindgren noted the allocation, especially within public works, had not been reviewed or reallocated in a long time.

Councilor Lund stated he agreed with Councilor Dawes; however, he believed it was not the auditor they needed to worry about, but rather the performance auditor who came around every few years.

4. **Consent Calendar.** Mayor Ketchum announced the council would pull the 1960 Fireliner fire engine from item number 8 on the consent calendar, and discuss it later in the meeting. Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of July 27, 2009;
- b. Claim Vouchers No. 94170-94337 in the amount of \$890,895.67 dated July 20, 2009;
- c. Accept National Avenue 2009 Flood Repair Project as complete and release retainage to Martin Sand and Gravel, Inc., in the amount of \$8,646.11; and
- d. Accept bid from Bob Gallagher in the amount \$1,111.11 for the purchase of the surplus 1976 American LaFrance Fire Engine.

The motion was seconded by Councilor Taylor and carried unanimously.

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5. **Staff Reports.**

a. **Public Meeting on Hazard Mitigation Grant Application Process.** Bob Nacht reported a public meeting would take place on Monday, August 17, at 6:00 p.m. in the VR Lee building, to discuss a hazard mitigation grant application the city intended on applying for. He stated the January 2009 flood generated a disaster declaration and they now had the ability to apply for mitigation funding. Mr. Nacht stated they intended on applying for an elevation program for approximately 34 houses, adding they had to qualify under the FEMA disaster mitigation criteria. He noted after going through the technical analysis, not all of the 34 would qualify based on the frequency, depth, and the risk factor that the 2009 flood presented, as opposed to all other floods. Mr. Nacht reported the council was invited to attend the meeting, at which time staff would be making a presentation and soliciting comments.

b. **Community Rating System (CRS) Reclassification to Category 5.** Mr. Nacht reported Bobbi Boone had been working tirelessly for the last couple of years, and in doing so, generated enough credit points in the CRS program to get a class 5 rating for the city. He noted for every 500 credit points, the city received a reduction in a class. Mr. Nacht stated the city was currently qualified as a class 5 community and would receive a 25 percent reduction in the cost of flood insurance premiums for properties within the city, including the city itself. He added the new rate should go into affect in October.

c. **Joint Council Work Session with Centralia.** City Manager MacReynold reminded the council about the joint council work session on Tuesday, August 18, at 6:00 p.m., at Centralia City Hall. He reported the councils would be briefed on the Army Corp of Engineer flood control project.

6. **Council Reports.**

a. **Lewis County Historical Museum Update.** Councilor Dawes reported the Lewis County Historical Museum pancake breakfast was pretty busy, adding they rose close to \$1,200. He noted they were finishing up some planting and working on the small strip of grass area out front. Councilor Dawes stated, for some reason, they took the new railing down around the ramp area on Front Street. Commissioner Schulte indicated it was removed so it could be painted.

Councilor Dawes reported the museum would be hosting a 'Business After Hours' event in September.

b. **Events Attended by the Mayor.** Mayor Ketchum stated he attended Krazy Dayz on Saturday, August 1, adding he flipped pancakes at the museum in the morning and helped judge the mint dessert contest in the afternoon.

7. **Introduction of Proposed Changes to the Development Regulations 2009.** Mr. Nacht reported the most significant proposal of the revisions was to the city's subdivision ordinance in the urban growth area (UGA), having to do with the accommodation of the interest of the Port of Chehalis. He stated the Port was in the process of creating a programmatic environmental mitigation project for future development in the Port area, and they were updating their Master Plan.

Mr. Nacht reported the Port was desirous of having the city's regulations accommodate their master plan as the governing regulatory document for development in the industrial development district, and the city was desirous of accommodating the Port's interest.

Mr. Nacht reported most of the other proposed revisions were housekeeping measures, or issues that had been brought to them over the year. He requested the council hold a public hearing on August 24, at 6:05 p.m., to receive public comment on the proposed revisions.

Councilor Lund stated Mr. Nacht had done a great job developing and promoting the city. He felt the city would benefit from the streamlined process that Mr. Nacht created for new businesses coming into town. Mr. Nacht pointed out that part of the reason it worked as well as it did was because of the interlocal agreement the city had with Lewis County for development permitting in the UGA, and the county's adoption of the city's regulatory requirements for application in the UGA.

Councilor Dawes inquired about proposed revision 'D' concerning the security bond for fireworks stand permits. He asked if they were required to have a city business license. Mr. Nacht indicated the operator of the fireworks stand had to have a city business license. He added non-profits were also required to have a license; however, there was no fee to the non-profit for the license. Mr. Nacht stated the \$100 security bond covered some level of protection and assured the area was cleaned up after the event. He added it was not really problematic; however, there was no real guidance on how the bond was to be requested back, or how the city would return it, if they deserved it back.

Councilor Dawes felt there was a cost to the city for having to permit a fireworks stand, and to return their security bond. Mr. Nacht indicated there was an additional permit fee for a fireworks stand itself, in addition to the \$100 bond.
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8. **1960 Fireliner Fire Engine.** Councilor Lund stated, after reading the agenda and finding they could only get \$1,111 for the engine, he thought there might be an opportunity to keep it for the council to use for special events. Councilor Taylor thought that was a good idea. Mayor Ketchum noted they had been talking for some time about finding something for the council, adding if the truck ran it could be their float.

Fire Chief Kelvin Johnson clarified that the bid for the 1960 fire engine was \$2,222. He stated the 'Local' owned an older fire truck that could be used by the council if they so desired. Mayor Ketchum stated that truck was used by the fire department, which didn't leave them any opportunity to use it. Chief Johnson indicated the notice that went out on the vehicle stated it would be sold to the highest bidder and he didn't recall any language to be able to reject any bids. Mayor Ketchum requested the administration investigate whether or not the truck was roadworthy, and if not, find out what it would cost to get it working so they could use it. City Manager MacReynold stated they would report back to the council before the next council meeting.

9. **Executive Session Pursuant to RCW 42.30.140(4)(a) – Collective Bargaining.** Mayor Ketchum announced the council would convene into executive session at 6:53 p.m. pursuant to RCW 42.30.140(4)(a) collective bargaining for approximately 30 minutes and it was possible that following the conclusion of the executive session the council would consider action on an item not currently on the agenda.

Mayor Ketchum closed the executive session at 7:11 p.m. and reopened the regular meeting.

Councilor Dawes moved that the council approve the collective bargaining agreement between Teamsters Local 252 representing the Uniformed Police Officers and the city of Chehalis for the period of time January 1, 2008 to December 31, 2011, and authorize the city manager to execute the agreement as prepared.

The motion was seconded by Councilor Taylor and carried unanimously.

There being no further business to come before the council, the meeting adjourned a 7:13 p.m.

Mayor

Attest:

City Clerk

August 18, 2009

The Chehalis city council held a special joint work session with the city of Centralia on Tuesday, August 18, 2009, in the Centralia city hall. Centralia Mayor Tim Browning called the meeting to order at 6:03 p.m. Mayor Ketchum and the following Chehalis council members were present: Terry Harris, Robin Fuller, and Dennis Dawes. Councilors Pope, Taylor, and Lund were absent (excused). The following Centralia council members were present: Ryan Barrett, Ted Shannon, Bonnie Canaday, Harlan Thompson, and Lee Coumbs. Councilor Bill Bates was absent (excused). Staff present from Chehalis included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; and Bob Nacht, Community Development Director. Staff present from Centralia included: Patrick Sorensen, City Manager; Carol Hamilton, Administrative Assistant; Bob Berg, Police Chief; Kahle Jennings, Utilities Director; Emil Pierson, Community Development Director; and Marc Baine, IT Manager. Lewis County Commissioners present included: Ron Averill and Bill Schulte. Guests at the work session included: John Donahue and Bart Gernhart from the Washington State Department of Transportation (WSDOT); Keith Phillips from the Governor's Executive Policy Office; and Bill Goss from the US Army Corps of Engineers (Corps).

Mayor Ketchum stated Congressman Brian Baird sent his apologies for not being in attendance, noting he had a town hall meeting in Longview, Washington, that same evening. Both mayors thanked the representatives from the various agencies for attending the meeting.

1. Work Session on Current Status of Flood Projects in the Chehalis River Basin. Keith Phillips reported, not too long ago, Congressman Baird invited Governor Christine Gregoire on a helicopter tour of the Chehalis River basin to look at flooding issues and flood storage. Mr. Phillips reported the Governor came back early from her vacation to make the tour because she clearly remembered the personal tragedies, property damage, and the business impacts of the floods on the Chehalis River, in particular the 2007 flood. He stated it was still clear in her mind, and she knew the importance of doing a better job at preventing flood damage throughout the basin.

Mr. Phillips reported the Governor requested that the legislature continue full state funding for Chehalis flood work and was pleased when they agreed that despite the current economy and the state budget situation, it was something that deserved full priority.

Mr. Phillips reported the state's interest was still the same with regard to the work, and emphasized three of the objectives, which included:

- Securing the best possible protection for homes and businesses in the basin
- Protecting transportation corridors and access to the hospital
- Designing a program that works at the basin level

Mr. Phillips reported they viewed the twin cities project as a key piece of the basin-wide flood mitigation program. He indicated any program that addressed the entire basin had to have an effective solution for the twin city communities, as well as the freeway. Mr. Phillips noted there were some who felt the up-river water retention facilities would either conflict with, or compete with the levee project at Centralia and Chehalis; however, he believed there was no reason to speculate one way or the other. He added the Corps and the Lewis County Public Utility District (PUD) were gathering the information needed, and at some point and time a decision would be made on how the two could fit together.

Mr. Phillips emphasized that state government could not move forward on a flood project without the support of the citizens that live in the basin. He noted under state law a formal agreement was needed between the basin governments, the state, and the federal government before the state could release any of the money appropriated for flood project construction.

Mr. Phillips stated they were pleased that the basin governments stepped up and came together in the form of the Flood Authority. He noted the state was a strong supporter of the work of the authority, seeing it as a central forum where they could build agreements and where decisions could be made that were not only durable, but would also get implemented.

Mr. Phillips expressed thanks from the Governor for the serious effort, and the leadership and dedication of the Corps. The Governor also appreciated the roll of the basin partners, including the counties, the tribes and the cities. Mr. Phillips also expressed his thanks to the Mayors and Councilors for supporting the flood authority members, for making some of the really tough decisions on floodplain management and land use, and for taking active steps to make sure citizens were informed and fully engaged.

John Donahue reported the state's role was that of a non-federal sponsor of the project, but he himself also had the role of acting as a liaison to the Corps. He provided a PowerPoint presentation on some of the background, assumptions, and purpose of the twin cities project. Mr. Donahue also provided a broad project schedule to bring everyone up to date on how the plans were coming together and how they expected things to transpire in the future. Some of the items talked about in the PowerPoint included:

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- Project Purpose – to reduce flood damage in the vicinity of Chehalis and Centralia; mitigate environmental impacts due to the project, which meet current safety standards in place; and include and examine anything that can be done to assist stakeholders involved in the process
- Access – provide good integration in the project to support other infrastructure and services, including transportation
- Partnerships - Partners in the process include: tribal, local, state and federal stakeholders
- Assumptions – Project should be cost effective; operations and maintenance should be acceptable to the sponsor; project should be feasible and constructible; must be acceptable to the Corps, the non-federal sponsor and the partners; must minimize and mitigate environmental impacts; and mitigation plans would be approved by responsible state and federal agencies

Mr. Donahue outlined the project history over the past 30 years, to include:

- In 1982 a feasibility study identified that the dam at the Skookumchuck should be improved in order to protect the city and outlying areas
- In 1992 further detail about the 1982 study indicated there was not enough benefit to that part of the work, and the proposal was abandoned the same year
- In 1998 Lewis County came back to the Corps and asked that work resume, which resulted in a new project study plan in 1999; that study plan kicked-off the most recent effort, resulting in a document called the General Re-evaluation Report; the re-evaluation report resulted in a congressional authorization in 2007, which would allow the project to proceed
- In 2008 the state legislature appropriated money for WSDOT to sponsor that particular project;
- In 2004 the authorized project costs were \$124 million, to be split between the federal and non-federal sponsors

Mr. Donahue continued his discussion on the 2007 authorized project, which covered an extensive area. He added a number of alternatives were investigated on the path towards the authorized plan, including: Skookumchuck Dam modifications; floodplain modifications, including by-pass and overbank excavation, a levee system, flow restrictors, non-structural alternatives, and water retention structures. Mr. Donahue reported the authorized plan ended up being additional storage at Skookumchuck Dam; levees along the Skookumchuck and Chehalis Rivers that would provide 100-year protection, and a limited number of properties outside the project would be raised. He noted the design time was stipulated to be three years, and the construction was expected to be four to seven years beyond that.

Mr. Donahue reported 80 percent of the project benefits were to residents and businesses in Centralia and Chehalis, and other protected areas; and 20 percent would benefit I-5, to include setback levees to help allow the floodplain and channels to work naturally. Mr. Donahue stated the project plan would minimize induced damages by minimizing or eliminating any downstream or upstream impacts caused by the project. He added the Corps would continue to support local communities with flood fighting efforts even if the project was in place.

Mr. Donahue reviewed the schedule, pointing out they expected the design phase to be complete by November 2011. After that, they would be looking for an agreement in which everybody was on board with the project, as designed and laid out. Mr. Donahue stated the project/partner agreement would need to be in place by April 2012, followed by activities associated with any real estate acquisitions. He indicated a lot of the construction timeline had to do with funding appropriations, adding once construction was underway it could take as little as three to four years, depending on funding.

Bill Goss, project manager with the Corps, discussed the different phases starting with the design and evaluation for phase 1 activities, which included the following:

- Update the hydrology and hydraulics
- Update civil engineering and assumptions
- Look at economic and environmental issues, and assumptions
- Reformulate mitigation and refine communication plan
- Look at cultural resources
- Public involvement and Communications

Mr. Goss noted three upcoming open house events: the first on September 16, in Rochester, Washington; the second on September 23, in Montesano, Washington; and the third on September 30, at Centralia Middle School from 4:00 - 7:00 p.m.

Mr. Goss reported separate from the twin cities project the Corps was also working on a Chehalis basin-project. He provided the following chart of general investigation information.

	Chehalis Basin-wide Project	Twin Cities Project
Sponsors	Grays Harbor	State of Washington
Partners	Chehalis Basin Partnership, Flood Authority	Flood Authority
Geographical Area	Entire Basin	Areas around Centralia and Chehalis
Project Purpose	Flood Damage Reduction and Ecosystem Restoration	Flood Damage and Restoration

Mr. Goss reported on the history of the Chehalis basin-wide project, to include the following:

- The project started in 1999, at which time Grays Harbor County requested the Corp initiate an ecosystem restoration study with incidental flood damage reduction alternatives, which was completed in 2000
- A cost-share agreement was signed with Grays Harbor County in 2001
- The feasibility study began in September 2001; however, the project has not been in the federal budget for the last few fiscal years
- \$574,000 was received in 2009 to pursue the flood damage reduction and ecosystem restoration project
- The flood authority decided to partner in the Basin-wide Flood Damage Reduction General Investigation in March 2008
- Grays Harbor County was requested to be the flood damage reduction sponsor in March 2009.

Mr. Goss reported the work being done in the fall of 2009 would include:

- Reformulating the project to include flood damage reduction and ecosystem restoration
- Update the project management plan and the federal cost share agreement
- Reinitiate public involvement
- Initiate basin-wide surface and ground water study with the USGS with sponsor support

Mr. Goss stated the general project schedule, if fully funded, would include:

- Feasibility study complete in six years (2009-2015)
- Pre-construction complete in five years (2015-2020)
- Construction complete in seven years (2020-2027)

Councilor Coumbs inquired about the coordination between the two projects, asking if they were all wrapped into one. Mr. Goss stated they were two completely separate general investigations, adding the Twin Cities Project was in the design phase and the Chehalis basin-wide project was just going into the feasibility study phase.

Councilor Coumbs felt the Corps' focus seemed to change regularly with every new event, with reference to what projects would be done. Mr. Goss stated the Corps was trying to look at all of the influences basin-wide and not just concentrate on one main tributary.

Councilor Harris asked if the water retention upstream would affect the amount of water the Corps was designing to distribute with levees. Mr. Goss stated that issue wasn't authorized under the twin cities project; however they would look at that in the Chehalis basin-wide project. Councilor Harris inquired as to why they wouldn't do something upstream first or simultaneously, instead of starting in the middle and working their way out. Mr. Goss noted the twin cities project looked at some other features rather than just levees; however, the levees were most feasible based on the cost benefit ratio.

Mayor Ketchum asked, with regard to the general investigation study, if the Corps was going to incorporate water retention in coordination with the levee plan. He noted the Corps was sent a letter from Congressman Baird asking them to try and incorporate that into the whole study. Mr. Goss reported the basin-wide project feasibility study would include water retention, and any past studies or current studies being done by the PUD.

Councilor Thompson asked whether the Corps would ever just start from a baseline and move forward on what to study, rather than starting a new study every time another flood occurred. Mr. Goss reported their economic team spent two weeks in the area looking at some of the data and damage from the last two flood events. He noted they incorporated the new

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level of protection would be. Mr. Phillips reported they were updating the hydraulic model, ground-truthing it to the current 2009 flood levels, based on what was documented by local governments. He hoped there would be no major flood events in the next few years; however, if there were, it might show the modeling was completely wrong and they might have to stop and incorporate the new information into the model.

Councilor Dawes talked briefly about the Skookumchuck River, noting it appeared that the work that was done to raise the dam level on the Skookumchuck really had a significant impact on avoiding a number of potential problems during the last flood event. He asked if that could be compared to the potential of water retention. Mr. Goss noted it was proposed, but to his knowledge it had not been done. Mr. Phillips noted they had drawn down the level of the reservoir before the last storm, and were able to avoid the flooding that happened in the 1990s. Councilor Dawes reported he was looking for something more than what he was hearing, with reference to a basin type approach. Mr. Goss stated under the twin cities project they were looking at the Skookumchuck using a hydraulic model, and would be addressing additional storage on the Skookumchuck. He noted basin-wide, they would be looking at other proposed water retention facilities.

Councilor Fuller read a memo from Councilor Taylor, who was unable to attend the meeting. He noted he had a lot of the same beliefs and concerns on retention that Councilor Taylor noted in the memo. The memo from Councilor Taylor stated the following: "I am the City of Chehalis representative on the Chehalis River Flood Authority, and the devastating floods of 2007 showed graphically the need for a basin-wide flood solution. I support water retention because it's the only flood control measure that provides direct benefits to every community from Pe Ell to Aberdeen. Both the Corps 1982 study, and the work done last year by Northwest Hydrology, showed that if 100,000 acre feet of water could be stored in the upper Chehalis during a flood event, the level of flooding would be reduced by nearly four feet at Mellen Street. We learned already that the 'Levee Only Plan' won't work and will never be built. Lewis County, Chehalis, and Centralia all made clear in 2003 that they did not have the resources to be the local sponsors of the Corps Twin Cities Plan. I feel sure that Lewis County and Chehalis will not agree to become local sponsors of a 'Levee Only Plan' in the future, just as I am sure Centralia alone does not have the resources to pay for land acquisition and maintenance costs of a 'Levee Only Plan.' The best answer for everybody, including Centralia and Chehalis, is to combine water retention and smaller levees. I support Congressman Baird's proposal expressed in the letter to the Corps and in the follow-up letter from the Lewis County Commissioners, and strongly urge the Corps to incorporate water retention into its general investigation study of the Chehalis basin. This is a fine point, but it's important for the Corps and the City Council of both communities to understand: I believe water retention is feasible and is a common sense part of flood control here. Some others speculate that water retention is not feasible. The only way we will know is if the Flood Authority continues with the feasibility study of water retention, and if the Corps will take a fair look, taking into account recent flood events. If it turns out that water retention is not feasible, then I would be willing to look again at the 'Levee Only Plan.' But I would reconsider my position against a 'Levee Only Plan' only after the Corps joins in a fair and thorough evaluation of water retention."

Councilor Fuller asked what the base of the levee would be if what Councilor Taylor expressed was true, with reference to dropping the level four feet at Mellen Street. Mr. Goss noted he couldn't answer that question at that time; however he could get the information and email it to him. Councilor Fuller asked if the Corp would save money on the levee end with the use of retention areas. Mr. Goss stated they would have to weigh the costs of the savings in the levee against the cost of the dam, and the benefits that would be derived from each.

