



January 11, 2010

The Chehalis city council met in regular session on Monday, January 11, 2010, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:30 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. 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 may be a decision following the conclusion of the executive session.

Mayor Ketchum closed the executive session at 5:46 p.m. and announced the council would take a fourteen-minute recess and reopen the regular meeting at 6:00 p.m. Additional staff included: Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Bob Nacht, Community Development Director; Becky Fox, Court Administrator; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Paul Walker of KITV.

2. **Introduction of New Centralia-Chehalis Chamber Director.** Jim Valley introduced himself as the new executive director of the Centralia-Chehalis Chamber of Commerce. He reported he was originally from Centralia, but had connections to Chehalis as his father was an attorney in the area in the 1960s and 1970s. Mr. Valley stated he looked forward to a very healthy and active relationship with the city, adding it was a new Chamber and he planned on being very visible, and very public.

Mr. Valley reported the annual Chamber banquet was coming up on Friday, January 22, and the council should be receiving their invitations very quickly. He noted they were planning on making an announcement soon, on the frequent Chamber events coming to Chehalis in the very near future.

3. **Presentation of Award.** Mike Ashton, President of the Lewis County Youth Soccer Association (LCYSA), stated he was asked by his board to present the Chehalis Parks and Recreation Department with a plaque to recognize them for their commitment, support, and dedication to all youth soccer participants. Mr. Ashton stated the Association represented over 1900 participants in their programs throughout Lewis and parts of Thurston County. He noted the board felt it was important to recognize communities for all of the assistance they give.

Mr. Nacht accepted the plaque on behalf of the staff and the city of Chehalis. He thanked the LCYSA and the Chehalis Soccer Association for the hundreds of hours they donate to the youth programs, and for the quality of programs they provide. Mr. Nacht also thanked Mr. Ashton for his volunteer efforts, as well.

Mayor Ketchum turned the floor over to the city clerk for the swearing in of the newly elected and re-elected council members, and for the election of the mayor.

4. **Swearing-in of Newly Elected and Re-elected Council Members.** Municipal Court Judge Steve Buzzard administered the oaths of office to Dennis Dawes, District No. 1 At-large; Chat E. Taylor, District No. 2 At-large; and Bob Spahr, District No. 3 At-large.

5. **Election of Mayor and Mayor Pro-Tem for 2010-2011.** The floor was opened for nominations for the position of Mayor. Councilor Taylor nominated Councilor Tony Ketchum for Mayor. There being no further nominations, nominations were closed.

Councilor Taylor moved to appoint Councilor Ketchum as Mayor.

The motion was seconded by Councilor Pope and carried unanimously.

Mayor Ketchum assumed his position as Mayor and opened the floor for nominations for the position of Mayor Pro Tem.

Councilor Taylor nominated Councilor Dennis Dawes as Mayor Pro Tem. There being no further nominations, nominations were closed.

January 11, 2010

Councilor Taylor moved to appoint Councilor Dawes as Mayor Pro Tem.

The motion was seconded by Councilor Spahr and carried unanimously.

Mayor Ketchum welcomed Lewis County Commissioner Bill Schulte to the meeting.

6. **Consent Calendar.** Councilor Harris moved to amend the consent calendar, to add the collective bargaining agreement for the Teamsters non-uniformed personnel.

The motion was seconded by Councilor Lund and carried unanimously.

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

- a. Minutes of the regular meeting of December 14, 2009, and the special meeting of December 21, 2009;
- b. Claim Vouchers No. 95505-95627 in the amount of \$1,039,333.88 dated December 21, 2009, and Payroll Vouchers No. 33156-33249 and 1143-1212 in the amount of \$710,127.69 dated December 31, 2009;
- c. Set date and time of January 25, 2010, at 6:05 p.m. for public hearing regarding surplus of city property located at 1795 S. Market Boulevard;
- d. Set date and time of January 25, 2010, at 6:10 p.m. for public hearing on the Chehalis component of the Lewis County Multi-Jurisdictional Hazard Mitigation Plan; and
- e. Accept collective bargaining agreement between the City and Teamsters Local #252, representing the non-uniformed personnel, from January 1, 2008 to December 31, 2010.

The motion was seconded by Councilor Lund and carried unanimously.

#### 7. **Staff Reports.**

a. **Briefing on Lewis County Multi-Jurisdictional Hazard Mitigation Plan.** City Manager MacReynold reported a work session had been scheduled prior to the regular meeting on Monday, January 25, 2010, at 5:00 p.m., for the council to be briefed on the Lewis County Multi-Jurisdictional Hazard Mitigation Plan. He noted the information would be presented by Bob Nacht and Lead Project Manager Emil Pierson from the city of Centralia.

b. **Council Committee and Board Appointments.** City Manager MacReynold reminded the council to review the updated listing of council committee and board appointments, which was provided by the city clerk. He noted they would be discussing and finalizing the appointments at the next council meeting. Mayor Ketchum asked that the council members have their information turned back in to the city clerk prior to the meeting of the 25<sup>th</sup>.

Councilor Dawes reported he had been on the Cowlitz-Lewis Economic Development District Board for several years, but had never been contacted by them. City Manager MacReynold stated he was familiar with the board, which did exist; and he would have staff follow up on it.

Councilor Dawes talked briefly about the Lewis County Law and Justice Council, noting the meetings tended to be geared more towards staff and really didn't apply to council. He felt it was adequately staffed by the Court Administrator and the Chief of Police, who attend the meetings regularly.

#### 8. **Council Reports.**

a. **Introduction of Family Members.** Councilor Taylor introduced his family members in the audience, including his wife Coralee, his son Franklin, and his parents Duane and Karen Taylor.

January 11, 2010

Councilor Dawes introduced his wife Kathy, who was also in attendance.

b. **Quarterly Meeting with Fire District #6.** Mayor Ketchum reminded council representatives and staff about the quarterly meeting with Fire District #6 on Tuesday, January 12.

9. **Resolution No. 1-2010, First and Final Reading – Amending the 2009 Budget of the Chehalis-Centralia Airport.** Airport Manager Allyn Roe reported the agenda report and its attachment outlined the figures they were looking to amend in their 2009 budget. He noted their revenues came in approximately \$160,000 higher than expected; and they had some expenditures that came in approximately \$60,000 higher than what they budgeted in 2009.