Councilor Thompson asked if they would be looking at water retention on the Newaukum River, as well other areas that received significant water. Mr. Donahue felt as the Corps moved forward with the management plan for that particular study, it was important to consider the entire basin and indicated there would be a wide range of options they would solicit ideas and suggestions for.

Councilor Harris asked if Mr. Goss would explain the 35/65/95 percent design process. Mr. Goss reported during the first 35 percent of the design process they would try to capture the main details and send that information out for review and comments before moving forward in the process. He noted at 65 percent they incorporate any major features they may have left out, or ideas that local entities want to incorporate, and again, send it out for review and comments before moving on. Mr. Goss stated they would further refine the design to 95 percent and then finalize it. Mr. Donahue indicated the first milestone opportunity of 35 percent was currently scheduled at the beginning of 2010.

Councilor Canaday noted the citizens were not happy and all they really wanted to know was when the first turn of the shovel would be. She wondered if the Corps was going to continue to add information from every flood from now until 2027, and not get anything done between now and then. Mr. Goss hoped they would be able to stay on schedule and start construction in 2014, regardless of any new flood events.

Councilor Harris noted the general public doesn't always understand the language that entities use, such as the term '100-year flood,' which actually meant every year there was a one percent chance that a flood event could occur.

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Councilor Barrett felt no one, including the citizens could get a straight answer on what the total costs were going to be, and asked what the possibility was of the two projects joining and becoming a comprehensive project. Mr. Goss stated the twin cities project was already authorized by Congress and they had a preferred plan to move forward with. He reported they could not make any changes to that plan unless they put a stop to the current twin cities project and go back to the feasibility stage. Mr. Goss stated they would like to keep the project going and see if they can address any basin-wide issues in the Chehalis basin-wide general information study.

Mr. Phillips felt Councilor Barrett hit the key question that kept coming up over and over again. He stated they needed to look at the cost benefit ratio, noting the PUD indicated it could be up to \$300 million for the retention facilities. Mr. Phillips added he heard from the Corps that if the cities wanted to deal with major retention on all four of the tributaries, they would be looking at \$18 billion. He noted the latest reservoir federal proposal to come out of the Bureau of Reclamation in Eastern Washington was \$6.7 billion, or 15 cents return on every dollar spent over the life of the project.

Councilor Dawes stated he was a little worried that the basin-wide project might be put off to the side because the twin cities project was the one that received authorization. Mr. Goss reported they were doing an authorized feasibility study; however, there was no design or preferred alternative for the basin-wide plan at that time. He stated they needed input from the cities, and wanted to reach a consensus with all of the entities within the basin.

Mayor Ketchum inquired about the approximate timeframe for actually turning dirt, and wondered if there were smaller projects that could be done now. Mr. Goss indicated the project would start in 2013, and there were some other smaller dollar projects they could do on a quicker turn around; however, anything basin-wide he would have to get more information clarified.

Councilor Shannon believed any flood plan would include modifications to the Skookumchuck Dam to increase retention. He asked why they couldn't start on design and construction of that immediately. Mr. Goss reported they would be evaluating the Skookumchuck Dam as part of the 35 to 65 percent design process, adding there were issues they needed to look at.

Mr. Phillips noted, on the general investigation side, the flood authority identified the ripe and ready projects. He stated, depending on structural proposals, the Corps had ongoing authorization for smaller projects. Mr. Phillips indicated outside the federal program there was always opportunity for the state and local governments to get together and do projects on the flood authority's list. He noted, on the basin-wide general investigation piece, both the flood authority and Grays Harbor County were partnering on the basin-wide work because the flood authority could bring state funding authorized for that particular piece.

Councilor Shannon briefly talked about the new Mellen Street interchange and the connection of Airport Road to Louisiana Avenue. He felt if they are going to consider making that road part of a levee system, now would be the time to look at it. Mr. Gernhart stated he had been to both cities over the last year to give an update on WSDOT's freeway widening project. He reported part of the project was to build a new Airport Road that would tie into the new Mellen Street overcrossing, just south of the current undercrossing. He stated in order for the new road to act as a levee, they would design the project using the Corps' standards for levees, noting it would not extend all the way south to the airport dike at this point and time. Mr. Gernhart stated they had a separate project, more than likely during the same construction start time in 2012, which was to raise Airport Road in the vicinity of the airport dike, up and over tying it into Louisiana Avenue. He noted if the Corps project moved forward, he hoped as part of the overall concept that all of Airport Road could be raised.

Mr. Gernhart reported WSDOT was not only responsible for I-5, but also for 507 (Mellen Street), which was the primary access to the hospital. He stated they were looking at designing the project in such a manner that they could actually allow, or significantly increase access to the hospital during a flood event. Mr. Gernhart indicated they were looking at different opportunities and had four or five different ideas in mind, each having their own pros and cons. He also noted the possibility of building a wall to mitigate the issue of noise, as part of the freeway widening project. Mr. Gernhart felt if they were going to build the wall it should be built in such a manner that it would be wide and strong enough to handle a flood event, and perhaps tie into the Long Road dike. He noted they were still about two and a half years away from construction, and they needed to continually look at what the flood authority and Corps was doing. Councilor Harris thanked Mr. Gernhart for their flexibility and for making the project work best for the community.

Mayor Ketchum asked if they could go and start cleaning out the various creeks in the area to try and get additional capacity. Mr. Phillips reported he had seen flood hazard reduction programs and plans that included some aspect of dredging or stream cleaning. He felt the capacity gained was important in some places where they had choke points or existing debris; however, we would have to dredge hundreds of feet down to cover even a small amount of floodplain reduction.

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City Manager MacReynold asked if they could identify the members of the project coordination team. Mr. Donahue reported the members included representatives from the tribe, both cities, the county and state agencies, including the Department of Ecology and the Department of Commerce.

City Manager Sorensen asked if they would be pulling the cities in when they get close to the first 35 percent of the design phase. Mr. Donahue reported they had not yet decided whether the meeting would happen prior to the official 35 percent or immediately at the 35 percent report. He noted, in either case, convening the coordination team was an important part of that release because of the feedback needed to move forward.

Mayor Ketchum noted he appreciated Mr. Phillips' comments that the project would not go forward until they had collaboration with the local governments. Mr. Phillips stated it was fairly unusual in modern times for the state to become the local sponsor of a federal project. He noted the funding commitment rested with the role of the legislature, and they were attuned to the needs of the two cities. Mr. Phillips reported the Governor and legislators wrote into the law that not a dime of construction money could be released from that match, which meant the Corps could not use any of their federal money until the cities sign something to move forward. Mayor Ketchum stated he had complete faith that they would get something done.

Councilor Thompson believed that doing nothing was not an option. Mr. Phillips noted the state was overflowing with stories of interest in doing something after the flood. He indicated they were trying to hold everyone together to a long-term vision, but it would take a lot of political will on the parts of the two cities, the state, and Congress.

Councilor Dawes asked if there was anyway to fast track the project, or any part of it. Mr. Phillips stated the federal government doesn't spend a lot of money on any local project without a long and deliberated pace. He believed if a major or unexpected type of event happened, the cities could ask the federal government to expedite things. Mr. Phillips felt if they could all come together they might be able to do the quicker end of construction; however, if they short-changed the process, someone out there would say they didn't think it through or would challenge the fact that they short-changed the design and evaluation process.

Councilor Thompson thanked everyone for coming to the meeting, and for answering their questions. He reported residents still remembered the flood and the councilors continue to receive questions about it everyday.

Commissioner Ron Averill commented on the upcoming open house, noting it would be a series of tables with explanations of what everybody was doing for the various projects going on in the basin. He reported the flood authority was looking at all the rivers where they had major problems, including those in Thurston and Grays Harbor Counties. Commissioner Averill stated there was a great interest on the part of the citizens to look at the upper basin, not to take away the important fact that the Centralia and Chehalis areas get water almost every time and they need to do something to provide protection. He felt they needed to keep their eyes open and look at opportunities where they could work together to come to a solution. Commissioner Averill felt it would be impossible to protect everybody, but they had to have alternatives. He reported the flood authority was very interested in making sure they had an adequate warning and evacuation system to help protect life and property.

Commissioner Averill credited Mr. Gernhart for his work, particularly on the Mellen Street area. He felt WSDOT was strongly working on a plan to keep access to the hospital open and available.

Commissioner Averill stated he deeply believed flood retention had an important role to play, and if everything worked out in the study they needed to look at it as an additive to the project.

Mayor Browning thanked everyone for coming, adding he was sure the citizens would appreciate the opportunity to listen directly to those who were helping them to make decisions.

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

Mayor

Attest:

City Clerk

August 24, 2009

The Chehalis city council met in regular session on Monday, August 24, 2009, in the Chehalis city hall. Mayor 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 participated telephonically. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Kelvin Johnson, Fire Chief; Bob Nacht, Community Development Director; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Tim Grochowski, Public Works Director; and Dave Vasilauskas, Water Superintendent. Members of the news media in attendance included Marquise Allen of *The Chronicle*.

1. **New Rehabilitation Center at Old St. Helen Hospital.** Constance O'Hara, of American Behavioral Health Systems (ABHS), first introduced Executive Manager Jody Starns. Ms. O'Hara reported ABHS had been in operation for 10 years as an alcohol and drug rehabilitation program. She noted they were originally part of the Salvation Army and started out with approximately 40 beds, but it didn't take long before they expanded to two operations; one in Spokane, and one in Spokane Valley.

Ms. O'Hara reported they were getting more and more clients from Western Washington, so they made the decision to expand on this side of the state. She stated they purchased the old St. Helen Hospital and were in the start-up phase of the project. Ms. O'Hara briefly explained the mission of the program, which included:

- Serving the indigent and poor who need alcohol and chemical dependency treatment
- Providing daily regimented schedules for clients
- Helping clients to develop a quality world and set goals in their lives
- Teaching clients to make proper choices in their lives

Ms. O'Hara reported they do not take clients that are currently under the influence of drugs or alcohol. She indicated they had an 80 percent completion rate and their clients leave with a plan in place of where they are going and how they can avoid using drugs and alcohol in the future.

Mayor Ketchum stated he had been approached by a local judge with concerns for the neighborhood, after meeting with the Department of Corrections (DOC) and was told there would be 300 'bad' people housed in the facility. Ms. O'Hara reported the maximum capacity for the facility was 210. Mayor Ketchum asked if any clients would be coming from the prison system. Ms. O'Hara indicated there could be some, but it would depend on the circumstances and history of the client. She reported their facility was not a lock-down facility; however, they had alarmed doors so they would know of any movement. Ms. O'Hara indicated most people seek treatment after they've had an encounter with the law, and most of the people she had dealt with were people who were in recovery wanting to obtain hope in their life.

Councilor Harris asked if any of the clients were opting to go through treatment in lieu of incarceration. Ms. O'Hara noted some of them do.

Councilor Pope noted when he was questioned about the facility, he informed people ABHS had other facilities elsewhere, and if they wanted more information they should contact the other communities to find out what types of problems they've had. In response to Mayor Ketchum's concerns about what DOC was reporting, he felt they couldn't always trust what DOC had to say. Ms. O'Hara stated she had never had an incident in a neighborhood or in either of the communities of the other two facilities.

Councilor Dawes reported he attended a law and justice meeting, and his interest level was peaked at the lack of answers to questions regarding the facility. He stated the person speaking from DOC was one of the local individuals he had worked with before and he didn't sound any alarm bells with him, unlike the one who apparently talked to the judge.

Ms. O'Hara reported the individuals coming from DOC would be non-violent inmates. Councilor Dawes hoped there would be some type of screening process before inmates were allowed to participate in the program. Ms. O'Hara stated they had the theory of thirds: one-third wanted to be in the program; one-third end up there because life events brought them there; and the other third were there only because they had to be. She stated they very quickly identify the one-third that don't want to be there and consider them non-amenable to treatment and move them out of the program very quickly. Ms. O'Hara indicated they did have an admission screening process to determine if the individual could perform in the program.

Councilor Dawes asked how clients would be transported from the facility after completion of the program, or if an individual decided to drop out of the program. Ms. O'Hara reported as part of the discharge process, the client had to arrange for someone to pick them up, or they were taken to Greyhound for a pre-determined bus ride. She noted many of the tickets are purchased by ABHS, and they spend between \$10,000 and \$15,000 per month to transport people to and from treatment. Ms. O'Hara reported those who breach treatment had to fill out paperwork to receive their belongings back, and at that time they are

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encouraged to make a safe-haven phone call to make arrangements to leave the facility. If they refuse to talk and walk out, they cannot stop them; however, if they believed they are a threat to anyone the local police department would be contacted.

Ms. O'Hara talked briefly about visitors coming to the facility, adding before clients could have visitors they needed to make choices of appropriate visitors that will help them build a support system in their lives.

Councilor Fuller inquired as to what Ms. O'Hara's level of education was, and what the average education or training level of the staff was. Ms. O'Hara stated she had a bachelor's degree in behavioral science and was halfway through a masters program. She noted she had been an executive director and administrator for 20 years, working with gangs in Los Angeles, acute psych hospitals, senior retirement centers, dementia programs, and alcohol and chemical dependency treatment facilities. Ms. O'Hara reported the counselors were required to be certified chemical dependency professionals licensed in the State of Washington, and most of the supervisors had masters degrees.

Ms. O'Hara introduced Operations Service Manager Bobbie Kiblen, who had been with the company for three years and was being transferred to Chehalis to run operations and help train line staff. She also introduced Administrator Bob Geissing who had worked in the chemical dependency field for 35 years.

Councilor Pope inquired as to how many people the facility would employ, and what type of health care providers they would have on staff. Ms. O'Hara reported they hired about 30 employees so far, and anticipated a total of 60. She indicated they had secured 12 hours a week with an ARNP, which would work for their current needs. Councilor Fuller asked if most of the staff would live locally. Ms. O'Hara believed they would, if not the immediate area, the surrounding areas.

Councilor Taylor inquired about the clients coming from DOR, wondering if there was a list of what they were committed for, and if ABHS would admit patients with a history of violent crimes. Ms. O'Hara reported the most common crime would be some form of drug possession with intent to sell. They also had clients who had theft associated with their substance abuse, and occasionally domestic violence involving alcohol. She added clients would be admitted on a case-by-case basis.

Councilor Dawes asked if it would tie into the Lewis County drug court. Ms. O'Hara reported they had several counties placing clients through drug court.

Ms. O'Hara left her cell phone number and asked that the council and/or administration call her directly if they had any problems.

Mayor Ketchum thanked Ms. O'Hara for coming and briefing them on such short notice. Councilor Dawes also thanked Ms. O'Hara, adding it was incumbent upon the council to look at the safety aspect of anything coming into the community, and for them to ask the questions posed to them by their constituents.

2. Multi-jurisdictional Hazard Mitigation Plan Public Outreach. Centralia Community Development Director Emil Pierson reported in 2005, Lewis County and several other communities and districts in Lewis County all participated in a multi-jurisdictional hazard mitigation plan. He reported Lewis County came up with some dollars to pay Centralia for Mr. Pierson's time, to facilitate, write and update the plan. Mr. Pierson stated two months ago, there was discussion about applying for a hazard mitigation grant with FEMA, and in order to do so they had to update the multi-jurisdictional plan, which was required to be updated every five years. He was confident they could meet the five-year goal to have the plan adopted and updated by then.

Mr. Pierson reported as part of the plan they were required to reach out to the public for participation. He stated he was traveling to the various municipalities, inviting them to attend one of the three open houses. Mr. Pierson noted he would be back in front of the council in a couple of months, asking them to hold a public hearing and to adopt the plan. He indicated he was working closely with Mr. Nacht and Fire Chief Kelvin Johnson to ensure all aspects of the city's plan were covered in the updates.

3. Public Hearing on Proposed Changes to Development Regulations 2009. Mr. Nacht entertained any questions on the specific proposals that the council might have.

City Manager MacReynold noted the council would have an opportunity to ask questions at both readings of the ordinance, and could also put suggestions in writing for the administration to consider.

Mr. Nacht reported the SEPA process would also apply as they go through the two readings, which meant the council would take care of the environmental review at the same time they consider the two readings of the ordinance.

Mayor Ketchum closed the regular meeting at 6:41 p.m. and opened the public hearing.

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Executive Director Jim Rothlin from the Port of Chehalis stated, as part of the Port's efforts to create shovel ready property, they had been working with Mr. Nacht to try to get the type of zoning that was best for their clients and the Port, as well as meet the needs of the city. Mr. Rothlin stated the Port appreciated and supported the efforts of Mr. Nacht, who took their needs into consideration.

Mayor Ketchum closed the public hearing at 6:43 p.m. and reopened the regular meeting.

Councilor Harris moved that the council direct the administration to prepare an ordinance to implement the proposed changes to the development regulations.

Councilor Taylor seconded the motion.

Councilor Pope stated he had the privilege of overhearing a discussion regarding property that was once in the city's urban grown area. He asked Mr. Nacht if the property could be developed to include city utilities. Mr. Nacht stated there were a couple of caveats having to do with health and safety, and he would want to explore the specific property and circumstances before he gave a ye or nay. Councilor Pope noted he would stop by and talk to Mr. Nacht about it.

The motion carried unanimously.

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

- a. Minutes of the regular meeting of August 10, 2009;
- b. Payroll Vouchers No. 32621-32734 and 784-856 in the amount of \$683,687.27 dated July 31, 2009; and Claim Vouchers No. 94338-94426 in the amount of \$95,777.77 dated August 3, 2009; and
- c. Award 2010 Water System Plan Update to HDR Engineering, Inc., in the amount of \$177,522.

The motion was seconded by Councilor Pope and carried unanimously.

5. **Staff Reports.**

a. **July Financial Report.** Eva Lindgren stated the July report was considerably better than June due to some one-time grant revenues. She did, however, point out that the sales and use tax revenue had dropped a half million dollars from last year. Ms. Lindgren stated because the city did some conservative budgeting we were not seeing a real severe variance. She added at this time they were just looking for sustainability.

b. **Ribbon Cutting Ceremony for Chamber Way Project.** Tim Grochowski reported they were still planning a ribbon cutting ceremony for the Chamber Way Project on Wednesday, September 2, at 10:00 a.m., at the Chamber of Commerce. He added Interim Chamber Director Dan Duffy was excited about the event and was busy cleaning up their area. Mr. Grochowski noted they also partnered with Washington State Department of Transportation (WSDOT) to supply a couple of tents, if needed, as well as a podium and microphone. He noted the Governor would be sending a representative from her office and Representative Brian Baird hoped to be there, as well.

Mayor Ketchum inquired about the condition of the southbound off-ramp at Chamber Way, noting it appeared to be bubbled and pitted. Mr. Grochowski reported he had been in contact with WSDOT about the issue and they were looking into what could be done to repair it. He noted the damage was caused by asphalt dripping off of vehicles that were using the exit during the I-5 paving project.

c. **Chehalis Avenue Parking Plan Meeting Rescheduled.** Mr. Grochowski reported invitations were being sent out to Chehalis Avenue merchants regarding a public meeting on Wednesday, September 9, at 7:00 a.m., at the Chehalis Deli. The meeting would be to discuss the pilot parking project along Chehalis Avenue.

6. **Council Reports.**

a. **Chehalis Renaissance Booth at Farmers Market.** Councilor Pope reported the Chehalis Community Renaissance Team (CCRT) would be setting up an informational booth at the Farmers Market, in particular to talk about the first initial phases of the project. He noted they also planned to set up the demo wayfinding sign to demonstrate to the public what they would look like. Councilor Pope stated the CCRT was planning on being at the market until it closed in the fall. He invited the rest of the council to participate if they were interested.

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b. **Events Attended by Councilor Dawes.** Councilor Dawes reported he attended the annual employee safety picnic on Friday, August 2, and also spent some time at the Southwest Washington Fair in the Lewis County Historical Museum booth.

c. **Meetings and Events Attended by Councilor Fuller.** Councilor Fuller reported he attended the Economic Development Council breakfast at Kit Carson, which was very well attended. He noted the guest speaker was from a new company in Morton, Washington, that produced bullets. Councilor Fuller stated they were capable of putting out 80,000 bullets per day and hoped to eventually employ about 50 people.

Councilor Fuller also attended the annual employee safety picnic, along with Councilors Taylor and Dawes.

d. **Commercial Garbage Customer Complaint.** Councilor Taylor reported he received an email from the manager at the new Holiday Inn, who was having issues with his garbage service. He noted the customer's lid was always up a few inches and now he was being charged extra for the excess garbage, which he had never been charged for in the past. City Manager MacReynold reported staff would follow up on the complaint and report at the next meeting.

Councilor Fuller asked if a notice ever went out to notify customers they would be charged for additional garbage if their lid was open more than 45 degrees. Neither Councilor Fuller nor Mayor Ketchum saw anything about that in the information they received from the garbage company. City Attorney Hillier reported our jurisdiction was only over residential enforcement of charges, and the commercial accounts had never been under the city's jurisdiction. He indicated it would be a civil matter between the business and the provider; however the city still had some influence and had the right to interpret our own ordinance. City Attorney Hillier suggested the city speak with them to find out the facts, and consider sending out a notice to the public on the potential of extra charges for excess garbage, just for educational purposes.

Councilor Dawes reported he once had an issue with his bill, and when he called he was told he was charged for an extra can because his lid was up. He was informed that the regular driver did not always make a notation of the extra; however, on that particular day they had a substitute driver on that route. Councilor Dawes suggested it might be more prevalent with the new company, to charge for a lid open in excess of 45 degrees.

e. **Meetings and Events Attended by the Mayor.** Mayor Ketchum reported he attended the open public meeting regarding the hazard mitigation grant application process at Recreation Park. On Tuesday, August 18, he, along with Councilors Harris, Fuller, and Dawes, attended an informative work session in Centralia on the proposed levy project. The meeting included representatives from the US Army Corps of Engineers, the City of Centralia, WSDOT, and the Governor's Office. Mayor Ketchum noted he was promised by Keith Phillips of the Governor's Office that they would send a group down to investigate and discuss the cleaning and dredging of China Creek, Salzer Creek, and Dillenbaugh Creek, to see if there was any impact on holding water back.

Councilor Harris noted, as part of the Chehalis River Basin Partnership, different communities within the basin were working with what they called "stream teams." He reported they were able to do a lot more than just pull debris out. Councilor Harris suggested they look into putting a 'stream team' together to look at Coal Creek and Dillenbaugh Creek in the same way.

f. **Public Meeting Regarding Hazard Mitigation Grant Application.** Mr. Nacht reminded the council about the second of two neighborhood public meetings on the hazard mitigation grant application process, which would take place on Monday, August 31, at 5:15 p.m. at the VR Lee Building. He stated they had seven citizens show up at the first open house.

7. **1960 Fireliner Fire Engine.** City Manager MacReynold reported, at the last council meeting, there was a request to take a look at what it would cost to rehab the 1960 fire engine to make it available to the councilors for parade opportunities and other events, rather than selling it. He noted Chief Johnson looked into the request and came up with an alternative proposal, which he believed might be even better.

Chief Johnson offered to answer any questions that might not have been answered in the agenda report or in the letter from Centralia-Chehalis Pupil Transportation Co-op Shop Supervisor Harvey Bamford.

Councilor Lund stated he wished the city had people who could find a way to solve a problem, instead of just saying 'no, we can't do it.'

Councilor Fuller asked if we ever used the other fire engine owned by the Local, or if it just sat. Chief Johnson stated the firefighters did use it, particularly during the Christmas Parade, and other parades within the city; however in talking with President Casey Beck, it was just a matter of people talking about what they need, and letting them know when they would like to use it. He reported the department also had other in-service fire engines that could be used in parades based on availability.

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Mayor Ketchum noted there was no estimated noted in the agenda report as to how much it was going to cost to make the vehicle roadworthy. Chief Johnson reported he spoke with Mr. Bamford about the vehicle, and was told it would be hard to tell how much it was going to cost until money was spent to dig into it.

Councilor Lund reported he had known Mr. Bamford since high school and he was a problem solver. He stated it seemed odd to him that Mr. Bamford couldn't figure out a way to make the engine work.

Councilor Dawes felt in the spirit of what Councilor Lund wanted, they could certainly use one of the other in-service vehicles. He noted he respected the fact that the other vehicle was owned by the Firefighters and they used their own personal money on the upkeep. Councilor Dawes stated after making this part of the reason for wanting to consider keeping it, they as councilors needed to follow up and be there to ride it. Mayor Ketchum noted he actually rode on it the last couple of years with his grandchildren.

Chief Johnson reported the department also had a 1978 fire engine that was better maintained, and at such time they decide to surplus that vehicle, that would be another option for the council.

Councilor Fuller asked if the firefighters would be willing to enter into a letter of understanding stating the council could use their vehicle. Chief Johnson stated he would need to speak with President Beck about that, but felt they would be interested in listening.

Councilor Dawes felt the opportunity was there if council wanted to participate in using one of the other in-service vehicles. He stated he also knew Mr. Bamford and had asked him about the vehicle last spring when they brought it over to the bus garage. At that time Mr. Bamford told him it wasn't worth a hill of beans, so he was not surprised by the written report.

Councilor Fuller moved that the council accept the bid received by Bob Gallagher in the amount of \$2,222.22 for the purchase of the 1960 fireliner fire engine.

The motion was seconded by Councilor Dawes and carried 4 to 3, with Councilors Lund and Taylor, and Mayor Ketchum voting against the motion.

8. Resolution No. 13-2009, First and Final Reading – Declaring City Property Surplus. Chief Johnson reported the item for surplus was the old SCBA compressor, which was replaced about three or four years ago with grant funding. He noted the department had no intentions of using it, and he checked with Property Manager Andy Sennes to see if any other city department could utilize it, which there was no interest.

Chief Johnson reported Fire District No. 11 had been looking for a compressor, since they currently fill their air bottles at our fire department. He noted he also checked with a manufacturer representative from MAKO, who advised him there was not much of a market for that particular piece of equipment. In the interest of working within our county, Chief Johnson put forth the offer to transfer the equipment over to Pe Ell.

Councilor Dawes moved that the council adopt Resolution No. 13-2009 on first and final reading and authorize the city manager to execute the interlocal agreement.

Councilor Taylor seconded the motion.

Councilor Dawes wanted to make sure all liability would attach to the district. City Attorney Hillier reported that issue was addressed in paragraph 8 of the interlocal agreement.

The motion carried unanimously.

There being no further business to come before the council, the meeting adjourned a 7:13 p.m.

Mayor

Attest:

City Clerk

September 14, 2009

The Chehalis city council met in regular session on Monday, August 24, 2009, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:30 p.m. with the following council members present: Dr. Isaac Pope, Chad Taylor, and Dennis Dawes. Councilors Harris, Fuller and Lund were absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Peggy Hammer, Human Resources Administrator.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.140(4)(a) – collective bargaining for approximately 30 minutes and there would be no decision following the conclusion of the executive session.

Mayor Ketchum closed the executive session and announced the council would take a four-minute recess and reopen the regular meeting at 6:04 p.m. Additional staff included: Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; Tim Grochowski, Public Works Director; Patrick Wiltzius, Wastewater Superintendent; and Dave Vasilauskas, Water Superintendent. Members of the news media in attendance included Marquise Allen of *The Chronicle* and Paul Walker of KITI.

2. **American Legion Month.** Mayor Ketchum presented Vernon (Buddy) Barlow, Commander of American Legion Post 508, with a proclamation declaring September to be "American Legion Month" in the city of Chehalis.

3. **Chehalis Watershed Appreciation Day.** Mayor Ketchum presented Watershed Facilitator, Janel Spaulding, with a proclamation declaring September 19, 2009, as "Chehalis Watershed Day" in the city of Chehalis.

4. **Chehalis Renaissance Action Plan Update.** Larry McGee, Chair of the Chehalis Community Renaissance Team (CCRT), briefed the council on the progress of the team. Mr. McGee reported they put together a presentation, which he took to the Chehalis Rotary Club last week and would be taking to the Chehalis Business Association on Tuesday morning. He noted the same presentation was also posted on the city's website, replacing the 64-page version.

Mr. McGee reported they had a few changes in membership, adding one of the vigorous new members was Lewis County Commissioner Bill Schulte. He briefly talked about the plan and mission of the CCRT, adding the focus was to make Chehalis a better place to live; to create more youth involvement in the community; generate more jobs; make it a more interesting place for tourists; and to grow the retail environment. Mr. McGee stated the mission of the CCRT was to implement the council-approved plan. He noted it was simple to say; however, it was not so simple to do.

Mr. McGee reported on the 'activities and results' of the plan that the CCRT would like to complete in the next three to 18 months. Activities included:

- Meetings with individual councilmen
- Camas relationship started
- 60+ citizen conversations at the Farmers Market with the help of Councilmen Pope and Fuller
- Meetings held with Chehalis Avenue business owners
- CCRT took walking tour of Chehalis on September 11

Progress included:

- New Chehalis logo adopted
- Youth organization started
- SCORE sub-chapter started
- 46 large wayfinding signs would be up by year-end
- New I-5 historic signs would be up by year-end
- Downtown walking tour to be published by year-end
- Traffic calming/tree pilot project on Chehalis Avenue by early October

Mr. McGee reported Brenda Book from the Farmers Market had been very helpful in promoting the plan. He added because of her efforts, he was interviewed by The Evergreen Journal on KELA radio.

Mr. McGee stated they were consistently sending the message that the city was a partner in the process, and it was the responsibility of citizens to provide leadership and to work in partnership with the city.

Mr. McGee thanked Councilor Pope for his time and commitment for being at the market every week.

Mayor Ketchum stated he loved the idea that it was a citizen project and not a council project, adding they tried a lot of things in the past that never went anywhere. He was pleased to see all the input the plan was receiving and felt it was going to

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turn out great for everybody. Mayor Ketchum stated he appreciated all of Mr. McGee's hard work. Mr. McGee stated he would pass that on to the committee.

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

a. Minutes of the special work session of August 18, 2009, and the regular meeting of August 24, 2009;

b. Claim Voucher No. 72009 in the amount of \$20,159.01 dated August 17, 2009; Claim Vouchers No. 94427-94602 in the amount of \$180,244.98 dated August 17, 2009; and Payroll Vouchers No. 32735-32845 in the amount of \$679,785.15 dated August 31, 2009.

The motion was seconded by Councilor Pope and carried unanimously.

6. **Staff Reports.**

a. **Update on Holiday Inn Garbage Billing Issue.** City Clerk Judy Schave reported she spoke with Ed Lewis from LeMay Enterprises, Inc., and asked him to make contact with Todd Chaput, General Manager at the Holiday Inn, to discuss the issue of being billed for excess garbage. She noted she spoke with Mr. Lewis last week and the issue had been resolved.

Ms. Schave noted she also talked with Mr. Lewis about putting a flyer in the customer billing statements regarding excess charges for container lids open more than 45 degrees. She noted Mr. Lewis was going to check with upper-management and get back to her. Ms. Schave noted she would make contact with Mr. Lewis to see if he had followed through on that request.

Councilor Dawes commented on a phone call he received, noting there seemed to be a little confusion with the new bills. He noted when the city did the billing, it only referenced garbage service, and LeMay's bills indicate garbage and recycling services. Councilor Dawes noted some people thought they were paying more because of recycling and wanted to know if it was mandatory. He reported once he explained it to them, they had no problem with it. Councilor Dawes felt the transition had gone smoothly, adding he loved then new one-bin recycling container. Councilor Taylor liked the new bin as well.

b. **Building Code Effectiveness Grading Schedule Classification Report.** Bob Nacht first asked the council to take a look at the application document that Bobbi Boone would be submitting to FEMA on Tuesday morning for a \$1.1 million hazard mitigation grant, for the elevation of 25 flood-prone properties. He noted Ms. Boone had been working on the process for about three months.

Mr. Nacht reported on the building code effectiveness grading schedule, adding the agenda report pretty much summed it up. He noted they would continue to do what they had been doing, to keep insurance rates as low as possible.

c. **Public Works Update on Chehalis Renaissance.** Tim Grochowski reported on a meeting that was held at the Chehalis Deli on Wednesday, September 9, to talk about the Chehalis Avenue pilot project. He noted they sent out 64 invitations to the meeting and only had four businesses show up. They also had representatives from public works, fire and police, and various other city staff. Mr. Grochowski reported they discussed the reconfiguration of Chehalis Avenue and received some feedback and some concerns, which staff addressed. He noted Andy Sennes was also at the meeting to talk about the trees and tree placement. Mr. Grochowski stated they had already stripped Chehalis Avenue and in the following two weeks they would be putting the angle and parallel parking lines down.

Mr. Grochowski reported public works was taking on an increased responsibility with the wayfinding signage, adding he had the city sign technician and street superintendent looking at all of the placement areas and sign content, as suggested by Tom Beckwith. He noted they were looking at changing some of the content on the wayfinding signs, and would be also talking with Mr. McGee who also had some changes he would like to see.

Mr. Grochowski reported the city would be going out to bid on the wayfinding signage, rather than Mr. Beckwith, because he would like to see the city have more input in the placement of the signs. He stated they would probably be ordering the signs next month and hoped to have them up by year-end.

City Manager MacReynold reported, even though they only had four businesses show up, they asked all the right questions and received good responses. He noted the key would be how they would measure success over the next six months, once the pilot project was fully implemented.

d. **Chamber Way Plaque Presented at Ribbon Cutting Ceremony.** Mr. Grochowski reported on the ribbon-cutting ceremony for the Chamber Way Project held on September 2. He stated Steve Gorcester from the Washington State

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Transportation Improvement Board presented Mayor Ketchum with a plaque in recognition of the successful partnership in completing Chamber of Commerce Way.

e. **Update on Mayors Meeting.** City Manager MacReynold reported on the September 4 mayors' meeting and talked briefly about some of the items brought up by the Lewis County Commissioners that were not on the agenda. He stated the main purpose of the meeting was to introduce the new Director of Health and Human Services for the county.

City Manager MacReynold stated there was also some significant discussion about establishing, or consideration of impact fees in the county. He noted it was a very emotional issue and the Mayor from Napavine spoke on the subject because they were the only jurisdiction in the county that had approved impact fees for schools. City Manager MacReynold indicated impact fees could also be for transportation, fire and possibly parks. He added impact fees had to be passed by both the county and the city that they apply to.

City Manager MacReynold reported another issue that came up was 'transfer of development rights.' He noted the transfer of development rights tended to be in more urbanized counties, such as Pierce and King County; however, it was probably going to be discussed in more detail in the future, which was why they briefed the mayors on the subject.

Councilor Taylor asked whether the city applied fees to businesses that locate in the city, that go along with the business to mitigate the impact. Mr. Nacht reported the city did not implement impact fees, adding that was a very complex process. He noted the city currently used the SEPA authority to actually mitigate negative impacts created by a particular development. Councilor Taylor inquired as to what the benefit would be of an impact fee if the city was already doing it through SEPA. Mr. Nacht indicated there were many issues with both impact fees and with the SEPA authority, and it would probably be real difficult to weigh both sides at the moment.

City Manager MacReynold reported the main discussion now was schools, and in the future possibly around transportation. Councilor Dawes noted schools had been a big item for some time because of the large growth and immediate need for buildings, and the fact that the local economy didn't have it.

7. Council Reports.

a. **Events Attended by the Council.** Councilor Dawes reported he and Councilor Pope attended the smoke free sign planting at Penny Playground on August 28. He also spent a couple of days at the Garlic Festival, adding they thought they had in excess of 20,000 people attend the event over the three-day period.

Councilor Dawes reported he also sat at the Renaissance booth at the farmers market last Tuesday with Dr. Pope to help promote the plan and answer any questions people might have. He added, on Thursday, the Lewis County Historical Museum would be hosting the "Business After Hours" and invited everyone to stop by.

8. Ordinance No. 847-B, First Reading – Updating Development Regulations for 2009. Mr. Nacht reported the agenda report spoke for itself, and offered to answer any questions the council might have. He noted public hearings were held by the city council and planning commission on the issue, and felt all of the questions on specific items had been answered.

Councilor Dawes moved to pass Ordinance No. 847-B on first reading.

The motion was seconded by Councilor Taylor and carried unanimously.

9. Authorize Letter of Support – Chehalis River Basin Flood Reduction. Councilor Taylor reported Congressman Baird and the Lewis County Commissioners sent letters to the US Army Corps of Engineers (Corps) asking them for some considerations, including: to update the 1982 study they did on water retention; and to kindly ask them to include water retention in the general investigation study. He was hoping the city council could send a letter to show our support.

Councilor Taylor moved to send a letter of support to the Corps on the Chehalis River basin flood reduction project.

The motion was seconded by Councilor Pope and carried unanimously.

10. Resolution No. 14-2009, First and Final Reading – Declaring Personal Property to be Surplus. Patrick Wiltzius reported they were pretty much done with the old treatment plant and planned to go out for proposals in 2009 for scrap rights to the plant; however the bottom fell out on the scrap market, so they pretty much just locked the gate for now. He noted there was interest from a few different parties, such as the Airport, on getting some of the stuff for their projects.

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Mr. Wiltzius reported Three Rivers Regional Wastewater Authority (TRRWA) in Kelso/Longview, Washington, had a need for the old Hycor fine screen. He noted the one at the old plant was at least 15 years old and was pretty much trash. Mr. Wiltzius called around for scrap metal prices, which were running 40 cents, a pound, and estimated the value of the screen to be \$200.

Councilor Dawes moved that the council adopt Resolution 14-2009 on first and final reading and authorize the city manager to sign the interlocal agreement between the City and the TRRWA, transferring ownership of the screen to the TRRWA for \$200.

The motion was seconded by Councilor Pope and carried unanimously.

There being no further business to come before the council, the meeting adjourned a 6:43 p.m.

Mayor

Attest:

City Clerk

September 28, 2009

The Chehalis city council met in regular session on Monday, September 28, 2009, in the Chehalis city hall. Mayor Ketchum called the 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 participated telephonically. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Larry Allen, Assistant Chief/Fire Marshal; Bob Nacht, Community Development Director; Eva Lindgren, Finance Manager; and Peggy Hammer, Human Resources Administrator. Members of the news media in attendance included Marquise Allen of *The Chronicle* and Paul Walker of KITI.

1. **E-Verify Ordinance.** Jack Tipping (2101 Hwy 508, Onalaska) requested that the city council consider passing an E-Verify ordinance. He noted he had concerns about the problem of illegal immigration, and felt by passing an E-Verifying ordinance it would help reduce that issue. Mr. Tipping reported the ordinance would require all new employees to be E-Verified; and all contractors and sub-contractor to be E-Verified in order to receive contracts from the city. He reported E-Verify was a computer program operated by the Department of Homeland Security that verified social security numbers with a person's name. Mr. Tipping stated it was currently required by law in ten states, noting in some states it applied to all employers, and in some it only applied to state contractors and sub-contractors.

Mr. Tipping reported an E-Verify ordinance was passed by the City of Lakewood in July, Clark County in August, and the Federal Government on September 8. He stated it was currently pending in Whatcom and Pierce Counties, and was being considered in Lewis County.

Mr. Tipping read a letter addressed to the city council from the Fraternal Order of Police, who were in support of implementing E-Verify. He hoped the council would look into the matter and consider it for future adoption. Mayor Ketchum reported he would have the administration take a look at it.

Councilor Taylor asked if E-Verify was a step beyond the I-9 verification process. Mr. Tipping believed employers had no way of knowing if documents being presented to them were counterfeit, or not.

Councilor Dawes asked if the ordinance would require a contractor to submit a list of employees, or show proof that all of their employees had been E-Verified. Mr. Tipping stated it would require the contractor to present evidence that all their employees had been E-Verified. Councilor Dawes talked briefly about bid documents and how E-Verify could affect the award of a contract if the contractor could not meet that requirement. Mr. Tipping noted the copy of the City of Lakewood ordinance spelled it out. Councilor Dawes noted he was somewhat familiar with it and hoped it would be brought before the council for consideration.

2. **Domestic Violence Awareness Month Proclamation.** Mayor Ketchum presented a proclamation to Executive Director Joan Caywood, declaring the month of October as 'Domestic Violence Awareness Month' in the city of Chehalis.

3. **Fire Prevention Week Proclamation.** Mayor Ketchum presented a proclamation to Assistant Fire Chief/Fire Marshal Larry Allen, declaring the week of October 4-10, 2009, as 'Fire Prevention Week' in the city of Chehalis. Assistant Chief Allen reported, in recognition of former fire captain Brian Slater, the members of the Chehalis fire department purchased a plaque to display the names of the grand champions of the poster contest over the next 20 years. He noted the grand champion honor would be known as the 'Captain Brian Slater Fire Prevention Award Winner.' Assistant Fire Chief Allen invited the council and community to attend the event, which would take place at the Centralia Outlets on Saturday, October 10, at 1:00 p.m.