Mr. Roe noted, per the operating agreement between the city, Lewis County and the Airport, they were required to get approval on any budget amendments. He noted the county approved the amendments at a meeting in December.

Councilor Dawes moved to adopt Resolution No. 1-2010 on first and final reading.

The motion was seconded by Councilor Harris and carried unanimously.

There being no further business to come before the council, the meeting adjourned a 6:18 p.m.

---

Mayor

Attest:

---

City Clerk

January 25, 2010

The Chehalis city council met in regular session on Monday, January 25, 2010, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:02 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Dennis Dawes. Councilor Taylor arrived at 6:08 p.m. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Kelvin Johnson, Fire Chief; and Bob Nacht, Community Development Director.

1. **Work Session – Lewis County Multi-Jurisdictional Hazard Mitigation Plan.** Bob Nacht introduced Emil Pierson, Community Development Director from the city of Centralia, to brief the council how they got to where they were with regards to the Lewis County Multi-Jurisdictional Hazard Mitigation Plan.

Mr. Pierson reported the process was about updating the Lewis County Multi-Jurisdictional Hazard Mitigation Plan, which was originally adopted in February 2005. He stated, under the Code of Federal Regulations (CFR) Title 44 Part 201.6, local governments must have a FEMA approved mitigation plan in place in order to apply for and/or receive project grants from hazard mitigation assistance programs. Mr. Pierson indicated FEMA required the agencies participating to attend the meetings, noting they couldn't just decide at the last minute that they wanted to participate. He stated FEMA would be reviewing the plan very closely to make sure everyone listed as a participant actually participated in the process.

Mr. Pierson reported the city of Centralia and Lewis County combined efforts to complete the plan, adding it would have cost anywhere between \$150,000 and \$200,000 if they would have hired a consultant; but instead, the county paid the city of Centralia \$75,000 to put it together.

Mr. Pierson defined hazard mitigation as an action taken to reduce or eliminate the long-term risk to human life and property from all natural disasters, not just flooding. He noted the plan was a pre-disaster planning document that took a pro-active approach to reducing damages. Mr. Pierson stated, as part of the project, they held open-houses and public meetings, which made it a public-guided document. He noted the plan also had an emphasis on strong and integrated state and local planning that would help them identify sound mitigation projects in the future.

Mr. Pierson noted there were a lot of different grants to apply for, including: hazard mitigation, pre-disaster mitigation, and flood mitigation assistance grants. He reported, on average, one dollar spent by FEMA on hazard mitigation, provided the nation with four dollars in future benefits.

Mr. Pierson briefly talked about the reasons why they did a multi-jurisdictional plan, rather than individual plans. He noted it was pointed out by FEMA that a multi-jurisdictional plan was the most efficient method to address hazards.

Mr. Pierson stated the plan was given to the Department of Emergency Management at the end of December 2009, and was forwarded to FEMA in January. He indicated FEMA had 90 days to review the plan; however, there were 27 plans ahead of this plan that were waiting to be reviewed. Mr. Pierson felt confident that FEMA would bless the plan, and was told to go forward with the adoption process for all of the agencies, with the exception of the county. He noted there was a clause in the resolution that would allow for any minor adjustments to be made, as per FEMA requirements.

Mr. Pierson reported the plan had to be updated every five years; however, a new requirement would require the plan to be evaluated on an annual basis, to include minutes from the meetings which had to be submitted for review. He noted the county would be responsible for calling the meetings and all of the participating agencies would be required to take part.

Mr. Pierson talked briefly about the structure of the plan, noting it was based on two sections; the up-front section and the section of supporting documents for each participating agency. He stated the overall plan was a complete re-write and included the following information: Introduction; Plan Adoption Process; Planning Process; Risk Assessment; Mitigation Strategies; Planning Maintenance Process; and Participating Jurisdictions.

January 25, 2010

Mr. Pierson noted all of the maps in the plan were put under the county section because everyone was a participant of the county's plan. He reviewed some of the maps that were included, noting they were all available online, as well.

Mr. Pierson noted they had 18 agencies drop from the original plan, including several school districts and a few fire districts; however, they managed to pick up 21 new agencies. He indicated all of the cities, as well as the county, had to participate. He noted those who dropped out would have to come up with their own plan, if they want to receive FEMA funding in the future.

Mr. Pierson reported Mr. Nacht and Fire Chief Kelvin Johnson represented the city on the planning team and were a great asset. He noted the Department of Emergency Management was really surprised by the total number of agencies who participated in the update, which was 53; making it the largest number in the state.

Mr. Nacht briefly reviewed a few items that would be brought up during the public hearing, and requested at the time of adoption that the council adopt the resolution as amended. He identified the specific requests for revisions, noting most of them were house-keeping type items, which included:

- Adding the date the critical areas ordinance was completed
- Adding four lines to the inventory worksheet dealing with the water, wastewater and storm water utility systems
- Updating wastewater facility replacement value to \$50 million from \$20 million, with reference to flooding
- Adding the street system as a critical facility, as opposed to inventory the city might have
- Adding the airport facility to the listing for Chehalis, even though they participated and had their own section in the plan
- Updating wastewater facility replacement value to \$50 million from \$20 million, with reference to earthquakes
- Adding a general section for underground pipes

Councilor Dawes felt the airport should be added to the city's list because it was owned jointly by the city and the county. Mr. Pierson stated it was no problem to add it, noting they just needed to make sure the numbers matched up with what the airport reported.

Councilor Spahr thought it was interesting that the plan reported 53 dams in Lewis County. He inquired as to what constituted a dam. Mr. Pierson reported the plan defined a dam as: structures that could impound 10 acre-feet or more of watery material at the dam crest elevation. Councilor Spahr asked if the city's water filtration plant constituted being a dam, adding it held five million gallons. Mr. Pierson stated he wasn't sure if it was, or not, but was surprised at the number noted in the report. He indicated most of them constituted a very low risk, based on the number of people who would be affected. Mr. Nacht believed some of the 'so called' dams were more than likely established by agricultural use in the past, for irrigation purposes.