4. **Update on Library Use.** Community Librarian Corine Aiken reported October 18 was the first anniversary of the grand opening of the new Vernetta Smith Chehalis Timberland Regional Library. Ms. Aiken stated since that time they had issued over 1,000 new library cards to people who had never had a library card before, and people were flocking to the new building to take advantage of the services that it had to offer, such as:

- Checking out of books, movies, music, magazines, and audio books
- Wireless internet access
- Applying for jobs on-line
- Attending programs put on by the library
- Attending meetings scheduled in the two meeting rooms

Ms. Aiken reported they had the first and only drive-up service window in the state of Washington, and it was continuing to grow in popularity. She noted they used to be the number nine library in the district in terms of circulation, but were now number eight. Ms. Aiken reported their annual circulation figures were about 135,000 items, which was up 30 percent from last year. She reported the library was open 42 hours over a five day period, Tuesday through Saturday, and starting October 1, the district would be moving a half-time person over from one of the other libraries to help out.

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Ms. Aiken presented the council with a copy of their most recent newsletter. She reported on a few of the articles, which included: the search for a new district director; fines for overdue books starting October 1; and the Timberland Reads Together program.

Ms. Aiken stated if the council had certain numbers they were specifically interested in she would prefer to respond to those requests, rather than giving them numbers they might not be particularly interested in.

Ms. Aiken reported they were very pleased with the new facility, and hoped as the Renaissance Plan moved forward that it would bring in even more people.

Councilor Fuller asked if there was an employee at the drive-up window fulltime. Ms. Aiken stated they did not have the staff to be there fulltime; however, there was a buzzer to let them know when a vehicle was pulling in.

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

- a. Minutes of the regular meeting of September 14, 2009; and
- b. Claim Voucher No. 94603-94732 in the amount of \$975,236.29 dated September 7, 2009.

The motion was seconded by Councilor Taylor and carried unanimously.

6. **Staff Reports.**

a. **August Financial Report.** Eva Lindgren reported there were no big surprises in terms of the sales and use tax, noting they still continued in the downward trend. She indicated she was not that concerned about the general and EMS property tax numbers because they don't receive payment on them evenly throughout the year. Ms. Lindgren stated the intergovernmental grants and entitlements were very positive due to the timing of a 2008 reimbursement request that was not received until 2009. She reported the expenditures were very tight overall, adding some things were just driven by the season. Ms. Lindgren noted the budget amendment the council would be discussing later in the meeting would address most of the issues.

b. **Community Rating System (CRS) Repetitive Loss Program Update.** Mr. Nacht reported the progress report was a required element of the city's continued participation in the CRS program. He stated they had to identify how they were going to treat repetitive loss properties, noting typically they were bought out or elevated. Mr. Nacht reported the information was being presented for information only.

Councilor Fuller asked why the city wouldn't just buy them all out, instead of elevating them. Mr. Nacht noted it was a funding issue, adding there were two different types of grant programs, each having its own criteria. He reported in the case of an elevation program, the local match of 25 percent was typically paid by the participating homeowner; and with the buyout program the city would have to come up with the 25 percent or 12.5 local match in order to purchase the property. Councilor Fuller asked if the homes would be listed at fair market value or flood value. Mr. Nacht reported they would be at fair market value. Mayor Ketchum noted the issue was really controlled by the funding received from FEMA. Mr. Nacht indicated those programs were only available after a federally declared disaster, and the city had to take advantage of applying for grants when they were available. He noted the city recently applied for the elevation program; however, the buyout program did not work out for the city this time.

Councilor Pope asked if anything could be done about the Chehalis Avenue Apartments. Mr. Nacht noted staff had been in communication with the property owners as to alternatives for potential protection, but because the facility was not government owned it had to be addressed as private property. He indicated the property owners would have to initiate the process; however, the city might be able to intervene as part of a grant program on behalf of the private property owners, but it would cost them some money upfront in order to participate.

c. **Governor Orders Flags to be lowered to Half-staff on October 1.** Mr. Nacht reported Governor Christine Gregoire issued an executive directive to lower flags to half-staff on Thursday, October 1, in memory of U.S. Army Specialist Joseph V. White of Bellevue, Washington. White was killed last week in Afghanistan when his military vehicle encountered an improvised explosive device. Mr. Nacht noted the flags would be elevated to full-staff sometime Friday morning.

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d. **Garbage Billing Issue**. City Manager MacReynold reported the finance department was dealing with a billing issue concerning garbage service charges on the most recent utility billing statements. Ms. Lindgren reported the billing error was not consistent across the board and they were in contact with the utility billing software provider to figure out what had happened. She stated the most recent statement should have included garbage fees for the month of July only. Ms. Lindgren noted the city had always billed after the fact for garbage services, while the new service provider, LeMay Enterprises, Inc., billed for services in advance, which was also causing some confusion for some residents.

Ms. Lindgren reported if the software provider could get the programmers to fix the problem, they would get a correction out to the residents; otherwise, they had to manually correct all the accounts. Ms. Lindgren stated they were not planning on adding any late fees for garbage service on this billing cycle because they had so much to clean up.

Councilor Dawes asked if the situation would be corrected for all residents. Ms. Lindgren indicated all accounts would be looked at and corrected as needed. Councilor Dawes hoped they might be able to put out some information to let customers know staff was taking steps to correct it. Ms. Lindgren noted they were working on that.

Councilor Fuller asked where the city was with regards to taking credit card payments for utility bills. Ms. Lindgren reported she had been working with the city court administrator, Becky Fox, on citywide credit card payments. She noted they were very close to having the court set up to accept payments; however, there were some issues that made the process more challenging for utility bill payments. Ms. Lindgren reported they planned on having a workshop with the council to discuss the issues, and provide some options.

Councilor Dawes noted the only obstacle he was aware of was the cost. He added it couldn't be that difficult because the Lewis County Public Utility District had been taking credit cards for some time, adding they operated under the same laws as the city's utility. Councilor Dawes stated they were told the issue had to do with the fees that credit card companies charge, and where some companies may eat those fees, the city does not want to eat them. Ms. Lindgren stated that was correct, adding the processor being used citywide was very flexible and amenable in terms of setting very specific limits for specific types of transactions; however, the provider the city was required to use for the utility billing system was not as flexible and the city would have to set one transaction fee irrespective of what it was for.

Councilor Taylor asked how long it would be before that workshop would take place. City Manager MacReynold stated it would be before the end of the year.

7. **Council Reports**.

a. **City Employees Facing Big Challenges**. Councilor Dawes stated he wanted to pass along good thoughts and best wishes to the city employees who recently had some big challenges thrown in front of them. He reported it was good to see Councilor Harris back in his chair after being out for a few weeks, and he sent good wishes to Councilor Lund who was currently back east. Councilor Dawes stated he also appreciated the updates on Andy Sennes and wished him the best on his recovery. Mayor Ketchum stated he appreciated the updates as well.

b. **Thanks from Councilor Harris**. Councilor Harris stated, to say he was more than just a little overwhelmed and a little blessed was an understatement. He noted he spoke with many people and received lots of cards and letters over the past month. Councilor Harris thanked everybody for their thoughts and prayers.

c. **Invite to Chehalis School Board Candidate Forum**. Mayor Ketchum stated he received a public notice inviting everyone to the Chehalis School Board Candidate Forum at the V.R. Lee Building on October 14, 2009, from 6:00 to 7:30 p.m.

8. **Ordinance No. 847-B, Second Reading – Updating Development Regulations for 2009**. Mr. Nacht stated updating the development regulations was a culmination of a long, but not too difficult process. He reported it was the second and final reading of the ordinance that would implement significant changes to the development regulations. Mr. Nacht stated a significant portion was the Port of Chehalis' desires to have their master plan to be the governing document for land use regulation in the Port district. He reported they worked with the Port and their engineers over the last several months to try to get language into the document that would address the Port's concerns. Mr. Nacht reported if the Port's plan failed to address something in a development application, the city's rules would always apply.

Councilor Fuller inquired about the transit bus stops, noting the document addressed it in two different areas. Mr. Nacht stated the language was a little different, adding the language in 17.12.077 would apply to all subdivisions in the city, and the language in 17.12.477 would apply to the Port, and was only applicable if the Port's master plan did not specify how they deal with transit stops. He noted there had been a request in years past for the transit authority to have designated transit stops in subdivisions and throughout the city so they don't have to stop in the middle of a block unnecessarily. Councilor Fuller stated

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he understood the current transit system was kind of a flag and ride system, adding people could get on just about anywhere they wanted. Mr. Nacht indicated it depended on the driver; however, the city did not promote stopping the bus in the middle of traffic. He reported the transit authority had designated bus stops strategically throughout the city and would eventually have them throughout the Port.

Councilor Fuller inquired about developers having to put in bus stops. Mr. Nacht noted through the development review committee the city could absolve the developer of providing that requirement if the transit authority said they would not take a bus to a particular location.

Councilor Fuller briefly discussed the issue of fireworks. He stated he recently received a request to see if the city could do something about people shooting fireworks off at undesignated times. Mr. Nacht noted there was nothing in the city ordinances; however, the Revised Code of Washington (RCW) was pretty descriptive as to what they could and could not do with reference to fireworks. He reported the times for setting them off was established within the RCW. Mr. Nacht noted if there was an issue specific as to how it was working in Chehalis, those issues could be addressed. He stated it was inconsistent with the RCW to be able to set fireworks off year round, and suggested anyone with issues should contact the police department.

Councilor Taylor moved to pass Ordinance No. 847-B on second and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

9. **Ordinance No. 846-B, First Reading – Budget Amendment.** City Manager MacReynold reported the administration made a commitment to the council to do budget amendments on a regular basis. He stated the changes being recommended to the 2009 budget included the phase two reductions the administration had been working on over the past several months. City Manager MacReynold felt the overall reductions recommended by the administration made a significant difference. He reported they would end the year in a much stronger position than last year, adding they were working hard to straighten out a long-term problem, and it was working.

Councilor Dawes moved to pass Ordinance No. 846-B on first reading and suspend the reading of the ordinance.

The motion was seconded by Councilor Pope and carried unanimously.

10. **Commitment of Reimbursement with the Washington State Department of Transportation (WSDOT) for Installation of Freeway Signage.** City Manager MacReynold reported one of the steps in the Renaissance Plan was to try and get people off the freeway and into the city. He noted there would be a one-time payment of \$24,000 for the fabrication and installation of the I-5 signs, which was approved by the Lodging Tax Advisory Committee. City Manager MacReynold felt the I-5 signage, along with the new wayfinding signs and new city logo throughout the city, would be a very positive step to enhance the community at very little cost to the city. He added the I-5 sign project would be done before the end of the year.

City Manager MacReynold reminded the council that the Lewis County Economic Development Committee committed \$60,000 towards the city's sign project.

Councilor Harris moved to approve the commitment of reimbursement agreement between the city and WSDOT in the amount of \$24,000 for fabrication and installation of park and historic signage on I-5, and authorize the city manager to execute said agreement.

The motion was seconded by Councilor Pope and carried unanimously.

There being no further business to come before the council, the meeting adjourned a 6:51 p.m.

Mayor

Attest:

City Clerk

October 12, 2009

The Chehalis city council met in regular session on Monday, October 12, 2009, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:00 p.m. with the following council members present: Dr. Isaac Pope, Robin Fuller, Chad Taylor, and Dennis Dawes. Councilor Harris was absent (excused) and Councilor Lund participated telephonically. Staff present included: Merlin MacReynold, City Manager; Mark Scheibmeir, Assistant City Attorney; Judy Schave, City Clerk; Bob Nacht, Community Development Director; and Eva Lindgren, Finance Manager. Members of the news media in attendance included Marquise Allen of *The Chronicle* and Paul Walker of KITI.

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

a. Minutes of the regular meeting of September 28, 2009; and

b. Claim Vouchers No. 94733-94860 and 82009 in the amount of \$326,241.09 dated September 21, 2009; Payroll Vouchers No. 32846-32962 and 930-1002 in the amount of \$717,987.39 dated September 30, 2009; and Claim Vouchers No. 94861-94954 in the amount of \$301,173.48 dated October 5, 2009.

The motion was seconded by Councilor Pope and carried unanimously.

2. **Staff Reports.**

a. **Update on E-Verify Ordinance Request.** City Manager MacReynold reported the issue of an E-Verify ordinance came up at the last council meeting as a recommendation during citizen business. City Clerk Judy Schave reported the administration met and discussed the request for an ordinance, and felt it was best to contact the Association of Washington Cities (AWC) to find out where they stood on the issue. She was informed that it was really too new to know anything as of yet. Ms. Schave noted AWC also contacted Municipal Research and found they had nothing to report on the issue as of yet either. She indicated Pierce County recently passed an ordinance requiring E-Verify, as well as the City of Lakewood.

Ms. Schave reported she spoke with Archie Smith, Lewis County Human Resources Administrator, about the two different types of E-Verify programs. The first was a standard e-verification program that applied to all new employees and all contracts bids; and the second program, regarded as 'Federal E-Verify,' required e-verification on all federal contracts performed in the United States that were over \$100,000, and more than 120 days. Ms. Schave noted the federal requirement went into effect on September 8, 2009, which meant all jurisdictions were now required to request e-verification on contracts that met the federal criteria. She noted 'Federal E-Verify' would also apply to any city employee working on a federally funded project. Ms. Schave stated the administration was recommending the council wait and take another look at the issue in year or so, to see if AWC had an opinion on the issue at that time.

Councilor Dawes didn't understand why we would wait a year, and had never heard of the city running its ordinances by AWC. He wondered if the county passed an ordinance requiring E-Verify if it would apply countywide. City Manager MacReynold indicated it would only apply to the county. Councilor Dawes stated he would like to see the city go forward with it, rather than wait. He didn't believe it would shortcut or lengthen any contracts, or make them any more expensive. Councilor Dawes felt it would be an extra layer of protection to make sure contractors were complying, and it would be nice to be ahead of the issue. He suggested the city use Lakewood's ordinance as a model.

Councilor Fuller asked what would need to be done to move forward. City Manager MacReynold reported an ordinance would need to be developed and brought back to the council for consideration. He reported he had some concerns with E-Verify because the city was already verifying its employees according to federal law, and as of September 8, 2009, we were already going to have to require contractors to E-Verify their employees. City Manager MacReynold stated a majority of the city's contracts would not fall under the federal requirements of E-Verify, and the council would need to determine if they want those contractors to verify all of their employees, as well. City Manager MacReynold stated he would prefer the city be cautious about writing a law and taking on the burden of those requirements without first taking time to let the other jurisdictions work out all the bugs.

Councilor Fuller asked how the city verified its employees to know the documentation is not forged or false. Ms. Schave reported the city required employees to provide their drivers license, social security card, and to fill out the standard forms, such as the I-9. She noted the city also had access to the Department of Social Security to verify names and social security numbers. Mayor Ketchum felt just because the city required those documents didn't always mean they didn't forge them. He indicated he would also like to see the city pass an ordinance and felt waiting a year was too long. City Manager MacReynold noted waiting a year was just a suggestion from the management team, adding it was no special number. He stated the administration could develop an ordinance to bring before the council, and at that time the council could choose to act on it, or wait a little longer to think about it.

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Councilor Pope asked what the ordinance would accomplish. City Manager MacReynold reported it was just an additional step to ensure our employees are not illegal. Councilor Pope stated he understood that, but felt we were already doing that as far as the city's employees were concerned; and we were already being required to use Federal E-Verify for federal contracts. Ms. Schave reported an E-Verify ordinance could require verification for all contracts, as well as all new employees.

Councilor Pope asked if the city had any definitive problems with illegal immigrants working on contracts awarded by the city. Ms. Schave noted they would not know that information because contractors are only required to submit prevailing wages paid on each contract.

Councilor Pope asked what the detriment would be of waiting. City Manager MacReynold noted it was just more work. Councilor Dawes suggested if we didn't want to work, that we just all go home. City Manager MacReynold stated we already do work.

Councilor Dawes reported with any state or federal contract there were so many assurances that needed to be signed off on, and if there was anyone who could say they assured everything they could sell him some coastal property in Kansas. He added there were too many things that had to be assured. Councilor Dawes stated more work was not a reason to delay, adding he would like to see an ordinance brought forward; however he would be willing to work with the rest of the council. City Manager MacReynold explained that was not the reasoning he gave for not wanting to do it, adding he was responding to a specific question.

Councilor Taylor asked if the city was required to check on contractors to make sure they E-Verify their employees. City Manager MacReynold noted that was a good question; however, it was too new to know. Ms. Schave noted when she talked with Mr. Smith, she inquired as to what type of information would be submitted by the contractor to know they had verified their employees. She noted Mr. Smith was under the impression the contractor would need to notify the city in some manner, but was unsure of what was required. Councilor Taylor asked what additional work it would create if the city implemented E-Verify. Ms. Schave indicated they would initially have to incorporate the appropriate language into all bid documents, and believed we could register to do standard e-verification at any time. She noted, with regard to contracts that met the federal requirements, agencies were not allowed to sign up for 'Federal E-Verify' until after a contract was awarded.

Councilor Pope noted it appeared there would be some type of penalty if we didn't comply, and wondered why we should if there was no penalty for not. Ms. Schave noted funding for federal projects could be denied if we did not comply with the federal contractor rule. Councilor Pope stated he would like to see what the City of Lakewood had in their ordinance. He noted he also had concerns about enforcement and asked if the city was ready to put in an enforcer that they could make legal without a challenge. Assistant City Attorney Mark Scheibmeir reported he didn't see any legal impediments other than being concerned about not going too far in creating altogether new problems. He recognized the issue of discrimination, based upon lack of citizenship, was appropriate; however if it was somehow linked into something beyond citizenship, there would be a price to pay. Mr. Scheibmeir stated it needed to be done in a way that ensured that it was in fact accurate and does not become discriminatory, or enter into a protected class.

Councilor Dawes understood the purpose of E-Verify, at the local level, was to catch those things that were not federal contracts. He believed there were a number of non-federal contracts awarded by municipalities that are not covered by the federal law.

Mayor Ketchum thought contractors were supposed to have it in place and they would need to prove to the city they had done the work. He felt the I-9 forms could easily be faked and believed E-Verification would catch them.

Councilor Taylor asked if it would include all contracts the city currently had. It was noted it would only apply to future contracts.

Mayor Ketchum requested that the administration provide a copy of the ordinances from the City of Lakewood and from Pierce County. The consensus of the council was they would review the information provided and discuss the matter at the next meeting.

3. Council Reports.

a. **Events Attended by the Council.** Councilor Dawes reported he and Mayor Ketchum attended the Fire Prevention Week awards ceremony on Saturday, noting former Fire Captain Brian Slater, was in attendance to make the presentation of the first "Captain Brian Slater Fire Prevention Award Winner." Mayor Ketchum felt it was nice to recognize someone while they were still with us, rather than after they were gone.

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Councilor Dawes reported the Marine Band made a visit to Chehalis a few weeks ago. He stated it was a shame they didn't have a better turnout because they played some fantastic music.

4. **Ordinance No. 846-B, Second Reading – Budget Amendment**. Eva Lindgren reported she had highlighted all the changes made to the budget amendment since the first reading of the ordinance on September 28. She noted the most notable change had to do with the police department union contract. Ms. Lindgren stated they estimated the cost for the 2009 contract to be \$100,000; however, after processing the retro payment, it came out to \$132,000.

Councilor Fuller inquired about the sale of the Wi-Fi equipment reported in the tourism fund, noting the number was smaller than what he thought it would be. Ms. Lindgren reported the Wi-Fi equipment was purchased equally by the tourism fund and the community development block grant fund, and the proceeds from the sale were split equally between the two funds.

Councilor Fuller brought up the compensated absences fund, noting in 2008 it appeared to be over a million dollars. Ms. Lindgren reported because we were doing cash basis accounting, there was no where on the books to show the liability. She noted at the end of 2008, the city owed over one million dollars in compensated absences for all of the employees that would be charged to the general fund, which included the special calculation for sick leave cash-outs. Ms. Lindgren stated the goal was to build up a buffer to cover future cash-out expenditures, and because the process was very time consuming, they only did the calculations annually. Councilor Fuller asked if the number would be bigger by the end of 2009. Ms. Lindgren noted it would depend, but felt it would just build as employees build up their leaves.

Councilor Fuller asked if the 'building up' of the compensated absences fund was a 25-year project, and if so, shouldn't they look at doing it faster. City Manager MacReynold believed they should because it was an unfunded liability, and if the city had two or three employees with longevity who decide to leave or retire, the \$50,000 would be gone and then some. He noted the liability was very real and his hope over the next few years was to have at least half of what they know was unfunded built up in the compensated absences fund to cover those liabilities. Councilor Dawes stated it was similar to the state pension system, adding in good times it gets funded, and in the tough times priorities get shifted and that funding mechanism goes away.

Councilor Fuller inquired about the \$50,000 that was moved to the city manager's budget from the office of economic development (OED). Ms. Lindgren noted since the cost center for OED was now closed and the administrative assistant position was moved to the city manager's budget, she was shifting anything left in the OED budget to the city manager's budget.

Councilor Fuller asked Ms. Lindgren to explain the partial one-time amendment of \$50,000 in the equipment and machinery account, which came from council donated benefits. Ms. Lindgren reported one of the focuses she put into working on the 2010 budget was to highlight all of the one-time expenditure and revenues, and reoccurring revenues and expenditures. She felt by identifying them it would make it easier to see through all of it. Ms. Lindgren stated, with regard to the donated councilor insurance premiums, since they had not been spent down it was more of a one-time charge as opposed to a reoccurring charge, which would be smaller.

Councilor Dawes moved to pass Ordinance No. 846-B on second and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

5. **Resolution No. 15-2009, First and Final Reading – Surplus of City Property**. City Manager MacReynold reported the resolution would surplus the bulletproof vest of former police officer Neil Hoium, who would be working in the near future for the City of Centralia. Because the vest was fitted to Officer Hoium, the administration was asking the council to surplus it. City Manager MacReynold reported the city would receive a certain level of prorated compensation for the vest from the City of Centralia.

Councilor Taylor moved that the council adopt Resolution No. 15-2009 on first and final reading approving the transfer of ownership and sale to the City of Centralia in the amount of \$294.

The motion was seconded by Councilor Pope and carried unanimously.

There being no further business to come before the council, the meeting adjourned a 6:30 p.m.

Mayor

October 12, 2009

Attest:

City Clerk

October 26, 2009

The Chehalis city council met in regular session on Monday, October 26, 2009, in the Chehalis city hall. Mayor 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: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; and Bob Nacht, Community Development Director. Members of the news media in attendance included Paul Walker of KITI.

1. **Citizens Business**

a. **Invitation to Ghosts and Legends Events**. Jupiter Arts Center and Gallery Executive Director, Robert Tomlinson, (325 N Tower, Centralia), extended an invitation to the council and citizens of Chehalis to join them for the remainder of their Ghosts and Legends events taking place through the end of October. Some of the events included: Movie Set Make-up Night; the Other Worlds Exhibition; an exhibit on the History of the Undertaking in Lewis County; movies at the historic Fox Theatre; and the Trick-or-Treat Trolley ride, which would be stopping in Chehalis, Centralia, and the Fairway Shopping Center. Mr. Tomlinson noted both cities were cooperating and doing the events together. He briefly reported on their first 'Cruse and Zombie Parade,' which brought in over 1,500 people to downtown Centralia.

b. **Support for E-Verify Ordinance**. David Schilperoot (205 Galaxie Rd) spoke in support of the E-Verify ordinance request, adding he felt it was important to have some built-in safeguards to help protect the city. He stated he wanted to lend his support and hoped it would be approved.

2. **Relay For Life Kick-off**. American Cancer Society (ACS) Staff Partner, Kitura George, reported on the 2010 Relay for Life event to take place on May 14-15, 2010, starting at 6:00 p.m. at Tiger Stadium in Centralia. Ms. George gave a brief overview of what the ACS does for the community and where the dollars go. She noted the 2010 goal was to have 50-55 teams on the track, and to raise \$150,000. Ms. George reported the Kick-Off Celebration would take place on November 18, starting at 6:00 p.m., at the Hotel Washington.

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

a. Minutes of the regular meeting of October 12, 2009; and

b. Claim Vouchers No. 94955-95096 and No. 92009 in the amount of \$301,327.12 dated October 19, 2009.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Staff Reports**

a. **September Financial Report and Third Quarter Sales and Uses Tax Update**. Eva Lindgren stated the September report included explanatory notes at the bottom of each page. Ms. Lindgren focused on the sales and use tax, noting it was very much in line with what the projections had been for the year, and in many instances, the detailed analysis showed that the city was falling below the 2005 levels. Ms. Lindgren indicated this month should include the start of the "cash for clunkers" program.

Councilor Dawes inquired about the sales tax mitigation payments. Ms. Lindgren reported the city had received two payments and were scheduled for one more, but wouldn't know for sure until they received it. She noted she did an in-depth analysis after the first payment bringing it from zero to \$33,000; however, she didn't have an opportunity to do the same analysis of the second payment, and it dropped to between \$8,000 and \$9,000. Ms. Lindgren reported the drop in revenue was reflected in the last budget amendment, making the estimated total \$50,000 for the year.

Councilor Dawes felt the fear that everyone had expressed statewide was now realized. Ms. Lindgren noted her observation in working through the process was the squeaky wheel gets the oil. She noted with the drop in revenue, she was not seeing where they thought the city's mitigation should be reduced. Councilor Dawes noted it wasn't the city's job to have to double check the state's work, but it appeared we were going to have to because the trust factor was not there. He felt there were a number of municipalities who were not receiving the correct amount.

Councilor Dawes noted he would be attending the Association of Washington Cities (AWC) regional meeting on Wednesday, and would check to see if other cities were pleased with the mitigation payments they were receiving. He felt it was a program that should have never been started because there was absolutely no thought to it. Ms. Lindgren believed it was well intended, but the reality was, the logistics of actually receiving good data and using it appropriately was a staggering challenge.

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Councilor Harris felt the Department of Revenue (DOR) was hiding behind the fact that all of their information was privileged and the cities couldn't verify it. Ms. Lindgren noted she had access to detailed records, but she could only look at the entities that were somehow touching us, that reported a revenue stream either currently or in the past. Councilor Harris reported he was calling cities all over the state to get them involved; however, the economy was complicating things and DOR continued to verbally hide behind it. Ms. Lindgren noted the city's issue was compounded by the 2007 flood. She stated, based on her conversations with DOR, they were not going to give Chehalis any credit for the fact that we had businesses shut down for several weeks in December, and some into January.

b. **2010 Budget Preparation Schedule.** City Manager MacReynold reported they were targeting the dates of November 10, 12, and 13, for the departments to present their budgets to the budget committee. He noted the 2010 council budget committee members included Mayor Pro-tem Dawes, and Councilors Harris and Fuller. City Manager MacReynold asked the committee members to contact staff and give them some times that they would be available.

4. **Council Reports.**

a. **Chehalis River Basin Partnership Update.** Councilor Harris reported he attended the Chehalis River Basin Partnership meeting on the previous Friday, along with Wastewater Superintendent Patrick Wiltzius and Water Superintendent Dave Vasilauskas. He noted there were some very serious issues on the horizon, and they all depended on money. Councilor Harris reported the program itself was put together by the state and was funded almost solely by grants. He indicated they spent most of their meeting talking about how to form a non-profit, which would allow them to apply for other types of grants.

Councilor Harris stated one of the issues they were tasked with was water quality and quantity accounting. He believed if they lost their funding it would all fall into the hands of the tribes, and losing the physical handling of the river basin itself was huge. Councilor Harris reported they talked about collecting dues from each of the entities involved in the basin; however, that only meant taking money from cities who were already struggling.

b. **Chehalis Foundation Update.** Councilor Pope reported, as part of the Chehalis Renaissance, the Chehalis Foundation voted to pay for the entire amount of the pilot tree project along Chehalis Avenue.

c. **Update on Andy Sennes.** Councilor Pope reported Andy Sennes was escorted from Mother Joseph's in Olympia, to Providence Hospital in Centralia by some of the Chehalis firemen. He added it was some of the best medicine Mr. Sennes could have ever received, noting he lit up just talking about it. Councilor Pope felt it was wonderful of the guys to do that, adding you couldn't buy that kind of medicine.

d. **Chehalis Renaissance Update.** Councilor Dawes reported he, and Airport Manager Allyn Roe, attended the one-year anniversary of the opening of the Vernetta Smith Chehalis Timberland Regional Library. Their plan was to talk to people about the Chehalis Renaissance; however, they didn't get the contact they wanted because the event wasn't advertised that well.

e. **Lewis County Historical Museum Update.** Councilor Dawes reported the Lewis County Historical Museum put on a number of paranormal tours on the 16th of October at the museum. He noted the event was well attended, and they even had a couple of unusual sightings reported.

f. **AWC Regional Meeting.** Councilor Dawes reported he would be attending an AWC Regional meeting in Woodland, Washington, on Thursday, and would be talking to the other attendees to get their feelings on the streamlined sales tax mitigation issue. His hope was to get something started to possibly suspend it until the economy turns around, or until some more thought was given as to how it would actually work out.

5. **E-Verify Ordinance Request.** City Clerk Judy Schave reported the issue of an E-Verify ordinance was discussed during the last two council meetings. At the council's request, the administration provided them with copies of the two E-Verify ordinances: the first ordinance was from the City of Lakewood, Washington, which required e-verification on all new hires and all contracts; and the second ordinance was from Pierce County, Washington, which required e-verification on all new hires and only applied to contracts above a certain threshold level.

Ms. Schave provided three options for the council to consider. The options included:

- 1) Only applying e-verification to federal contracts, as required by the "E-Verify Federal Contractor Rule," passed September 8, 2009, which required a performance period of longer than 120 days; a value of above \$100,000; and must be performed in the United States.
- 2) Would include option 1, as well as applying it to all new hires and all new contracts.

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- 3) Would include option 1, as well as applying it to all new hires and some contracts, based on threshold levels that would be established by the council.

Ms. Schave asked that the council give staff direction, and provide some parameters as to what they would like the administration to bring back to them.

Councilor Dawes asked if the city currently e-verified its employees. City Manager MacReynold noted the city currently used the standard I-9 verification.

Council Dawes talked briefly about what the threshold of a contract should be, adding it needed to be reasonable. Ms. Schave noted it varied; however, Pierce County's threshold was set at \$100,000. Councilor Dawes felt that might be reasonable for the city as well. Ms. Schave reported that level would probably include all of the city's public works projects. Mayor Ketchum suggested just doing the same as the federal requirements.

Councilor Dawes reported he was looking at option three; to include all new hires and contracts that were over \$100,000. He didn't see it as being labor intensive for staff to include the required language in the contract documents. Councilor Dawes believed it was up to the contractor to show proof that they E-Verify all their employees, and submit that to the city.

City Attorney Bill Hillier stated concerns with regards to the use of the small works roster process the city currently uses, noting occasionally some projects would exceed \$100,000. He suggested the council think about excluding the small works roster from the E-Verify process. City Attorney Hillier suggested if they put too much on the local contractors, they may not want to deal with it. Councilor Dawes asked if the small works roster was something the city used in emergency situations. City Attorney Hillier indicated no. He agreed that anything the city put out to bid, they could apply the e-verification process to; however from his perspective, the city would be asking a lot of the smaller contractors if they included that stipulation. Councilor Dawes wondered if it would be that much more work for them.

City Attorney Hillier thought E-Verify was a very important issue, adding he brought it up at a Municipal Attorney's Conference last week in Spokane. He asked the other attendees how many of them had experienced it, and not one had seen it. City Attorney Hillier noted he worried about the small works roster because it was a practical tool that the city used, and he would hate to create a problem with that process.

Mayor Ketchum thought it was important too, adding he would hate to see any contracts not being verified enough. City Attorney Hillier felt that would not be the issue, as much as the contractor not wanting to go through the hassle of doing it.

Councilor Dawes noted the information provided stated it was legal to have exemptions, and suggested passing something to exclude the small works roster. He indicated one of the reasons he would consider excluding it would be that the city has a history of using the small works roster with contractors that are known to the city. He stated, if it became an issue, they could always make that change later.

City Attorney Hillier believed if the city set the threshold at \$150,000 they would probably avoid 99 percent of all small works roster issues. He felt after a couple of readings to visit about it, they might be able to pin that number down.

Councilor Harris asked if a contractor would be required to E-Verify all their employees, or just the ones working on the contract. He also inquired about what kind of liability the city would take on by requiring the contractors do that. Ms. Schave understood that the contractor would need to e-verify all of their employees, while the city only had to E-Verify employees that worked on the project, which was very rare. City Manager MacReynold believed it was still so new and so few jurisdictions were doing it, and the real concern was, does the city take on some sort of liability if after the fact they find out a contractor did in fact use illegal aliens. He believed, procedurally, things would sort out as more jurisdictions begin to implement it.

City Attorney Hillier felt it would be similar to the prevailing wage laws, noting the city's obligation was to get the certification from the contractor, and if they were in violation the state would go after them and the city would not be liable. He felt the bigger concern would be stop order issues if a contractor violated their obligation, which could cause project delays and potential lawsuits from sub-contractors.

Councilor Fuller asked if the city was following all of the rules when it hires employees. Ms. Schave indicated the city was meeting its requirements for both hiring employees and awarding contracts.

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Councilor Dawes stated with any bid process there was a list of assurances, especially when federal funds were involved. He didn't believe any entity would be found liable if they were complying and something came up in the middle, or after a project was completed.

Mayor Ketchum suggested they go with the federal mandate for now and revisit the issue in six months.

Councilor Harris moved to apply the E-Verify Federal Contractor Rule for now and revisit the issue in six months.

Councilor Pope seconded the motion.

Councilor Harris stated one of the things he had learned the hard way was, when you are on the cutting edge, you are usually the first one to get cut. He indicated he would like to wait until it had been tried and tested, instead of being the ones to do the trying and testing.

The motion carried 6-1, with Councilor Dawes voting against the motion. Councilor Dawes explained that he wasn't against the motion, he would just like to see the city proceed.

6. Critical Areas Ordinance (CAO) and Associated State Environmental Policy Act (SEPA) Checklist Preview.

Bob Nacht reported the administration was requesting a public hearing on November 9, 2009, at 6:05 p.m. on the CAO and the associated SEPA checklist. He noted the proposed CAO was mandated by the state growth management act, and he and staff had been working on it for about a year and a half. Mr. Nacht indicated the city currently had a contracted consultant working on the project, and they were trying to get it through the city and state process before the end of the year.

Mr. Nacht reported the ordinance would replace the city's current CAO, which dealt with flood hazard areas, wetlands, critical aquifer for recharge areas, fish and wildlife habitat, and geologically hazardous areas. He stated the proposed ordinance was not significantly different, noting: the floodplain regulations did not change, it just put them into a different section; wetland regulations changed a little to comply with the growth management act and best available science criteria; landside areas were about the same as what the city currently had; fish and wildlife habitat areas would change some; and the shorelines, streams and wetlands of the state would change based on the best available science. Mr. Nacht expected the wetlands, streams, and habitat areas to be significantly affected. He encouraged the council to read through the document, and to call or email him about any questions they might have with regards to the proposal.

Councilor Taylor moved to set the date and time of November 9, 2009, at 6:05 p.m. for a public hearing on the draft CAO and the SEPA determination relating to the ordinance.

The motion was seconded by Councilor Harris and carried unanimously.

7. Ordinance No. 848-B First and Final Reading – Council Medical Benefits. City Manager MacReynold reported state law was very quirky about changing benefits for elected officials, noting medical benefits could be changed at any time during the year; however benefits for dental, vision and life insurance only applied to future elected officials. City Manager MacReynold indicated the ordinance would apply to the three at-large positions currently up for election, beginning in January 2010; and the other four positions at the beginning of 2012. He reported the dental, vision, and life insurance benefits were time sensitive and the council would need to take action on them prior to the next election.

Councilor Dawes stated they were all very much aware of the current economic situation and the things they had asked the city employees to do over the past years in an effort to reduce costs, which included: layoff of employees, furlough days, and employees paying a portion of their benefits. He noted there was not a whole lot to cut from the council budget, and felt they should take a look at the medical benefits they received for spouses and dependents.

Councilor Dawes reported he was aware that some of the council members elected not to take some benefits. He felt it was a personal choice and the other council members should not be looked at in any different light. Councilor Dawes stated, originally, he wanted to bring the issue up during the budget process; however, after doing some research it was determined that the council would need to take action prior to the election, in order for some of the benefit changes to go into affect the first of the year. He stated he didn't like the short notice, but felt they had no other choice.

Councilor Dawes believed cutting family benefits was a way to help reduce costs, and he would like to see it send a message to the employees that, yes they were serious. He felt if the council was going to ask the employees to consider certain things, they had to consider things as well.

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Councilor Fuller stated he and Councilor Dawes had talked about the issue for the last couple of months, adding the reason he worked with Councilor Dawes and supported the issue had to do with his own personal experience of owning a business. He indicated his part-time employees had to work a minimum of 15 hours a week in order to have medical for themselves, and a minimum of 20 hours to have medical for their families. Councilor Fuller believed the city's part-time employees had to work a minimum amount of hours in order for their families to qualify for benefits, as well. Councilor Fuller stated he tried to figure out how many hours a week he put in on the council, and came up with 10 to 15 hours a month. In talking with one other council member, they thought they put in an average of 15 to 20 hours a month. Councilor Fuller figured the average was about 15 hours per month, which added up to 180 hours a year. He thought that was a huge discrepancy in what part-time city employees were being asked to do, and what the council was getting.

Councilor Fuller reported the current council benefits ranged anywhere from \$7,000 to almost \$18,000 annually per councilor. He believed the proposal on the table would equalize it for everybody, and equalize them with the city's part-time employees. Councilor Fuller thought full benefits for themselves and their families was a bit exorbitant, and believed the time was right to send the message that they were willing to make cuts too.

Councilor Pope reported he spoke with Councilor Dawes about the issue, and felt they needed to look at the whole picture, instead of just trying to show that they're doing something. He indicated his first eleven years on the council cost him an average of \$9,000 a year in lost wages. Councilor Pope reported he didn't run for council in order to get benefits; however, he felt he was almost breaking even with what he received. He felt they could not say it didn't cost anything to sit on the council, adding some of them were fortunate and didn't have to worry about those kinds of things.

Councilor Pope felt, procedurally, issues were usually talked about in a council session and the council as a whole directed staff to put together the needed information. He stated it appeared to him that the issue of council benefits was already discussed by soliciting certain council members, and they already had their four votes. Councilor Pope felt they did not go through the proper procedure, and he and Councilor Harris were the only two who were not involved with the discussion. He stated he had a problem with micromanaging, and not living up to ethical responsibilities. Councilor Pope felt the integrity and ethics they were supposed to follow continued to be violated. He added he was totally against the way things are done when two council members decide what they should do.

Councilor Harris indicated when Councilor Fuller called him he hadn't heard about it yet. He stated he had concerns for the current council, and councils of the future. Councilor Harris reported his spouse was currently on the city's policy, and if he read the material right, he would be paying for her medical benefits starting next month. Councilor Harris stated personally, he couldn't afford it. He reported he would have liked to have had some time to discuss it, adding it was no different than contract negotiations.

Councilor Harris didn't believe having the council set a precedent would make any difference, but felt there were some areas for improvement. He stated he understood it had to be passed by election day, but he could not support it because he didn't know all the information about it, or what other options they had. Councilor Harris suggested having a council work session on it, and if nothing else, postpone it and revisit the issue next year.

Councilor Lund felt \$30,000 was not that much money, adding they had bigger problems and they needed to be looking at the bigger picture. He indicated he could report on things the city did every day that would make their heads spin. One example was the dip in the road under Chamber of Commerce Way. Councilor Lund noted about eight years ago, the city did a study on that section of the roadway, which probably cost the city around \$8,000, or more. He questioned the study at that time, and was told the road was going to slide down the hill and onto the railroad tracks if nothing was done. Councilor Lund reported nothing was ever done and the study was probably just sitting on the shelf like a lot of other studies.

Councilor Lund reported he was also catching heck about what was going on around Chehalis Avenue, adding people were wondering why the city was wasting all that money. He noted the council knew it was graciously being funded by the Chehalis Foundation, and wondered why it wasn't being promoted as such to let the public know. Councilor Lund felt it was that kind of stuff that gave a bad overtone to the city. He wished they were working on cutting hundreds of thousands of dollars with the way the city runs, rather than just \$30,000. Councilor Lund stated he was not in favor of the proposed ordinance.