Mayor Ketchum closed the work session at 5:37 p.m. and announced the council would take a twenty-four minute recess and reopen the regular meeting at 6:01 p.m. Additional staff included: Glenn Schaffer, Police Chief; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Patrick Wiltzius, Wastewater Superintendent; Dave Vasilauskas, Water Superintendent; and Rick Sahlin, Street Superintendent. Members of the news media in attendance included Marquise Allen of *The Chronicle* and Paul Walker of KITI.

2. **Council Committee Appointments.** Mayor Ketchum reviewed the council committee/board appointments and the representative(s) for each.

3. **Centralia-Chehalis Chamber Update.** Executive Director Jim Valley thanked the councilors who came out to show their support for events. He noted Mayor Ketchum attended the ribbon cutting at Valley View Medical Center, and Councilor Dawes attended their annual banquet, as well as the 30-year celebration for Grant's Towing.

January 25, 2010

Mr. Valley reported Northwest Awards would be having a grand opening and ribbon cutting ceremony on Friday, at 1:00 p.m. and invited the council to attend.

4. **Public Hearing on Surplus of City Owned Property at 1795 S. Market Boulevard.** City Manager MacReynold reported the public hearing was part of the process they had to go through with reference to the disposition of city owned property. He noted the council was briefed on the issue and encouraged the mayor to open the public hearing to take any public testimony.

Mayor Ketchum closed the regular meeting at 6:11:04 p.m. and opened the public hearing. There being no public comment, Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:11:20 p.m.

Councilor Lund asked if the administration knew what the house could sell for, and what kind of return the city would get if the money was put in the bank. Patrick Wiltzius reported they received an estimate from a local realtor about a year ago, which came in between \$120,000 and \$139,000. Eva Lindgren reported, at this time, the city would receive less than one half of a percent. Councilor Lund wondered what the return would be if they decided to keep the house and rent it out. Mr. Wiltzius reported there were several rentals all over town that were not being filled. He added from his experience, renting the house on the Hamilton Farm was nothing but a pain for the city. Mr. Wiltzius indicated they did not do a formal analysis on the property; however, the house needed a lot of work, and the city would need to invest a lot of money into it before they could rent it out.

Councilor Lund expressed that, in the future, the council should be given options and not be told what to do. He felt staff should be giving them ideas on what they could do better with the citizen holdings. City Manager MacReynold noted they had talked to the council beforehand about surplusing the property. Councilor Lund stated his point was they were not given any options. He felt if the council were given more options, they could make better decisions.

Councilor Spahr asked if the house would be sold by auction, or put for sale at a certain price. Mr. Wiltzius stated they were planning to have a local realtor market it and bring back any offers to the council. He noted, if the council wished, he could get with T.J. Guyer to have him do a market analysis to see what they could get for renting it. Councilor Lund stated he was just throwing out the idea of having more options, rather than just one option all the time.

City Attorney Hillier noted the public hearing process allowed the council to hear comments from the public, and then to have exactly the discussion the council was having. He noted it was up to the council to decide whether it was in the city's best interest to sell the property, hold on to it, or look in a different direction. City Attorney Hillier stated, because the property was being held by the utility and was no longer a benefit, the administration felt it should be surplussed and sold. Councilor Lund noted he just wanted them to think about different things, rather than just accepting what was put before them. Mayor Ketchum stated Councilor Lund's suggestion was duly noted.

5. **Public Hearing on Lewis County Multi-Jurisdictional Hazard Mitigation Plan.** Bob Nacht reported the council had been briefed on the plan by Mr. Pierson during a work session held prior to the regular meeting. He reminded the council that the current hazard mitigation plan was due to expire at the end of January, and it was important that they pass a resolution to adopt a new plan prior to February.

Councilor Harris inquired about the annual update notification. Mr. Nacht explained the county was responsible for initiating that process, and the city would respond to the county when the time comes.

Mayor Ketchum closed the regular meeting at 6:18:28 p.m. and opened the public hearing. There being no public comment, Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:18:48 p.m.

6. **Year-end Recap on Chehalis Renaissance Plan.** Chehalis Community Renaissance Team Chair, Larry McGee, touched on a few items that the team had been working on. He reported it was great to see the council sitting in front of the new city logo that was recently installed in the council chamber. Mr. McGee reported he and Vice-Chair, Allyn Roe (Airport Manager) met with Centralia-Chehalis Chamber Executive Director Jim Valley to see if they could get the "Young Professionals" activity into a much different gear. He noted he didn't want to take away from the fun

January 25, 2010

part, but felt they needed to add some more serious community activity to it. Mr. McGee was pleased to report that Mr. Valley had approached one of the most active members of the group, who said they would be willing to step up and get things moving in a more serious direction. He noted Mr. Valley indicated he would be very active on the Renaissance Committee, and it appeared he was doing just that.

Mr. McGee reported the walking tour went well, adding if Councilor Dawes ever decided he doesn't want to do what he's doing, he could certainly make a living as a tour guide. He added Councilor Dawes was great on the tour, adding so much historical content.

Mr. McGee reported on the recent accomplishments of the Committee, which included:

- New trees planted on Louisiana Avenue, at no cost to the city
- Formed a 501c3 - the cost of establishing it and initial funding came from the Chehalis Industrial Commission
- Close to awarding the bid on the 32 way finding signs
- I-5 historic and park signs were anticipated to go up by the end of the 1<sup>st</sup> quarter
- Visited one of the country's most successful incubators in Tacoma, Washington
- Children's Museum Team formed - looking at three different potential locations in the downtown area
- Meeting with the city clerk to look at overhauling the city's website
- Trial Litter Project through Reliable Enterprises - an idea that came from Ralph Hubbert
- Put together an inventory of buildings that are for sale or vacant in the downtown area - Greg Lund
- Possible new activity at the Port of Chehalis (not settled yet)
- Found an office to use in the St. Helens Inn, with the assistance of Mike Austin

Mr. McGee reported he was receiving great cooperation from City Manager MacReynold and the staff at the city, adding he really appreciated it.

Mayor Ketchum thanked Mr. McGee and his team for all the hard work they were doing. Mr. McGee stated they were honestly having a lot of fun doing it.

Councilor Taylor stated they couldn't have picked a better man to do the job, adding he felt Mr. McGee was an amazing person. Councilor Harris agreed. Mr. McGee stated he appreciated the comments.

7. **Dating Violence Awareness Month – February**. Mayor Ketchum read a proclamation declaring the month of February as 'Dating Violence Awareness Month,' in the city of Chehalis.

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

- a. Minutes of the regular meeting of January 11, 2010;
- b. Claim Vouchers No. 95628-95802 in the amount of \$232,407.79 dated January 15, 2010; Claim Vouchers No. 95803 – 95861 in the amount of \$108,560.45 dated January 15, 2010; Claim Vouchers No. 95862 and 122009 in the amount of \$15,663.03 dated January 15, 2010; and Claim Voucher No. 95863 in the amount of \$10,500.80 dated January 15, 2010;
- c. Authorize City Manager to execute agreement between city and BergerABAM for engineering services for the Jackson Highway Bridge Water Main Replacement Project in an amount not to exceed \$14,456;
- d. Award bid for the Chehalis Way Finding Sign Project to Zumar Industries, Inc., in the amount of \$23,461.77; and
- e. Confirm appointment of J.C. Hewett to the Library Advisory Board for a five year term expiring January 25, 2015.



January 25, 2010

The motion was seconded by Councilor Spahr and carried unanimously.

9. **Staff Reports.**

a. **November and December Financial Reports.** Ms. Lindgren stated, unless there were any particular questions on the November statements, she would just jump into the December statements.

Ms. Lindgren reported the December statements included the budget amendments the council approved at the end of December. She noted it was important to know that the 2008 numbers in the report were from the final audited financials; however, the 2009 numbers still needed some work.

Ms. Lindgren reported the most significant adjustments that remained to be made related to the interdepartmental charges. She noted the revenues were not up to what had been budgeted because she still needed to do some journal entries and interest revenue allocations. Ms. Lindgren stated they had made huge strides in 2009 to get the cash and investments tied down; however, there were still some allocations that needed to be booked for the investments in the local government investment pool, as well as the Security State Bank checking account.

Ms. Lindgren reported other adjustments would involve converting the statements back to cash basis. She noted during the year there are certain accounts that they maintain, such as pre-paid postage and inventory, even though the city was now a cash basis entity.

Ms. Lindgren reported the revenues ended up real close to what was budgeted, which supported the approach of trying to do quarterly amendments. She gave a lot of credit to the departments because they were communicating more frequently with her on anticipated revenues. Ms. Lindgren reported she still needed to do a true-up for the charges for goods and services, adding once those adjustments were made the budget variance would be close to two percent, maybe slightly less.

Ms. Lindgren reported on the expenditures, noting the non-departmental fund would show an increase in expenditures due to the inter-fund interest expenditures that had not yet been booked. She indicated the variance on the expenditure side was almost the same as the revenue side, but in a positive way. Ms. Lindgren gave a lot of credit to the management team, noting they watched their expenditures and committed to the budget reductions.

Ms. Lindgren reported on the wastewater and water funds, which showed a slight increase in the interdepartmental interest income for the money owed by the general fund. She stated she still needed to do some reallocation of the general interest income from investments and cash.

Councilor Spahr inquired as to how much was still owed from the general fund to the utility fund for the building purchase, and wondered how it was going to be paid back. Ms. Lindgren believed it was slightly over \$1.13 million, and they were planning on issuing debt to pay it back.

b. **4th Quarter Sales and Use Tax Report.** Ms. Lindgren reported the numbers supported what they had already seen in the general fund revenues. She felt the history detail on the report really drove home the hardship the city had been experiencing. Ms. Lindgren indicated the revenues had dropped over \$700,000 from the previous year, noting the amount they received was closer to the revenues recorded for 2005.

Councilor Harris asked if there was any hope in making any kind of headway with regards to the streamlined sales tax. Ms. Lindgren stated she could not claim any hope in that direction.

Councilor Dawes stated the best chance of getting anything done would be to get together with other colleagues from across the State. He felt now was not a good time to try to get any of our legislators to report on it because they were busy working on the state's budget. Councilor Dawes stated he wished there had been a chance to study the effects prior to implementing it; however, it was just another one of those things where in theory it sounded good, but in practicality, it was a nightmare.

January 25, 2010

Councilor Spahr thought even though the city was losing revenue we should be gaining it on the other side, and wondered if the city was accounting for that in any way. Ms. Lindgren noted the problem was, with the big box stores such as Home Depot, local residents that live outside the city were having things delivered to them and the sales tax was following it. She felt it was unfortunate that the State would not take into account the fact that after the 2007 flood event there were a lot of businesses in Chehalis that shut down for almost an entire month. Ms. Lindgren believed they had chosen to ignore certain things that she felt would have leveled the playing field, and would have given the city more decent mitigation revenues.

Councilor Harris stated he agreed with Councilor Dawes, and believed as long as the winning cities and counties were receiving checks they wouldn't get involved. He suggested they try to get something set up at the Association of Washington Cities annual conference in June, to try and get a few more people riled up. Councilor Dawes stated he received a lot of sympathetic comments and understanding when he attended the regional meeting in Woodland, Washington, adding a lot of people were saying the same thing around the state. He felt they were defeating the purpose of the 'Shop Local' campaign going on statewide. Councilor Harris noted he was more concerned about the errors, and the cost of tracking it.

c. **Providing Services to City of Winlock.** City Manager MacReynold reported the administration had had some communications with the City of Winlock concerning building inspections, which had been prompted by Councilor Lund. He noted the city had already been doing some building inspections for them from a prior agreement, whereby the city was providing that service as a backup.

City Manager MacReynold reported he and Bob Nacht had put together a proposal and would be meeting with their Mayor to discuss it. He felt it would be an opportunity for the city to bring in some additional revenue.

City Manager MacReynold thanked Councilor Lund for the lead.