Councilor Dawes reported he did not take a poll or contact individual councilors. He stated he had ethics and felt if any one was questioning that, it was a misguided effort. Councilor Dawes noted the ordinance was put up just like he said, adding he would have just as soon presented it for discussions, as planned. He stated if the majority wanted to approve it, or didn't want to approve it, so be it.

Councilor Dawes reported \$28,000 might not seem like much to some, but it was a good start in the right direction. He knew it was not going to be popular because it wasn't the first time the issue had come up before the council. Councilor Dawes

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felt strongly about it and believed he was doing the right thing. He stated, for the record, he did not go out and take a vote count or anything like that, adding that wasn't the way he operated.

Councilor Dawes moved that the council suspend the rules requiring two readings of an ordinance.

The motion was seconded by Councilor Fuller and carried 4-2. Councilors Pope and Lund voted against the motion and Councilor Taylor abstained from voting.

Councilor Dawes moved to pass Ordinance No. 848 on first and final reading.

The motion was seconded by Councilor Fuller and failed 4-3, with Councilors Harris, Pope, Lund and Taylor voting against the motion.

There being no further business to come before the council, the meeting adjourned a 7:08 p.m.

Attest:

Mayor

City Clerk

November 9, 2009

The Chehalis city council met in regular session on Monday, November 9, 2009, in the Chehalis city hall. Mayor Ketchum called the work session to order at 5:30 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 6:00 p.m. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Becky Fox, Court Administrator; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; and Bob Nacht, Community Development Director. Members of the news media in attendance included Marquise Allen of *The Chronicle* and Paul Walker of KITI.

1. **Briefing on Accepting Credit Card Payments.** City Manager MacReynold reported the council requested the administration give an update on where they were with regards to setting up a system in which customers could make payments for city services using personal credit cards.

Eva Lindgren briefly reviewed the background on credit card acceptance by governments. She reported a lot of governmental agencies had elected not to go down the path of using credit cards because of the increase in fees that would be passed on to the customer. Ms. Lindgren stated the other component was they were not allowed to charge a convenience fee for making payments at the front counter, adding the fee only applied to customers who called in their payments. She indicated within the last year, Master Card, American Express, and Discover Card had relented and decided convenience fees would be acceptable at the front counter for governments, which made the transaction more equitable and would give governments more options of accepting credit card payments.

Ms. Lindgren reported she and court administrator Becky Fox, worked together to look into accepting credit card payments citywide.

Ms. Fox reported they researched a few different vendors and selected Official Payments as their provider, for taking credit card payments for the municipal court. She noted Official Payments was also a vendor for the Internal Revenue Service, and for several other cities and courts in Washington State.

Ms. Fox noted they gave an opportunity to one local back to submit a proposal; however, they could not meet the criteria. She reported they signed an agreement with Official Payments on June 11, 2009, and proceeded to write some standards to set guidelines and put controls in place for audit purposes. Ms. Fox felt the standards would also give other departments some guidance when they set up their own policies for accepting credit cards.

Ms. Fox reported they worked with Official Payments to set up various limits and convenience fees. She noted the court set a maximum payment of \$200 with a convenience fee of \$4.95 for citations; and parking tickets were set at a maximum payment of \$100 with a convenience fee of \$3.95. Ms. Fox reported they also worked with Beachdog.com to update the city website to allow customers to make payments on-line. She noted they also received marketing materials free of charge from Official Payments, which were printed in both English and Spanish.

Ms. Fox reported on the process of accepting credit cards and how each transaction was receipted in. She indicated the process was working really well, so far.

Ms. Lindgren talked briefly about the issues of accepting credit card payments for utility bills. She reported the city's utility software provider, Springbrook, decided to work exclusively with Merchant Transact because of their high standards and requirements. Ms. Lindgren reported Merchant Transact did not provide a lot of flexibility and they were unable to distinguish between commercial and residential accounts for setting fees. She stated they would have to set the fee relatively high in order to recover all of the costs, which she felt was a disservice to the residential customers. Ms. Lindgren noted, because Merchant Transact was so new at setting convenience fees, matching up those recovery fees was going to be very challenging.

Ms. Lindgren reported on an analysis done by Springbrook, which included current billing information on our utility customers. She noted with an average monthly volume of \$75,000, the average transaction amount would be roughly \$270. Based on experience, Springbrook reported 15 percent of billings would be paid on-line. The total fees for an average transaction would be \$2.03, or \$681 per month. Ms. Lindgren provided additional fee schedules from Visa and Master Card, which were a little pricier. She talked briefly about the higher fees and explained the other issues and challenges of taking Visa.

Councilor Dawes asked if any of Ms. Lindgren's research involved contacting other cities, such as the city of Lacey, or other communities that do it extensively, to find out how they got around it. Ms. Lindgren stated the reality was they were locked into one particular vendor. She indicated she had talked with some other utilities; however, the city had to work within certain parameters. Ms. Lindgren reported most of the other agencies were setting their fees on a flat fee basis. She indicated Visa was the big holdout because they did not accept convenience fees across the counter.

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Ms. Lindgren reported she looked into an interface, but her research found they would end up paying a lot of money for a jumbled together system that wasn't highly functional. She reported the city's current billing module would provide customers the benefit of having access to their account on-line.

Councilor Lund reported Lewis County Public Utility District (PUD) customers were able to call in and give their credit card numbers over the phone to make their payments. He wondered why the city couldn't provide the same service. Ms. Lindgren reported they could. She stated she was just laying out what the different options were, based on the challenges they were facing. Ms. Lindgren reported the city could absorb the cost, but down the road it would affect the rates the city charges.

Councilor Dawes stated the whole idea was to make it convenient for the customer. He noted the city did not have to absorb the cost to make it convenient; that was a choice the customer had to make. Councilor Dawes stated he would like to see the city start taking electronic payments. He stated he was not interested in doing anything that would raise utility rates one cent. Councilor Dawes felt if the customer wanted the convenience, the customer needed to pay the convenience fee.

The consensus of the council was they were not interested in anything that would pass an increased cost on to the rate payers; and the administration needed to contact other cities and the PUD to find out what they do. The council also agreed that if customers wanted to use credit cards to make their payments, that was their choice; however, it would be at the customers own expense.

Ms. Lindgren added the memo attached to the handout addressed direct withdrawals from customer bank accounts. She noted Ed Schonack had been working with Springbrook and confirmed it was a definite possibility.

Mayor Ketchum closed the work session and immediately opened the regular meeting at 6:00 p.m.

2. Public Hearing on Critical Areas Ordinance (CAO) and Associated State Environmental Policy Act (SEPA) Checklist. Bob Nacht reported the CAO was a very significant piece of legislation for a community. He briefly explained a few of the issues they were proposing and how the CAO related to the development in the community.

Mr. Nacht reported he would be recommending the council continue the public hearing to the November 23 council meeting. He noted the document had been submitted to the state agencies for the required 60-day state agency review. Mr. Nacht expected a number of comments from the state agencies on some of the provisions of the document. He noted they had received a request from the Department of Ecology (DOE) to extend the deadline for comments because they were still reviewing it. Mr. Nacht felt the state agency comments would have a significant bearing on what the ordinance had to ultimately say. He reported those comments, as well as staff's response to the agencies comments, would be presented at the continued public hearing on the 23rd.

Mr. Nacht reported rather than reinvent the wheel they plagiarized a lot of other successful CAO ordinances from other cities, particularly the city of Shelton. He noted there were a couple of missing references to the city of Shelton, which would be corrected before they bring it back to the council. Mr. Nacht stated the document introduced a new concept, which had to do with a 'Reasonable Use Standard' in environmentally sensitive areas, particularly as it related to existing non-conforming lots.

Mr. Nacht reported section 17.21.088 referred to existing non-conforming buildings. He added there a lot of existing development within environmentally sensitive areas and that section would guide the city on how to deal with permitting those existing non-conforming properties.

Mr. Nacht stated, when they originally introduced the CAO in 1999-2000, they integrated the provisions of the CAO with the procedural elements of the Development Review Committee. He noted CAOs were requested by the agencies to be stand-alone documents so they didn't have to weed through the city's entire development review process and regulations to find which areas relate to CAO. Mr. Nacht reported they were also in the process of making sure the procedural elements of the document are consistent with the other thousands of pages of the city's development regulations, noting they could not have a conflict between the two. He stated there may be some proposed changes to the document at the next public hearing, or at such time they present it to the council for action on first reading.

Mr. Nacht reported the current document did not propose to change any city regulations, as it related to flood plain development. He noted the existing city regulations had been audited by the Community Rating System, the Insurance Services Office, and DOE on numerous occasions. Mr. Nacht reported they had been amended and revised to be consistent with all of the agencies' requirements, and they did not propose to change anything that had already been audited and successfully approved. He suggested as the Flood Authority pursues criteria for flood plain development, they would probably bring the conversation back to the council at a later date.

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Councilor Harris inquired about section 17.26.030 and 040 that referred to a Wellhead Protection Plan, wondering why it was highlighted in the document. Mr. Nacht reported it was probably left over from their initial run-through to identify issues

they had to follow up on, noting the city did not currently have a wellhead protection program. He reported their consultant had contacted, and was working with Lewis County as to how they do wellhead protection. Mr. Nacht indicated Lewis County did not have a wellhead protection plan either; however, Lewis County Environmental Health had a number of criteria that are required in and around wellheads, and the city was in the process of adopting those same standards. Mr. Nacht noted those would be presented as amendments to the CAO in the future.

Councilor Lund stated Mr. Nacht reminded him of the Wizard of Oz, because he was always looking out for the city. He added he appreciated all that Mr. Nacht did. Mr. Nacht stated he appreciated the comment; however, the Environmental Protection Agency at the federal and state level was not going to allow the city to do business as usual.

Mayor Ketchum closed the regular meeting at 6:14 p.m. and opened the public hearing.

Jim Ward (472 SW 14th Street, Chehalis), Chairman of the Chehalis Planning Commission, reported the city and the planning commission had been working on the regulations for the past couple of years, adding there had been at least three different versions. Mr. Ward stated they liked the first version; however, the Department of Community, Trade and Economic Development (CTED) didn't; the second version was one in which they pirated pieces from other cities that had already been approved by CTED, but it really wasn't what the commission wanted. He noted they were reluctantly ready to approve the second version with some of their edits.

Mr. Ward reported the version in front of the council struck the middle ground, and the commission hoped it would meet the requirements of protecting both the ecological function and the public's health and safety. He noted they were encouraged that the latest version has some flexibility built into it, and at their last meeting the consensus of those present was that it was a good plan.

Councilor Lund thanked Mr. Ward for all of the time that he and the other commission members put in.

Mayor Ketchum closed the public hearing and re-opened the regular meeting at 6:17 p.m. Mayor Ketchum noted the public hearing would be continued to November 23, 2009, at 6:05 p.m.

3. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:
 - a. Minutes of the regular meeting of October 26, 2009;
 - b. Payroll Vouchers No. 32963-33067 and 1003-1073 in the amount of \$765,738.64 dated October 30, 2009; and Claim Vouchers No. 95097-95207 in the amount of \$139,136.12 dated November 2, 2009; and
 - c. Adoption of Ordinance No. 16-2009 – Authorizing Acquisition of Avigation Easement and Other Property Rights on first and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Council Reports.**

a. **Congratulations to W.F. High School Sports Teams.** Mayor Ketchum congratulated all of the W.F. West high school sports teams, noting the boys football team was going on to State; the boys tennis team had 1st and 2nd place finishers; the girls soccer team was going on to State as well; and the W.F. West girls cross country team was named the WIAA State Academic Champions. Councilor Dawes reported the boys cross country team also went to State and placed 9th overall.

b. **Lewis County Historical Museum Update.** Councilor Dawes reported he attended the Lewis County Historical Museum annual membership dinner held at Kit Carson. He noted there were a number of things going on, and a number of things planned for next year.

c. **Special Thanks to Mayor Ketchum.** Councilor Harris thanked Mayor Ketchum for stepping in and taking over the Lodging Tax Advisory Committee meeting. He stated he appreciated everyone who took part in the process. Councilor Harris noted the minutes from the meeting were excellent, making it easy for him to catch up on what was going on.

November 9, 2009

5. **Ordinance No. 850-B, First Reading – Adopting Selected Provisions into Title 7 of the Chehalis Municipal Code Criminalizing Certain Conduct and Providing for Penalties.** Police Chief Glenn Schaffer reported there were a number of statutes needed to fill in the gaps, specific to the city, that were not covered in the Revised Code of Washington (RCW). He indicated the ordinance covered phase two of an expected three phase process. Chief Schaffer stated the next step would include nuisance ordinances and animal control items, which he hoped to tackle next year. He noted a majority of the items listed in the ordinance were municipal ordinances the city had in one form or another, prior to repealing Title 7 in December 2008.

Councilor Taylor moved to suspend the rules requiring two readings of an ordinance.

The motion was seconded by Councilor Lund and carried unanimously.

Councilor Taylor moved to pass Ordinance No. 850-B on first and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

6. **Lodging Tax Advisory Committee 2010 Budget Recommendations.** City Manager MacReynold reported the city was required by RCW to go through the process of having organizations request funding on its own behalf from the city's tourism fund. He stated he was very impressed with the committee and the quality of questions they asked. City Manager MacReynold recognized the Lodging Tax Advisory Committee members, which included: Rick Burchett, Chehalis-Centralia Railroad & Museum; Lee Grimes, Veterans Memorial Museum; Natalie Ketchum, Best Western Park Place Inn & Suites; and Satpal (Paul) Sohal, Chehalis Inn.

Councilor Harris stated he would like to echo what City Manager MacReynold stated, noting it was a good group of people. He reported he was glad to see that the new requirements for tracking were going to be implemented, although most of the organizations had already been doing it.

Lee Grimes stated all of the presentations were great and they drilled everybody pretty good on what their expectations were. He noted there was more money being requested than what they had, so there were some difficult decisions that had to be made by the committee. Mr. Grimes reported the committee went through each one individually and came to a consensus as to what they would recommend to the council. He felt it was very fair, and asked that the council approve the recommendations as presented.

Mayor Ketchum noted the new tracking requirement would require documentation of the function each organization provides to put people in hotels. He reported a form would go out to all of the organizations next year, and if that particular documentation does not come back with the packet, it will not be reviewed by the committee. Mayor Ketchum felt the new process would take a lot of stress off the committee.

Councilor Harris noted some of the organizations were already performing excellent tracking; however, for others, the logistics of how they operate made it more difficult to come up with that information.

Mayor Ketchum reported the total funding requested for 2010 was \$164,000. He noted, as they looked at the requests, they took into consideration the current economy and felt there was no guarantee that business was going to get any better in the next few months. Mayor Ketchum stated the committee tried to come up with a reasonable number that the hotels and motels would bring in. He noted they were very comfortable with the numbers they came up with, including the \$132,000 that was being presented to the council for consideration. Mayor Ketchum recommended the council accept the Lodging Tax Advisory Committee 2010 budget recommendations.

Councilor Pope moved to approve the recommendations of the Lodging Tax Advisory Committee for the use of lodging tax funds for 2010 for the following organizations: Veterans Memorial Museum - \$20,000; Chehalis-Centralia Railroad & Museum - \$25,000; Lewis County Historical Museum - \$15,000; ARTrails - \$5,000; Cascade Country Cook Off - \$10,000; Chehalis Business Association - \$10,000; Garlic Fest and Craft Show - \$10,000; Visiting Nurses - \$2,500; Premier Broadcasters (Bridal Fair) - \$7,500; and the City of Chehalis - \$27,000; and approve the reappointments of Rick Burchett, Lee Grimes, Natalie Ketchum and Paul Sohal to the city's Lodging Tax Advisory Committee.

Councilor Lund seconded the motion.

City Manager MacReynold wanted to thank Caryn Foley for the wonderful job she did in preparing the packets, getting the word out, and for the minutes she provided. He felt the minutes were very informational and helpful not only for the committee, but as a permanent record for the council.

November 9, 2009

Mayor Ketchum thanked all the organizations for their hard work. He stated he was glad the city was able to give money back to them, since they do a lot to promote the city.

The motion carried unanimously.

There being no further business to come before the council, the meeting adjourned a 6:32 p.m.

Mayor

Attest:

City Clerk

November 23, 2009

The Chehalis city council met in regular session on Monday, November 23, 2009, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Bob Nacht, Community Development Director; Tim Grochowski, Public Works Director; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Marquise Allen of *The Chronicle* and Paul Walker of KITI.

Mayor Ketchum announced Councilor Fuller had submitted a letter of resignation from his position on the city council for the remainder of 2009.

1. **Presentations.** City Manager MacReynold reported at the last council meeting, Councilor Lund pointed out something about Bob Nacht that he thought was very interesting, but true. He presented Mr. Nacht with a "Wizard of Oz" Figure, adding he thought Mr. Nacht should have it in his office in recognition of being the city's Oz. Mr. Nacht stated it would be put in a prominent place in his office.

2. **Continue Public Hearing on Critical Areas Ordinance (CAO) and Associated State Environmental Policy Act (SEPA) Checklist.** Bob Nacht reported there would be some changes to the draft document before it was brought back to the council in its final form. He reported the Washington State Department of Ecology would be submitting a long list of comments on the proposal, which would be presented as part of the whole package at the next council meeting.

Mayor Ketchum closed the regular meeting at 6:04 p.m. and opened the public hearing. There being no citizen comments, Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:05 p.m.

Mr. Nacht stated he would bring the final draft back to the council at the next meeting for action, requesting that it be passed on first reading. He reiterated that it was an extremely important piece of legislation and they had not taken it lightly.

3. **Public Hearing on 2010 Ad Valorem Taxes and Property Tax Levies.** Ms. Lindgren provided the council with a revised agenda report, noting the information in the packet was based on the Emergency Medical Services (EMS) rate at the maximum level. She stated she spoke with the Lewis County Assessor's Office and they indicated the city would be locked into whatever rate they set for the EMS levy for the remaining life of the levy. Ms. Lindgren indicated there had been some consultation on the issue and the city may potentially have the ability to change the rate down the road. She stated the revised report showed the EMS levy at the same rate as last year.

Mayor Ketchum noted over the last 10 years, they had a different assessment each year. He asked, based on the information Ms. Lindgren was providing, if they set the rate at .36 cents per \$1,000 if it would remain that amount for the next six years and not fluctuate. City Manager MacReynold reported the city does not set the rate, it only sets an amount. He added he felt the assessor was encouraging the city to assess it at the highest amount, which would be approximately \$90,000 more than what the city was collecting in 2009. City Manager MacReynold noted based on discussions with the council and the three who went through the budget process, their position was they do not want to do that. He reported after speaking with the city attorney, he directed Ms. Lindgren to leave the amount at the same level as 2009.

Mayor Ketchum indicated part of the reason why they didn't want to take the whole .50 cents was because they told the voters they would be taxing them the same amount.

Councilor Harris asked if the county was doing something different in-house, or if they were basing it on the Washington Administrative Code or the Revised Code of Washington. City Attorney Hillier stated he was not certain, adding his advice was directly contrary to that of the LC Assessor. He reported the ballot measure stated up to .50 cents, and if we choose to make an adjustment next year, and the county tells us we're locked in, we would just ask one of the judges to rule on it. City Attorney Hillier noted he had not seen any case law or statute that would regulate the city to the five-year lock in. He stated the city went for the last ten years with the ability to be flexible, and he would continue to give them the same advice.

Councilor Dawes suggested the assessor's office might be thinking about what the schools do, adding they set the amount they need, and the assessor comes back with the dollar per thousand. He felt the assessor's office was way off base, adding the ballot title was very clear in that the voters would give the city authorization to levy up to .50 cents. Councilor Dawes noted he requested that City Manager MacReynold contact Municipal Research on the matter, which he had done. He felt it would be very unusual for them to have to be tied to one amount when the voters approved authorization to levy a tax up to a certain amount. Councilor Dawes hoped they would have an answer in writing, before the second reading of the ordinance.

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Mayor Ketchum closed the regular meeting at 6:12 p.m. and opened the public hearing. There being no citizen comments, Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:13 p.m. Mayor Ketchum announced the public hearing would be continued to the council work session on Tuesday, December 1, at 5:05 p.m.