#### 10. **Council Reports.**

a. **Lewis County Historical Museum Update.** Councilor Dawes stated he, as well as Councilor Taylor, attended the Annual Chamber Banquet, as Mr. Valley pointed out earlier. He reported on the museum's fashion show coming up on February 20, at R.E. Bennett School. Councilor Dawes noted he also had a chance to stop in at the Business After Hours for Grants Towing, adding he didn't realize they had been in business locally for 30 years.

b. **Flood Authority Update.** Councilor Taylor reported, at the last meeting they agreed to proceed with Phase 2-b of the water retention study, noting the discussion was around whether they should proceed not knowing if it would apply towards the federal match, or not. His argument to the Authority was it would have been nice to have had that discussion upfront, before spending \$200,000 on a study. Councilor Taylor indicated they would be getting a report from the Army Corps of Engineers (Corps) at their next meeting, and there was also an effort put forth to do a study on flood zones. He stated he would have more to report after the next meeting.

Councilor Taylor reported the authority appointed a new chair, Commissioner Terry Willis from Grays Harbor County; and Lewis County Commissioner Ron Averill was appointed as vice-chair.

c. **Update City Website.** Councilor Lund suggested the staff update the website with a photo to include Councilor Spahr. City Manager MacReynold agreed, noting the city clerk was in the process of setting up a date and time to have a new photo taken. Councilor Dawes asked that the website be updated to include Councilor Spahr's name and email address, in case anyone wanted to contact him.

d. **Meetings attended by the Mayor.** Mayor Ketchum reported he attended a meeting with Fire District #6 on January 12, noting the district had a new commissioner. He stated they were also informed that Commissioner Kirk Johnson had to step down because he was in the fight of his life since being diagnosed with cancer of the esophagus and stomach.

January 25, 2010

Mayor Ketchum noted they had a good meeting and they were at the point of having to look at the next step with the district. He stated they had to seriously start looking at some kind of consolidation. Mayor Ketchum reported Chief Johnson was putting together some speakers for their next quarterly meeting on March 9.

Mayor Ketchum reported that he and Councilor Taylor, and City Manager MacReynold met with the Washington State Department of Transportation and the Corps concerning the city's points of interest, as outlined in a resolution the city adopted in January 2008. He noted Mr. Nacht also attended the meeting to explain the importance of adding the points of interest to the Corps plan. Mayor Ketchum noted the agencies put the information on their lists and maps to take back and study; however, the following day they were notified of issues with the FEMA maps, and it looked as though they might not be doing anything.

11. **Resolution No. 2-2010, First and Final Reading – Adopting the Lewis County Multi-Jurisdictional Hazard Mitigation Plan.** Councilor Spahr move to adopt Resolution No. 2-2010, as amended, on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

Mr. Nacht noted, for clarification, it was not the resolution that was being amended, but the plan itself.

12. **Resolution No. 3-2010, First and Final Reading – Surplusing City Property at 1795 S. Market Boulevard.** City Manager MacReynold stated, in response to the earlier conversation, if the council would like staff to look at other options and report back, they would be happy to do so.

Councilor Dawes moved to adopt Resolution No. 3-2010 on first and final reading.

Councilor Harris seconded the motion.

Councilor Spahr stated he had thought about what Councilor Lund had said earlier, adding he wasn't sure what the condition of the property was, or how much money they would have to put into it in order to rent it out. He didn't feel the market was going to turn for at least another year, and thought it would be in the city's best interest to put a price on it and see what they could get for it.

Councilor Dawes added, it was his recollection that the intent was to purchase the property for the pump station, and then turn around and surplus the area of property that was no longer needed. He stated, while he agreed with Councilor Lund, that he would also like to have any potential options to look at, his personal opinion was he didn't want to get into the landlord business, as a municipal corporation. He felt it was not a good use of taxpayer money, although there may be times that it might be financially beneficial. Councilor Dawes stated his main intent was to carry out the original intention of the council at the time the property was purchased.

Councilor Lund suggested there might be times when they shouldn't carry out what the original intent of the council was, because it may not be the best idea. He also didn't think the citizens would mind the city getting into the real estate business if it meant they could receive free water and sewer, or perhaps use the rental income to offset fee increases in the future.

The motion carried unanimously.

13. **Resolution No. 4-2010, First and Final Reading – Surplusing City Property.** Police Chief Glenn Schaffer reported they were able to strike a deal with Smith and Wesson to replace the department's current supply of handguns. He noted the weapons could be traded in at a cost of about \$50 each, and they would receive a new handgun in its place.

Councilor Dawes moved to adopt Resolution No. 4-2010 on first and final reading.

The motion was seconded by Councilor Spahr and carried unanimously.

January 25, 2010

There being no further business to come before the council, the meeting adjourned a 7:05 p.m.

---

Mayor

Attest:

---

City Clerk

February 8, 2010

The Chehalis city council met in regular session on Monday, February 8, 2010, 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, Bob Spahr, and Dennis Dawes. Councilor Lund arrived at 5:12 p.m. and Councilor Taylor arrived at 5:55 p.m. Staff present included: Merlin MacReynold, City Manager; Brian Kelly, Assistant City Attorney; Judy Schave, City Clerk; and Peggy Hammer, Human Resource Administrator.

1. **Work Session – City Council Roles and Responsibilities.** Peggy Hammer introduced Lisa Roberts, Risk Services Manager for Washington Cities Insurance Authority (WCIA), to brief the council on their roles and responsibilities, as well as the do's and don'ts of council members. Ms. Roberts stated WCIA periodically visited with councils early each calendar year to identify public official conduct that can precipitate loss.

2. **Discussion on Code of Ethics Request.** Mayor Ketchum stated the council had been provided with some examples of 'codes of ethics' from three different cities. He asked if it was something the council would want to adopt, or would they just rather take the information and store it for themselves.

Councilor Harris stated he liked the simplicity of the example from Yakima, Washington; however there were certain things stated in the other two examples that he liked, as well. He asked if there was any interest in just spending some time to build their own. Mayor Ketchum felt they had enough information and didn't really need to build a new one, and suggested they just pick something they would all be willing to work with.

Councilor Lund wondered if it would give the appearance that they were doing something wrong, by doing it. Mayor Ketchum stated he only brought up the idea because for as long as he has sat on the council, people continue to accuse people of stuff, and he felt they needed to have something in front of them that they can all agree with. He stated it was fine with him if they didn't want to do it.