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

- a. Minutes of the regular meeting of November 9, 2009;
- b. Claim Vouchers No. 95208-95364 and No. 102009 in the amount of \$363,971.91 dated November 16, 2009;
- c. Re-appointment of Steve Buzzard as Municipal Court Judge to a new four-year term through 2013; and
- d. Accept Chamber of Commerce Improvement Project as complete and release retainage bond to Rognlin's, Inc. in the amount of \$225,980.52.

Councilor Taylor seconded the motion.

Mayor Ketchum stated, with reference to the minutes of November 9, part of the consensus of the council under the briefing on accepting credit card payments was, if customers wanted to use credit cards, that was their choice; however, they would be responsible for the fee payment. He requested that statement be added to the minutes of November 9, 2009.

Mayor Ketchum also asked about the Chamber of Commerce improvement project, noting he remembered when they first laid the asphalt down there was a problem with density. He wondered if the issue had been resolved. Tim Grochowski reported it had been resolved, noting there was also a one year warranty on the whole project.

Councilor Dawes inquired about the same roadway, asking about the area where the contractor dug out the road near the railroad bridge. Mr. Grochowski noted they actually grounded some of the old asphalt off of the concrete bridge in order to make a smoother transition.

Mayor Ketchum asked if anything was going to be done to the southbound off-ramp where the road appeared to be pitted. Mr. Grochowski noted it wasn't actually pitted. He indicted it was a tar product rather than asphalt that had dripped off the equipment during the I-5 repaving project, and should wear off in time.

The motion carried unanimously.

5. **Staff Reports.**

a. **October Financial Report.** Ms. Lindgren talked briefly about the general fund, noting the most significant issue was a net loss of \$477,237. She stated the October report did not include property taxes received in November, or reflect the two grant receivables on the Chamber Way project in excess of \$500,000.

Ms. Lindgren reported she spoke with the Lewis County Treasurer's Office earlier that day about the year-to-date collections on taxes, and was informed the city was at 96 percent. She noted the postmark on tax payments can result in a lot of payments being recorded after the end of the month and felt it was important for the council to be aware of the year-to-date totals. Ms Lindgren reported the year-to-date total for general property tax was around \$1,040,000; and the EMS property tax was almost \$198,000.

Councilor Harris indicated the report showed they were about \$900,000 short on sales and use tax. Ms. Lindgren noted they were definitely short in some areas. Councilor Harris asked if the 'Cash for Clunkers' program was included in the October report. Ms. Lindgren believed it only reflected one month of the program.

Ms. Lindgren reported there were still some pretty big distortions in the October report because the budget amendment ordinance was not included. She indicated the detail on the ordinance was pretty staggering and there were a lot of items that had to be split out. Ms. Lindgren stated she had a lot of review work to do before they actually book that ordinance.

Councilor Lund stated the downed economy seemed to be affecting everyone, adding the Pepsi distributor in Cowlitz County reported a lot of his customers were saying they only had so much money, and therefore, they had to make the choice of what they want to have, and what they want to run out of.

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b. **Status of Parks and Recreation Plan.** Mr. Nacht reported the main reason he was bringing the issue to the council was to get some publicity on the fact that the consultant, Tom Beckwith, would be doing a telephone survey to solicit information from local residents, having to do with what they would like to see from the parks and recreation system in Chehalis. He noted it was the same concept they did for the Renaissance Plan, just for a different purpose.

Mr. Nacht stated the council should have received a copy of the draft plan, which would be revised for final review and adoption at a later date. He noted the council also received a copy of the survey material Beckwith Consulting would be using, which was just for their information. Mr. Nacht reported Beckwith Consulting intended to call a number of local residents and ask them if they would be willing to fill out and participate in the survey process.

Councilor Lund noted a couple of corrections to the draft plan. Mr. Nacht thanked Councilor Lund, adding it was those types of things that were being gone through to make sure they are accurate. He reported some of the concepts in the draft report were also a little dated and would be addressed before they get to the final review. Mr. Nacht reported recreation manager Lilly Wall was actively participating with Centralia parks and recreation on a number of things that needed to be reflected in the report, as well.

c. **Reminder about Budget Work Sessions December 1 and 3, 2009, at 5:00 p.m.** Mayor Ketchum announced the council would be holding two budget work sessions, the first on December 1 and the second on December 3, starting at 5:00 p.m. He inquired as to why Ordinance Nos. 851-B and 852-B were on the December 1 work session for second and final reading, rather than waiting until the first regular meeting in December. City Manager MacReynold stated there was a change at the assessor's office and they requested the city provide them with council action on the levies as early as possible in December.

d. **Vacancy on Lewis County EDC.** Mayor Ketchum reported, with the resignation of Councilman Fuller, he would fill the vacancy on the Lewis County EDC Board until the new appointment was made at the second meeting of January 2010. He noted the other appointments held by Councilman Fuller were already taken care of.

6. **Council Reports.**

a. **Events Attended by the Mayor.** Mayor Ketchum reported he and other council members attended the fundraiser for Andy Sennes last Wednesday evening. He stated they had a large number of people attend, and raised nearly \$19,000.

Mayor Ketchum reported he also attended the Lewis County Relay for Life Kick-off on Wednesday evening, which was well attended. He talked briefly about this year's 'The Purple Toilet, Flush Cancer' fundraiser. Mayor Ketchum explained that if the 'purple toilet' showed up in your yard, you had to pay to have it removed. The fees ranged from \$10 to have it taken away; \$20 to have it given to someone else; or \$30+ to get rid of it and ensure it wouldn't come back. Mayor Ketchum reported it showed up in his yard the very next morning, at which time he paid to have it taken away, and hopefully insured it wouldn't come back.

b. **Chehalis River Basin Partnership Update.** Councilor Harris reported on the Chehalis River Basin Partnership meeting, noting they talked about an interesting program put on by Earth Economics, who was questioning how the United States Army Corps of Engineers (Corps) dealt with the cost benefit analysis on property and property loss. He stated they believed the Corps was ignoring certain parts of what was being benefited through flood and flood damage control, namely the property itself and the value of it. Councilor Harris reported the new program would put dollar amounts on property and other things so that their cost benefit analysis would come out even better; however, it did not give value to wetlands. He noted in their review, they determined water retention in the upper parts of the basins was probably the best place to start projects and throw money at. Councilor Harris noted Earth Economics had no agenda; they were simply looking at data. He felt the analysis could end up being a benefit for the project, as far as finding the value. Councilor Taylor felt they were going to run into some huge hurdles.

Councilor Harris reported a representative from Earth Economics would be meeting with individuals in Washington, D.C., to talk about the programs, hoping to get them put through.

7. **Ordinance No. 851-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2010, and Ordinance No. 852-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2010.** City Manager MacReynold noted Ms. Lindgren already walked the council through what they were proposing, and encouraged passage of the two ordinances.

Councilor Dawes thought Ordinance No. 852-B was to include the dollar per thousand for the EMS levy. Ms. Lindgren noted it only addressed the limitation and only had to show how it compared.

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Councilor Taylor moved to pass Ordinance Nos. 851-B and 852-B on first reading.

The motion was seconded by Councilor Pope and carried unanimously.

8. Ordinance No. 853-B, First Reading – Establishing New Wastewater Rates for Lewis County Sewer District #4 and the City of Napavine. Patrick Wiltzius reported the rates this year had increased substantially due to a project to remove all the sludge and sewage out of the old wastewater plant. He stated over the last five years the rates had averaged out to an increase of 3.3 percent per year for Napavine, and about 2.2 percent for Lewis County Sewer District #4. Mr. Wiltzius reported he had passed the new rates on to Napavine and to Lewis County Sewer District #4, and to date he had no objections.

Councilor Dawes moved to pass Ordinance No. 853-B on first reading.

The motion was seconded by Councilor Pope and carried unanimously.

9. Resolution No. 17-2009, First and Final Reading – Adopting Policy on Non-Discrimination in Recreation Programs and Facilities. Mr. Nacht reported the state legislature indicated through Engrossed Substitute Senate Bill 5967 that municipal governments had to have a policy promoting non-discrimination on the basis of gender. He noted the city already had a number of policies on the books regarding non-discrimination.

Mr. Nacht reported the bill also required the city address the use of municipal facilities by third-party users, to make sure they were not discriminating on the basis of gender either. He stated Ms. Wall was identifying specific criteria and actions the city would have to take, adding they had to have the policy in place by January 1, 2010.

Councilor Taylor noted there were some select teams that do discriminate based on the ability of the athlete, and wondered if they would still have the ability and right to use city facilities. Mr. Nacht noted the resolution addressed discrimination on the basis of gender only, adding they had to provide equal opportunity for athletic programs. He noted the legislation was pretty new and other cities were having some issues on exactly how to implement it.

Councilor Dawes asked if the city fell under the jurisdiction of Title 9, as far as athletic events. City Attorney Hillier stated he didn't know; however, the city had never had a direct challenge on that basis.

Councilor Harris asked if the city knew what instigated the bill, and what it really pertained to. Mr. Nacht reported the city just received word that the legislature passed the bill and the city had to comply.

Councilor Harris noted the city had adult programs that paid fees and supplied insurance in order to play, and wondered if they were going to be required to allow people of other genders to play in those leagues. Mr. Nacht stated he couldn't answer that question; however, conceptually, he thought that was what they were getting at. He reported the city had provisions for equal access, such as, if they had a women's league they had to have a men's league.

Councilor Harris wondered if the city would be leaving itself open if they agreed to it and later had an issue come up.

Mayor Ketchum felt it was more that if they had a boy's team and a girl wanted to play on it, they had to allow the girl to play.

City Attorney Hillier noted the practical origin was that in the larger counties and cities they were struggling with the fact that men's softball leagues were monopolizing all the fields, and the women's teams could not get on them. He stated what the city was doing was offering facilities of equal time and equal basis based on the number of teams available, which would meet the criteria.

City Manager MacReynold felt if they didn't adopt the resolution the city might be under the microscope; however, passage would ensure that we are seeking to comply with state regulations.

Councilor Dawes felt they were making more out of it than what it really was, noting the purpose was to provide equal access to public community athletic programs and sports facilities by prohibiting discrimination on the basis of gender.

Councilor Dawes moved to adopt Resolution No. 17-2009 on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

There being no further business to come before the council, the meeting adjourned a 6:47 p.m.

November 23, 2009

Mayor

Attest:

City Clerk

December 1, 2009

The Chehalis city council met in a special work session on Tuesday, December 1, 2009, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Becky Fox, Court Administrator; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Bob Nacht, Community Development Director; and Tim Grochowski, Public Works Director. Municipal Court Judge Steve Buzzard was also in attendance.

1. **Continue Public Hearing on 2010 Ad Valorem Taxes and Property Tax Levies.** City Manager MacReynold stated, as part of the budget process, the city had to update its tax levies annually. He noted the administration was not proposing any changes to either levy, based on the position the council had taken in the past. City Manager MacReynold reported if the council passed the Emergency Medical Services (EMS) levy at the maximum level it would provide \$90,000 additional dollars that could be directed towards fire equipment and such; however, based on the council's prior position, the administration was not recommending doing that at this time.

Mayor Ketchum closed the regular meeting and opened the public hearing at 5:01 p.m. There being no public comment, Mayor Ketchum closed the public hearing and reopened the regular meeting at 5:02 p.m.

2. **Ordinance No. 851-B, Second Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2010, and Ordinance No. 852-B, Second Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2010.**

Councilor Harris moved to pass Ordinance Nos. 851-B and 852-B on second and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

Councilor Dawes noted he was a little troubled over the fact that they could pass an EMS levy for up to .50 cents and not have the authority to set it in a way that was consistent. He stated he reviewed the Revised Code of Washington (RCW), adding he had never seen such a garbled mess of RCWs in his life. Councilor Dawes suggested they try to get the legislators to look at it, because it took away their ability to be responsible with the taxpayer dollars. He stated there was no doubt they needed the extra revenue; however, he didn't want to send the wrong message to the voters. Councilor Dawes noted the EMS levy was a separately voted tax, and in his opinion, they were not being allowed to do the right thing.

City Attorney Bill Hillier suggested they could always challenge the assessor's office if they decide to raise the amount next year. Councilor Dawes stated it was still troubling because it was not letting them do what the ballot title specifically said they could do.

3. **Review of 2010 Recommended Budget.** City Manager MacReynold talked briefly about the private sector approach they were taking, noting they looked at the revenues and developed target budgets for each department. He stated in some cases they had ongoing conversations about adjustments and made some necessary changes. City Manager MacReynold recognized the budget committee members, which included Mayor Pro-tem Dawes and Councilors Harris and Taylor. He felt they had some very good discussions, which helped the administration as they finalized the balanced budget that was now before the council.

City Manager MacReynold reported they were projecting they would have about \$1 million in the general fund reserves at the end of 2009 and were looking at reducing that number throughout the course of the year, ending with \$700,000 in reserves.

Eva Lindgren walked the council through the summary of general fund revenue projections for 2010. She noted the projected ending balance at December 31, 2009, was \$1.9 million and the proposed beginning fund balance for 2010 was \$1.05 million. Ms. Lindgren explained they were anticipating the non-uniform contract to be approved by year-end and it was not budgeted in. She noted even though the contract had not yet been approved, they were leaving things as is for now.

City Manager MacReynold spoke briefly about the 'one time only' and 'on-going' operational items, noting they were separated out so the council could see what the projections were for 2010, as well as 2009. He felt that information was

helpful because they had some capital projects that significantly inflated the budget and gave the impression that they had money available, when in fact, it was for one or two projects only.

December 1, 2009

Ms. Lindgren reported she tried to be consistent throughout the document, with reference to one-time versus recurring items. She briefly discussed the capital grants, noting they had some very large capital expenditures for the Chamber Way Improvement Project that distorted the revenues, as well as expenditures.

Ms. Lindgren reported she spent a lot of time projecting out what the revenues would be for 2009, and very often, the proposed recurring revenues were very similar to the projected through December 31, 2009.

Mayor Ketchum inquired as to why the city council budget went up 41 percent. Ms. Lindgren reported it was partially due to the fact that former council member Robin Fuller did not take pay or benefits and the projections for 2010 included both wages and benefits for that position. She noted they would discuss that matter in more detail when they get to the council budget.

Ms. Lindgren stated they didn't expect the economy to improve much in 2010, noting the economists were reporting a very flat outlook for governments over the next two to three years. She reported the sales tax revenues for November were down, noting the one-time bump from the "Cash for Clunkers" program. Ms. Lindgren felt they needed to continue to take a conservative approach and hoped to stay within the 2009 projections and continue it into 2010. She felt they really looked at the fundamentals and tried to be conservative in their projections.

Ms. Lindgren reported her resources for information were geared specifically toward government finance. She indicated she often referred to 'Market Watch' and continued to evaluate the information as it came in. Councilor Lund asked what Ms. Lindgren's analysis was with regards to double-digit inflation within the next two years. Ms. Lindgren stated she was worried about inflation down the road, adding she expected it to hit, she just didn't know when.

Councilor Harris noted they reduced the budget for 2009 after what happened in 2008, and felt they still might not hit those numbers even though they were being conservative. He stated they could only do so much, and didn't know how they were going to prepare for inflation. Councilor Lund believed if they were aware of it they could prepare themselves and not get caught when it does happen. Councilor Harris stated he agreed, adding the fact that they were looking at it on a monthly basis, rather than quarterly, would help the city more than anything else.

City Manager MacReynold reported there were some things they would like to do, but they were not built into the budget. He stated the committee's position was they needed to wait, and if in the middle of the year things were looking better, they could talk about what to add back.

Ms. Lindgren reported there were some slight increases in property tax that were driven by new construction, and they were pretty much on track with the amended sales and use tax of \$3.3 million for the year. She noted the \$700,000 drop in sales tax from 2008 was very significant for an organization our size. Ms. Lindgren reported they also moved expenditures to the arterial street fund and firemen's pension fund that were normally paid for by the general fund.

Councilor Dawes inquired about the business license revenue, noting they discussed revising the system to have a steady stream coming in throughout the year, as apposed to all at one time. Ms. Lindgren stated she didn't take that into account, noting the figure was probably a little overstated. She indicated she focused most of her energy on the larger revenues. Mr. Nacht reported the business licenses would be staggered throughout the year, and suggested there would probably be a drop in a given year, because of the new process. He indicated there was also a drop in the number of business licenses being issued, adding a lot of existing businesses were not renewing, or just going out of business.

Budget presentations were made by the various departments. Becky Fox and Judge Steve Buzzard presented the municipal court budget; Chief Kelvin Johnson presented the fire department budget; Bob Nacht presented the community development department budget; Chief Glenn Schaffer presented the police department budget; Judy Schave presented the city clerk budget; and Peggy Hammer presented the human resources budget. The remaining departments would present their budgets at the next work session scheduled for Thursday, December 3, at 5:00 p.m.

One suggestion that came up during the presentation of the community development budget was to look at doing something with the swimming pool, to make it available for year round use. Councilor Pope wondered if there was any thought of looking at a partnership with other organizations that provide pools and recreational facilities, such as the YMCA. Mr. Nacht noted it was certainly something they could look into, noting there was some discussion a few years ago having to do with covering the facility. He reported they would research it and bring back some concepts and prices of what it would cost. Councilor Pope stated if there was a possibility of it happening, he suggested it be presented to the Chehalis Foundation as a possible project.

December 1, 2009

Mayor Ketchum stated, over the last few years, three council members had requested the money that would have been used for their benefits be put into a separate account. He requested the council consider using \$20,000 on the money in 2010 to upgrade the Christmas decorations throughout town. Councilor Taylor asked if there was a list of projects the money was to be used for. Councilor Dawes noted the only item he knew about was a study for the pool. City Manager MacReynold noted in talking with the mayor, the intent was to use the money to purchase "things," adding he thought he had shared that information with Councilor Dawes. Councilor Dawes felt there were a significant amount of things that needed to be done to the pool; however they needed to do a study first, which would cost about \$15,000. Mayor Ketchum felt the money was set aside to buy things that they needed, not for studies. Councilor Taylor suggested they couldn't really spend any money on the pool until they know exactly what they need to spend money on.

Councilor Dawes suggested they find out if there was any potential for the idea at the pool, or if there was any kind of a partnership they could look into. Ms. Lindgren noted they had \$25,000 budgeted to spend in 2010, and needed to give the administration direction as to what they want to acquire.

Councilor Harris reported he and Andy Sennes had put together a wish list, adding if he could have a couple of weeks to review it, he would be able to give a more credible account and dollar amount of what was needed.

There being no further business to come before the council, the meeting adjourned at 7:22 p.m.

Mayor

Attest:

City Clerk

December 3, 2009

The Chehalis city council met in a special work session on Thursday, December 3, 2009, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Eva Lindgren, Finance Manager; Tim Grochowski, Public Works Director; Dave Vasilauskas, Water Superintendent; Rick Sahlin, Street Superintendent; and Patrick Wiltzius, Wastewater Superintendent.

1. **Continue Review of the 2010 Recommended Budget.** Mayor Ketchum announced they would continue their review from Tuesday night of the 2010 recommended budget.

Budget presentations were made by various departments. Tim Grochowski presented the public works department budgets, including: street, arterial street, engineering, wastewater, water, and storm water; City Manager MacReynold presented the city manager, council, and legislative budgets; and Ms. Lindgren presented the finance, non-departmental, and all other budgets.

There being no further business to come before the council, the meeting adjourned at 7:07 p.m.

Mayor

Attest:

City Clerk

December 14, 2009

The Chehalis city council met in regular session on Monday, December 14, 2009, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Brian Kelly, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Eva Lindgren, Finance Manager; Bob Nacht, Community Development Director; Tim Grochowski, Public Works Director; Dave Vasilauskas, Water Superintendent; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Marquise Allen of *The Chronicle*.

1. **Public Hearing – 2010 Recommended Budget and Revenue Sources.** City Manager MacReynold reported they went through the budget process and held two budget work sessions to review the 2010 budget document, which included no tax increases or utility rate recommendations. He stated the council budget committee gave very clear direction that they did not want to increase taxes or raise utility rates.

Mayor Ketchum closed the regular meeting at 6:02 p.m. and opened the public hearing. There being no public comments, Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:03 p.m.

2. **Briefing on Walking Tour Brochure.** City Manager MacReynold introduced Larry McGee, Chairman of the Chehalis Community Renaissance Team (CCRT), and Lewis County Historical Museum Director Debbie Knapp, to brief the council on the brochure for the Historic Downtown Chehalis Walking Tour.

Mr. McGee reported that Ms. Knapp, Caryn Foley, Administrative Assistant to City Manager MacReynold, and Shelly Clemens from KELA, worked very hard on the brochure, and he considered it to be a historical document. He stated there were two main purposes of the tour: the first being something they would all enjoy as citizens; and second, to attract visitors to give them something to do when they're in town. Mr. McGee noted the museum's board approved to pay for the 1000 brochures because they, too, felt it was a legitimate historical document.

Ms. Knapp reported an ad would be coming out in *The Chronicle* about the walking tour, which was taking place on Saturday, December 19, at 11:00 a.m. She provided each of the council members with an invitation, asking them to attend. Ms. Knapp stated they were requesting donations from those going on the tour, which would go to the CCRT. She thought the tour would take approximately two hours, adding several merchants would be providing some refreshments during the tour.

Ms. Knapp reported the brochure started out as a tri-fold; however, as they began researching, it turned into a 24-page booklet. She stated they were very proud of the brochure, and as things change and they reprint, they would incorporate any new information into it.

Mr. McGee stated he would be back before the council in January to give a year-end recap, adding he hoped to have a couple of other interesting things underway at that point.

3. **Consent Calendar.** Councilor Pope moved to approve the consent calendar comprised of the following:
- a. Minutes of the regular meeting of November 23, 2009;
 - b. Payroll Vouchers No. 33068-33155 and 1074-1142 in the amount of \$648,764.76 dated November 30, 2009; and
 - c. Accept Wastewater Outfall Replacement Project as complete and release retainage to Sterling Breen Crushing, Inc. in the amount of \$9,995.63.

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Staff Reports.**

a. **Briefing on Extension Letters to Utility Customers.** City Manager MacReynold reported he was recently briefed by Tim Grochowski and Eva Lindgren on a situation they had become aware of, which they felt needed to be rectified.

Mr. Grochowski talked briefly about what had transpired to prompt the letter to go out to certain utility customers. He noted staff sent out approximately 78 letters the prior week to utility customers who were requesting an extension on their utility bill every billing cycle. Mr. Grochowski felt the city needed to put their foot down and let customers know that the city would no longer be extending credit. He indicated there was no department director authorizing the extensions, which did not comply with the city's own policy. City Manager MacReynold noted the city's policy gave the public works director the authority to grant an extension for an emergency situation.

December 14, 2009

Councilor Dawes suggested it toyed with the thought of gifting of public funds, which was certainly something the city should not be doing.

b. **Briefing on Funding of Foreign Trade Zone (FTZ)**. City Manager MacReynold reported, in 2008, they had a brief discussion about funding for the FTZ for 2009. He stated he was recently briefed by the Port of Olympia on the matter, noting the city and the Port of Chehalis had areas that were identified as FTZs. City Manager MacReynold reported businesses that were involved in foreign trade received a tax benefit, noting Darigold, Inc., was one of the local businesses who utilized that benefit. He stated the fee for 2009 was \$985, and would drop to \$500 in 2010. City Manager MacReynold felt the benefit to Darigold, Inc., was significantly higher than the annual fee. He reported the Port of Olympia was also interested in talking with the Port of Chehalis regarding Fred Meyer because they believed they were involved in some level of foreign trade and could benefit from it, as well.

City Manager MacReynold recommended the council fund the requests for both 2009 and 2010.

Councilor Dawes asked if the 2009 fee could be added to the budget amendment ordinance if they approved it that evening on first reading. City Manager MacReynold stated it could, adding he had asked Ms. Lindgren to include it in the budget amendment. Ms. Lindgren indicated it would be included in the second reading of the ordinance.

Mayor Ketchum felt it was good to have a foreign trade zone, adding at one time it would have been a huge benefit to IP Callison because they had a lot of stuff they brought in and sent right back out overseas.

Councilor Dawes believed the amount of money the city would recognize in revenues would be much more than what they pay out for the annual fee. City Manager MacReynold agreed.

6. **Council Reports**.

a. **Code of Conduct**. Mayor Ketchum reported, while sitting on the council over the past ten years, there had been times when accusations had been made about councilors stepping over the line a time or two, and suggested City Manager MacReynold put together a 'Code of Conduct' for the council, so they know what the do's and don'ts are.

Councilor Pope stated they already had a document that outlined the functions and responsibilities of the council and city manager. Councilor Dawes noted the type of material Councilor Pope spoke of was available through the Association of Washington Cities (AWC). He noted AWC puts on a newly appointed officials workshop every two years, and they make it very clear what their roles and responsibilities are.

City Manager MacReynold reported he knew of many cities that had a 'code of conduct.' He stated the administration would be happy to provide the AWC information, and any other 'code of conduct' that Municipal Research might have on file.

5. **Ordinance No. 853-B, Second Reading – Establishing New Wastewater Rates for Lewis County Sewer District #4 (LCSD #4) and the City of Napavine**. Patrick Wiltzius reviewed the information presented at the prior meeting, noting the proposed rates for the provision of sewer services had been set for 2010 for the City of Napavine and LCSD #4. He reported Napavine's rate would increase \$2,332 per month, and LCSD #4 would increase \$1,708 per month. Mr. Wiltzius stated the rates had been fluctuating pretty severely over the last couple of years; however, the overall increase averaged out to about 2.8 to 3.3 percent over the life of the agreement.

Councilor Dawes moved that the council pass Ordinance No. 853-B on second and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

6. **Resolution No. 18-2009, First and Final Reading – Adopting the 2010 Budget for the Chehalis-Centralia Airport**. Airport Manager Allyn Roe reported the proposed budget for the airport was passed by the airport board last month. He stated it was a pretty standard budget, similar to last year and the years prior. Mr. Roe noted it included a 3.8 percent increase in revenues and a one percent increase in expenditures. He stated the revenue increases were attributed to some additional FAA funding and a couple of lease increases on their commercial property. Mr. Roe reported the budget included a slight increase in salaries, along with some operating supplies. He stated they had about \$150,000 in capital expenses for the installation of additional security fencing on the north end of the property, which was being funded by the FAA, as reflected on the revenue side. Mr. Roe noted they would not be doing any fencing around the levee until the levee rehabilitation work was done.

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Councilor Harris moved that the council approve the 2010 airport budget by adopting Resolution No. 18-2009 on first and final reading.

Councilor Pope seconded the motion.

Councilor Dawes asked if the lease receipts-capital was for the annual or adjustments they do on the life of the leases. Mr. Roe noted every five years the lease rates adjust at the airport. He reported their largest revenue producing leases came from the Twin City Town Center, and were set to increase 10 percent.

The motion carried unanimously.

7. Resolution No. 19-2009, First and Final Reading – Designation of Applicant Agent and Alternate. Ms. Lindgren reported she recently attended some disaster training given by the military department and they strongly urged each city have an application agent in place in order to move forward very quickly should a disaster take place. She noted in the past, it had been sufficient for the mayor to sign off on the designation; however, that was no longer the case. Ms. Lindgren noted the resolution would qualify the city for whatever disaster happens to come along.

Councilor Harris was concerned about naming particular names rather than titles, noting at some point in time the persons designated might not be with the city. Ms. Lindgren reported a similar situation happened when she first started with the city and they were able to work it out with the military department to have Mayor Ketchum sign off on some letters making new designations. She noted in the event the city was not responding and signing off on things, we would somehow be contacted by the military department.

Ms. Lindgren recognized Judi Smith from the public works department for the work she did on the 2009 flood event. She indicated her work on that disaster allowed the city to qualify the county, as well as the state, for federal funding. Ms. Lindgren felt Ms. Smith was the appropriate person to be the alternate.

Councilor Harris thought it would be nice to have a list of who has authorization to sign off on what. Ms. Lindgren agreed.

Councilor Harris moved to adopt Resolution No. 19-2009 on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

8. Ordinance No. 849-B, First Reading – Amending the City's Critical Areas Regulations. Bob Nacht reported the presentation of the ordinance was a culmination of about a year and half of work, which originally started out with the Planning Commission and others. Mr. Nacht introduced LaJane Schopfer whom the city hired to provide land use planning consulting services. He noted Ms. Schopfer was instrumental in putting the document together; adding she worked directly with the state agencies to make sure the document contained everything the state required.

Ms. Schopfer stated it was important for the city to be able to work with other agencies because there were so many laws with regards to critical areas. She noted the document was sent out to a number of agencies, as well as a design review team. Ms. Schopfer indicated the only response they received back came from the Department of Ecology (DOE), which didn't happen too often. She noted the document was 85 pages of detailed information, and felt the city worked very hard on gathering the information and in lending her the department tools to work with.

Mr. Nacht reported the document was submitted to the state for a 60-day review on October 30. He noted city would address the comments made by DOE next year when they go through the annual review process in April. Mr. Nacht asked that the council approve the ordinance on first reading, adding the second reading would be presented at the special meeting on December 21. He reported Ms. Schopfer would be working with the city on the update of the comprehensive plan, which was required by growth management.

Councilor Taylor moved that the council pass Ordinance No. 849-B on first reading.

The motion was seconded by Councilor Lund and carried unanimously.

9. Ordinance No. 854-B, First Reading – Adopting the 2010 Budget. City Manager MacReynold reported the proposed budget was balanced; however, the council still had an opportunity to give feedback and recommend any changes they would like to see in the budget. He noted the city clerk would identify any recommendations made, and during the second reading of the ordinance, they would be brought back before the council for their consideration.

Councilor Dawes moved to pass Ordinance No. 854-B on first reading.

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Councilor Taylor seconded the motion.

Councilor Dawes reported the council fought very hard the last two years to not have any utility rate increases; however, based on what was coming down the road, that may not be the case next year. He stated as a council, holding taxes in-line was important, but they also understood there were things that needed to be done. Councilor Dawes noted it wasn't a threat, but a warning, adding they would probably seriously need to look at it as they go into the next year.

Councilor Taylor indicated there were a lot of important things that did not get put in the budget. He noted they had the discussion that if they came up with some extra funds, or if the economy does pick up, they would take a look at the budget mid-year to see if some of the necessary things, such as patrol cars and fire hose, could be added back in.

Councilor Harris echoed what Councilor Taylor stated, adding they asked all the senior staff to make a list of the items they would like to see added back into the budget should things turn around.

The motion carried unanimously.

10. **Ordinance No. 855-B, First Reading – Amending the 2009 Budget.** Ms. Lindgren walked the council through the highlights of the budget amendment, noting the single most significant adjustment in the general fund related to the deferral of the bond issuance of debt for city hall. She noted the revenue would be reduced because they were not issuing the debt, and the offset was they would not be paying it out to the utility funds this year. Ms. Lindgren noted it was vital to issue the long-term debt in 2010 with a fixed rate, which would assist in the planning for future years.

Ms. Lindgren talked briefly about the previous budget amendment, noting they did an across-the-board transfer between the office of economic development and the city manager budgets for \$50,000; however, they ended up transferring a little too much and would be taking a portion of it back. She noted they were still waiting for a PERS billing from the Department of Retirement, which was a component that had to be covered in the economic development budget and they planned on using that money to help cover those costs.

Ms. Lindgren reported she looked very closely at the general fund, adding there were some revenue streams that were not going to be seen in 2009, so they were removed. She noted the school district chose not to fund the DARE program this year; however, the police department was successful in getting a justice assistance grant to help cover part of the cost of the school resource officer position; but unfortunately they would not be receiving the cash for that grant until next year. Ms. Lindgren did not believe they would see the signage grant funding before the end of the year either, so that was taken into Account, as well.

Ms. Lindgren continued the review of the general fund and talked briefly about the lower than expected fuel costs and higher cost for benefits. She discussed the non-departmental budget, noting election costs had increased significantly, which were driven by a state mandate on how they collect and retain voter data.

Ms. Lindgren talked briefly about the police and fire benefits, noting she was reducing the fire LEOFF I benefit budget because the city would be picking up the pre LEOFF 1 firefighter benefits in the firemen's pension fund.

Ms. Lindgren reported she was requesting a \$25,000 transfer rather than the \$10,000 in the proposed garbage fund budget, noting she would rather be over budget, than under budget. She indicated they would not have to do the transfer for the full amount if it turned out they don't need it. Ms. Lindgren talked briefly about the revenue budgeted for solid waste fees, noting it was reduced significantly because the city was not doing the billing any more, and the professional services the city would have normally paid the contractor were also reduced.

Councilor Taylor inquired as to what the employee who was handling the garbage was now doing; now that the contractor had taken over the billing. Ms. Lindgren reported the garbage was only a small portion of the utility billing process, adding they still had the same workload of processing and mailing a utility bill to every customer. She felt it was a slightly lighter load because they didn't have the phone calls or excess tags to deal with. Ms. Lindgren noted they planned on fewer employees, but it was not in the budget because the reality was, they would run into coverage issues. City Manager MacReynold reminded the council that they did cut part of one position from the finance department in the latter part of 2009 as part of phase 2 of the workforce management plan.

Ms. Lindgren concluded her report by talking briefly about the water fund utility taxes and firemen's pension fund.

Councilor Dawes moved to pass Ordinance No. 855-B on first reading, and to suspend the reading of the ordinance.

December 14, 2009

The motion was seconded by Councilor Pope.

Councilor Dawes moved to amend Ordinance No. 855-B to include \$985 for the FTZ assessment for the calendar year 2009.

The motion was seconded by Councilor Pope and carried unanimously.

Councilor Dawes moved to pass Ordinance No. 855-B as amended, including suspending the reading of the ordinance.

The motion was seconded by Councilor Pope and carried unanimously.

11. **Request to Rename Little League Field #1 at Stan Hedwall Park to be Andy Sennes Field.** City Manager MacReynold reported the city recently received a formal request from Rich Bunker, who was representing the Chehalis Little League, to rename Little League Field #1 at Stan Hedwall Park to be Andy Sennes Field. He noted the request was made because of Mr. Sennes' significant contributions to recreation, and to our city facilities and ballfields.

Councilor Pope moved that the council rename Little League Field #1 at Stan Hedwall Park to Andy Sennes Field.

Councilor Taylor seconded the motion.

Councilor Pope stated he talked with City Manager MacReynold earlier in the day, noting if in the future somebody wanted to name or rename something because they made a large donation, it would have to be looked at on its own merit. He indicated they looked at this request based on Mr. Sennes' contribution and commitment to our city, its facilities, and the recreation department.

The motion carried unanimously.

12. **Update on the Passing of Former Fire Captain Brian Slater.** Mayor Ketchum asked if Chief Johnson had any more information on former Fire Captain Brian Slater, who passed away on December 8. Chief Johnson reported he spoke with Fire Captain Kevin Curfman, and according to the Captain Slater's wife, Karen, they would not be having anything further in Chehalis, but were planning to do something on January 9 in Soap Lake, Washington. He stated that he asked Captain Curfman to keep him updated on the situation, and he would pass along any information to the council as it was received. Mayor Ketchum asked that a card be sent to the family from the council.

13. **Benefit for Officers Killed in Lakewood, Washington.** Chief Schaffer reported Paul Walker and Ron Hall of KITI-Live 95, established a fundraiser on Wednesday, December 16, for the four officers that were killed in Lakewood, Washington. He noted the event would take place at the Hub City Club in downtown Centralia, Washington, and they would be providing a spaghetti meal by donation starting at noon, with the main event starting at 6:00 p.m. Chief Schaffer stated 75 percent of the proceeds would go to the guild that would support the officers' families, and the other 25 percent would go towards establishing a local permanent law enforcement and fire department memorial fund.

14. **Intersection of West Street, Airport Road, and Louisiana Avenue.** Councilor Lund reported he was approached by Darrell Sorenson concerning the intersection of West Street, Airport Road and Louisiana Avenue. Councilor Taylor reported he brought the issue up about three months ago and suggested the city look at putting in a traffic calming circle. Mr. Grochowski reported the city looked at it in-house, but had not put a price on what it would cost to do the work. Mr. Grochowski felt it would be impossible to do a project in the near future with the current budget situation; however it was something they wanted to look at incorporating when they open up Louisiana Avenue to Airport Road at the North end.

Mr. Grochowski suggested they talk with the state about helping out with funding to improve that area, noting once they open the road at the north end there was going to be more traffic coming through that area. Councilor Dawes believed the state would rather take out the West Street overpass because of the discussion about widening I-5. City Manager MacReynold noted the state continued to push out the date for that particular project.

Councilor Taylor indicated he was told they didn't think a traffic calming circle would work because of the location and the legalities of putting something like it in the middle of the road on a main street. Mr. Grochowski noted it wasn't ruled out, but they still needed to look at the cost. City Manager MacReynold agreed it was a problem.

There being no further business to come before the council, the meeting adjourned at 7:02 p.m.

December 14, 2009

Mayor

Attest:

City Clerk

December 21, 2009

The Chehalis city council met in special session on Monday, December 21, 2009, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:01 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Eva Lindgren, Finance Manager; Bob Nacht, Community Development Director; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Marquise Allen of *The Chronicle* and Paul Walker of KITI.

1. **Continue Public Hearing – 2010 Recommended Budget and Revenue Sources.** Mayor Ketchum immediately re-opened the public hearing at 6:02 p.m. City Manager MacReynold reported there had been some adjustments made to the budget as they completed the amendments to the 2009 budget. He asked Ms. Lindgren to briefly walk the council through the changes.

Ms. Lindgren stated Ordinance No. 854-B reflected the budget presented to the Council for first reading, with some minor changes. She noted the agenda report highlighted the key changes that were made.

There being no public comments, Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:05 p.m.

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

- a. Minutes of the special work sessions of December 1 and 3, 2009; and
- b. Claim Vouchers No. 95365-95504 in the amount of \$159,175.08 dated December 7, 2009.

The motion was seconded by Councilor Taylor and carried unanimously.

3. **Ordinance No. 849-B, Second Reading – Amending the City's Critical Areas Regulations.** Bob Nacht reported the document was ready to incorporate into the Chehalis Municipal Code. He noted the sensitive issues had been reviewed over the last year-and-a-half by the planning commission, as well as the public and various state agencies.

Mr. Nacht noted prior to the first reading they had received comment back from the Department of Ecology, adding the city's consultant had reviewed those comments and advised that they could be appropriately addressed as they go through the annual review process of the development regulations. He stated the matter had been through the public hearing process and he was recommending the council pass the ordinance on second and final reading.

Councilor Harris asked, if an agency came to them before the end of the year with pertinent information, would the city incorporate it into the document if found necessary. Mr. Nacht stated technically the agencies had until December 30 to comment under the 60-day review process, but after the culmination of 52 days, unless they were legal growth management issues, they were not going to address them at this time. He noted thus far the comments had to do with minor recommendations to increase buffer widths and such, which they would review next year and present a recommendation at that time.

Councilor Harris moved that the council pass Ordinance No. 849-B on second and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

4. **Ordinance No. 855-B, Second Reading – Amending the 2009 Budget.** Ms. Lindgren noted the majority of the focus during the first reading was on the general fund. She indicated since that time she had done some additional fine-tuning to the general fund and focused a lot more attention on the other funds.

Ms. Lindgren reported all of the additions to the amendment from first reading were highlighted on the spreadsheet, which clearly identified what the individual items were. She noted the total projected ending fund balance at December 31, 2009, for all funds, including the amendments, would be \$7,980,195.

Councilor Dawes moved that the council pass Ordinance No. 855-B, as amended, on second and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

December 21, 2009

5. **Ordinance No. 854-B, Second Reading – Adopting the 2010 Budget.** Ms. Lindgren reported the 2010 budget had some minor changes that were highlighted in both the agenda report and in the summary report. She noted the estimated total beginning fund balances had been decreased by a total of \$511,656, comprising of reductions to four funds, including: the community development block grant fund, the wastewater fund, the water fund, and the firemen's pension fund.

Ms. Lindgren reported revenues and transfers-in had increased by a total of \$67,770 in the general fund, and \$10,000 in the community development block grant fund; expenditures and transfers-out had been increased by a total of \$95,741 for the general fund, tourism fund, and the housing and urban development fund.

Ms. Lindgren stated the ending fund balance for the proposed 2010 budget for all funds, as presented, was \$7,919,323.

Councilor Harris moved that the council pass Ordinance No. 854-B, as amended, on second and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

There being no further business to come before the council, the meeting adjourned a 6:13 p.m.

Mayor

Attest:

City Clerk