Councilor Dawes stated he agreed that the example from Yakima was short and sweet, and didn't feel it was necessary to make an exhaustive document that would be a verbatim copy of what state law already had. Mayor Ketchum agreed, noting it was something simplistic that they could give to council members and hand out to new council members after they are sworn in.

Councilor Spahr agreed, as well, adding the other two examples were too involved, and felt no one would read them anyway.

The consensus of the council was to direct staff to draft a 'Code of Ethics' based on the model from Yakima, and bring it back to the council for consideration.

Mayor Ketchum closed the work session at 6:00 p.m. and announced the council would take a two minute recess and reopen the regular meeting at 6:02 p.m. Additional staff included: Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; and Eva Lindgren, Finance Manager. Members of the news media in attendance included Adam Pearson from *The Chronicle*. Councilor Pope excused himself from the meeting at 5:55 p.m., to attend another engagement.

3. **New Chronicle Reporter.** Mayor Ketchum introduced Adam Pearson from *The Chronicle*, who replaced the city's former reporter Marquise Allen.

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

- a. Minutes of the regular meeting of January 25, 2010;
- b. Claim Vouchers No. 95864-95969 in the amount of \$461,431.76 dated January 29, 2010; and Payroll Vouchers No. 33250-33333 and 1213-1276 in the amount of \$700,674.83 dated January 29, 2010; and

February 8, 2010

c. Confirm re-appointment of Adam Holgate to the Chehalis Planning Commission for a four year term expiring December 31, 2013.

The motion was seconded by Councilor Lund and carried unanimously.

5. **Staff Reports.**

a. **2008-2009 Crime Statistics for Chehalis.** Police Chief Glenn Schaffer walked the council through the general crime statistics for the city for 2008-2009. He provided the council with an updated list to include statistics from January 2010.

Chief Schaffer reported everything was pretty consistent; however, with regards to the total number of incidents handled in 2010, they had already exceeded last year by 80 incidents handled. He noted the reports taken had nearly doubled, and likewise the arrests were significantly up.

Chief Schaffer stated they anticipated crime would start skyrocketing about six months ago because of the economic crises; however, it didn't start increasing until December 2009.

Chief Schaffer updated the council on the uniform crime reports, which were required to be reported to the state monthly. Those crimes included: homicide, rape, robbery, assault, burglary, theft and vehicle theft. Chief Schaffer reported they already had 24 assault cases in January, and those particular numbers continued to go up during the first week of February.

Councilor Taylor noted there were a couple of drinking establishments in the downtown area that the department was having problems with, and asked if a lot of the assaults were coming from that area. Chief Schaffer indicated the majority of the assaults were not coming from those particular establishments; however, they were back to being busy and having similar problems with those types of businesses again.

Chief Schaffer reported on the increase in thefts, adding they were as high as 40 per month in 2009, and in December and January those numbers jumped up into the 70s, due to an increase in vehicle prowls.

Councilor Dawes inquired as to how many shoplifters they were getting. Chief Schaffer reported the single largest contributor of shoplifters was Wal-Mart, because they were aggressive enough and had full-time employees that go after it. He noted there was also a civil remedy for people to handle shoplifters, which sometimes dissuaded people from going after them criminally.

Chief Schaffer stated he included the department's 'use of force' numbers in the report, noting he had a very strict department policy for reporting it. He indicated if an individual does not voluntarily turn around and put their hands behind their back when being arrested, a use of force report was generated by the officers. Chief Schaffer reported they were at three percent, with 30 incidents reported in 2009. He indicated the national average was about two to three percent, adding most agencies required a higher level of force before the reporting requirements kicked in.

Councilor Harris inquired about vandalism, wanting to know what category it fit into in the report. Chief Schaffer indicated vandalism was not one of the uniform crime report numbers.

Councilor Taylor inquired about vehicle thefts, wanting to know if people were just taking the vehicles for a joyride and dropping them off somewhere. Chief Schaffer noted the statistics on the vehicle thefts also included vehicle theft recoveries. He stated the use of the new automatic license plate reader had accounted for a couple of those numbers, adding most of the vehicle thefts were found, usually in the state. Chief Schaffer noted Chehalis did not have a vehicle theft problem, where people are stealing high-end vehicles and converting identification numbers and things of that nature.

Councilor Harris asked if having the computers in the vehicles was making it easier for the officers to do their reports. Chief Schaffer stated for the small reports yes; however, it was awkward to sit in the vehicle and type reports.

February 8, 2010

He indicated the primary function of the computers was to get information from the dispatch center back to the officers quicker. Councilor Dawes noted they could also do attachments with the computers, as well. Chief Schaffer stated that was correct, adding they could attach things such as recorded statements and photographs almost immediately. He reported another big roll of the computer was the automatic license plate reader and the two thermal imaging units, which all worked directly off the computers in the cars.

Councilor Dawes stated when digital photography first came out there were concerns that photos would be doctored up. He asked if digital photography was a little more easily accepted now. Chief Schaffer stated as far as he new, it was completely accepted, because forensically any digital enhancement was easily identifiable.

Councilor Lund inquired about the new earpiece cameras, wanting to know if they were expensive, and would they save the city on insurance. Chief Schaffer reported he had seen some advertisements and read some articles on them, and there were a couple of the larger agencies in the country with them, but not very many of them were running tests on them. He stated the cameras in the vehicles had become more of an accepted practice, but they also had the cameras that ran over the ear and some that clipped to the officers shirt, which ran a few thousand dollars each. Chief Schaffer indicated he didn't know if it would save the city anything on insurance.

## 6. Council Reports.

a. **Flood Authority Update.** Councilor Taylor reported on the flood maps that were put out by FEMA, noting they were causing quite a stir. He stated, because of the maps and how much of the city they encompassed, he felt it would be wise to take a more proactive approach in taking care of ourselves, and suggested the council think about hiring an attorney to represent the city to try and mitigate some of the impacts the maps would have on Chehalis. Councilor Taylor stated he would like to get the council's approval to work with Mayor Ketchum and City Manager MacReynold to get an attorney hired quickly.

Councilor Spahr asked what City Manager MacReynold and Mayor Ketchum's thoughts were on the subject. City Manager MacReynold agreed with Councilor Taylor, adding it would significantly impact this jurisdiction in the long run. Mayor Ketchum felt if they sat and waited, it would have a huge financial impact on the city that we would never be able to dig out of.

Councilor Taylor reported if the maps go into affect, the majority of the area they'd been working on to try and create tax revenue would go away, and the only way they would be able to cover inflation would be to raise taxes on the current businesses.

Councilor Dawes stated the airport was a little concerned about how the mapping was going to affect them, and he suggested we team up and pool our resources together. He reported it seemed to be a nationwide issue because he came across an article written by a gentleman from Iowa regarding the new FEMA mapping, in which case they were facing a similar type of situation. Councilor Dawes agreed that they needed to be proactive.

Councilor Spahr inquired about Centralia and the County, with regards to their participation. Mayor Ketchum felt perhaps Centralia had not looked at the maps as well, adding it appeared they had a lot of area to lose.

Councilor Taylor thought going in as a group was a great idea; however, he suggested the city not wait for others to come on board. He felt others could join the team down the road and share some of the costs, but the city needed to be the leaders on it and get it done.

Councilor Lund noted Assistant City Attorney Brian Kelly had dealt with the attorney that Councilor Taylor had mentioned to him earlier, adding if anyone had any questions about him, they could refer them to Mr. Kelly. Mayor Ketchum noted City Manager MacReynold also had an attorney in mind. City Manager MacReynold felt they needed somebody with good credibility, who was aggressive and knows the business of floods, water and wetlands.

February 8, 2010

Councilor Taylor noted another concern about the maps was, most of the levees in the Army Corps of Engineer (Corps) plan would be within the floodway; and if they are not allowed to build in the floodway that would make the Corps Plan unattainable. He added, in addition, in order to make the Corps plan a viable project they would need to make changes to the project, greater than 20 percent, which meant the project would have to go back to Congress for re-appropriation.

Councilor Taylor reported they just recently found out that the Corps plan and levee modeling and hydrology was based on a 1981 flood event, which did not take into consideration any of the more recent flood events. He stated that was concerning and very frustrating.

Councilor Harris suggested they also look at bringing in the FAA because they had finances tied up in the airport. Councilor Dawes stated the Airport Board would automatically work with the FAA because of the amount of dollars they had invested into the airport and the importance of it. He noted the FAA wouldn't necessarily be interested in the retail operations, but they would be concerned about the operations of the airport.

Councilor Taylor moved that the council direct the city staff to hire an attorney with acceptable credentials to represent the city on FEMA mapping and land issues.

The motion was seconded by Councilor Harris and carried unanimously.

b. **Banquets Attended**. Councilor Dawes reported he attended the Chamber Banquet in Centralia at the Aerie, and the Lewis County Economic Development (EDC) banquet at the Washington Hotel. He added it was nice to see people get honored.

Councilor Lund noted he also attended the EDC banquet.

c. **Update from Councilor Spahr**. Councilor Spahr reported he had been in contact with some of the people from the committees he was recently appointed to, noting City Manager MacReynold was able to set up a meeting to go down and meet with a representative on the Cowlitz-Lewis Economic Development District Board to discuss project funding.

Councilor Lund noted he also attended the first meeting of the Cowlitz-Lewis Economic Development District Board, as a representative of the Port of Chehalis.

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

---

Mayor

Attest:

---

City Clerk



February 16, 2010

The Chehalis city council met in a special work session on Tuesday, February 16, 2010, 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, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Kelvin Johnson, Fire Chief; and Bob Nacht, Community Development Director. Members of the news media in attendance included Adam Pearson and Marquise Allen of *The Chronicle*, and Ron Hall from KITI.

1. **Work Session – General Discussion on Possible Flood Control.** Mayor Ketchum stated the main purpose of the meeting was to find out what the council's thoughts and opinions were about the whole process of flood control, and hoped by the end of the evening they could come to a consensus that City Manager MacReynold and Councilor Taylor could take forth. He instructed the council to talk freely about the following: the U.S. Army Corps of Engineers (Corps) Plan; the retention study; the new government coordinated study proposed by the Governor's Office that takes into consideration the study of retention and levees; the effectiveness and focus of the flood authority; FEMA maps; and flood zone issues versus flood district.

Councilor Taylor stated one of the reasons why he wanted to have the meeting was because there were so many ideas being discussed at the flood authority, and many decisions that had to be made. He stated he wanted to make sure he was on the right track with all of their wishes together, not just carrying forward his own personal feelings about it.

Councilor Taylor stated they had been in favor of supporting the authority to push forward for the water retention study, to make sure it moved forward. He felt the city's position was, in order to provide a sufficient amount of coverage and protection, water retention needed to be part of the study. Councilor Taylor noted he was also pushing to replace the existing flood authority with a flood zone.

City Manager MacReynold noted another issue they faced with the Corps project was that it felt like an either/or situation even though it didn't have to be. Councilor Taylor stated he had heard rumors the Corps project may not even be doable anymore because the new FEMA mapping would increase the project to greater than the 20 percent allowed, which meant it would have to go back to Congress for approval.

Councilor Harris indicated the Chehalis Basin Partnership was having the same discussions at the partnership meetings, adding the Corps was not going to do anything other than the levee system, until it was disapproved. He reported he was on the same page as Councilor Taylor, adding they needed to look at retention. Councilor Harris stated he was as stuck in the mud himself in trying to figure out where they should stand on issues, adding the difficulty was they were working with a moving target.

Councilor Pope felt they had wasted a lot of time and money and it really just came down to who to trust, adding he certainly didn't trust the Corps. He noted a lot of information had been presented to them on the issues, and the ones that made the most sense to him involved retention and the flood zone. Councilor Pope firmly believed if they didn't take a stand, a decision would be made with regards to I-5 with no regards for the rest of us. Mayor Ketchum agreed.

Councilor Spahr stated he originally thought they should work with the Corps on what they could get today, but rethought that issue, especially with the new flood maps coming out. He felt levees by themselves were not going to work; however, they were partially necessary. Councilor Spahr believed retention absolutely made sense and they should stay with retention. He added, two reasons why the idea of levees had not worked in the past were the cost of maintaining them, and they were not going to solve the problem. Councilor Spahr still maintained that something needed to be done about the Mellen Street Bridge. He stated he agreed with Councilor Pope, they needed to stick with retention.

Councilor Lund agreed with the opinions of Councilors Pope and Spahr on retention, but added they needed to work on moving towards a flood zone. He felt something would get done if J. Vander Stoep was in charge, adding he was very smart and was all about Lewis County as a whole.

February 16, 21010

Councilor Dawes stated he had been through many floods while working for the city, and heard from politicians as they came and went telling us they're not going to let it happen again. He indicated he even became cautiously optimistic after the 2007 event with players from Washington, D.C. involved, who could pull the strings to release the money to do the things we needed. He also felt they had gathered some good momentum with thoughts of combination water retention projects, and the like.

Councilor Dawes believed the flood authority was too big and too cumbersome, and it had too many people with various degrees of interest of what they wanted to see done. He felt there were people on the flood authority that wanted to kill economic development in our area, to send it somewhere else, which made him start losing his confidence in that group.

Councilor Dawes stated he did not distrust the Corps, adding they were a military organization that would do only what they were ordered to do. With regards to the new FEMA mapping, Councilor Dawes indicated we were not the only area with concerns. He felt we needed to look in a different direction, perhaps a smaller focus on some kind of regional plan, and get those who are really affected involved, who want to be a part of the solution. Councilor Dawes stated he had heard that U.S. Representative Norm Dicks was being looked at for a different position in Washington, D.C. and didn't know if that would affect his ability to work on the issue, adding he would certainly hate to lose that kind of clout.

Councilor Spahr reported shortly after the 1990 flood he attended several meetings with the Corps and suggested to them that retention would probably be one of the best methods of resolving some of our issues. He noted their response was nobody was ever going to get a permit from the Corps to build a dam in the United States. Councilor Spahr stated he didn't know if that was true, and asked if anyone could shed some light on that issue. Councilor Taylor stated, in speaking with Dave Muller from the Lewis County Public Utility District (PUD), it would take a lot of permits and a long time.

Commissioner Averill stated the answer was yes, it could be done, reporting the PUD dam located above Riffe Lake was built after 1990; however there were all kinds of people out there that don't want them to be built.

Mayor Ketchum stated he felt the flood authority needed to take the next step in continuing the retention study that's up for discussion. He personally thought it was very unlikely that we would be able to build a retention dam, even if the study showed it to be the best option for us. Mayor Ketchum indicated he had one concern regarding the retention study, which was the idea of lowering the proposed levees as a cost savings measure, versus what the Corps was planning on. He believed if they lowered the levees and the dams were never built, we would lose the protection that we could have had with the Corps plan. Mayor Ketchum felt the best protection for the city was to follow the Corps plan, leaving the levees at the max level; and if the studies show that retention would work and we're able to build dams, it would just give us extra protection. He added it was nice that the Governor's Office proposed a study to the authority that included retention and levees, but again, he felt they needed to keep the levees at the level of the Corps study and not lower them.

Mayor Ketchum felt they needed to move towards a flood zone, not a district. In his opinion, the flood authority had lost its effectiveness and they were not focusing on what they were charged to do. He believed the authority was formed to work on the issue of how to form a flood district, and they were way off base in their efforts.

Councilor Harris reported after the 2007 flood, representatives from our area went up to talk to the Legislature to get them to understand that everyone wanted a holistic approach to fixing the basin, and that we didn't want them to authorize the levee plan until we had a chance to look at other alternatives that would fix more than just the levees. He stated if the fix had to be done in steps, he would like to think there would be something after the levees; however, now he wasn't even sure if they were going to be able to pull off the levees. Councilor Harris felt they needed to go back to their roots and look at where they were and what their thoughts were right after the 2007 event. He stated he could understand the Mayor's statement about just getting the levees done; however, he couldn't agree without knowing whether there was some future behind it. Councilor Harris felt levees alone would just create another bottleneck both upstream and downstream.

February 16, 2010

Councilor Taylor stated he had some of the same fears as Councilor Harris, adding once the levees were done, that might be it for us.

Councilor Dawes thought there was some discussion or a study done that showed if they built the levees the way they were proposed, it would do more damage upstream in the Adna and Doty area. Councilor Harris stated that was correct. Councilor Taylor noted the levee project wasn't even 35 percent complete, and to talk about what it does up and down stream seemed ridiculous to him.

Mayor Ketchum felt they just needed to find a project they can do now instead of wasting another 10 years and not even have a shovel moved.

Commissioner Averill stated he understood the frustrations of the council, adding he shared some of the same concerns. He noted operating a flood authority had not been one of the more pleasurable tasks that he had been faced with. Commissioner Averill agreed they would not solve the problem without water retention, and he was fully committed to it. He believed our levees do nothing downriver, and by their very nature they shift the direction of water. Commissioner Averill stated in 1996 the Corps designed the project without any consideration of what it did upstream. He noted the fact was, if they clear out the jam at Mellen Street and at Galvin Road, they were going to get water a lot faster downstream which was one of the reasons why people were starting to look at the new FEMA maps a lot closer.

Commissioner Averill reported Northwest Hydraulics, the firm who did the study for PUD before they started the water retention study, was the same firm that drew the FEMA maps. He noted the only difference between the two was assumptions. Commissioner Averill reported the maps only had one function, which was to show the community where the water would go so they can get insurance on their homes. He stated Northwest Hydraulics was told, as part of their study, there were no 100 year levees and to consider them not there.

Commissioner Averill reported the Northwest Hydraulics report showed we could not solve the problem with water retention or levees alone, it would take the two together. He stated he knew the Corps would be unable to do anything because of the rules for Corps projects, which stated 20 percent revision up or down would take an act of Congress to change it. Commissioner Averill stated that was what they were working on and the reason for the coordinated study, which was on the docket of Thursday's flood authority meeting. He reported, if approved, it would say they need to look at how water retention can compliment the levees, adding they believed there was a design out there that could be done, using the one-to-one cost benefit ratio the Corps required to do both dams and levees.

Commissioner Averill noted there were some bad things about the Corps project, which included: the speed with which they worked; they don't know what the costs are going to be, or what would be protected; and they don't know where the water would end up. On the other hand, we wouldn't need to make any decisions until 2013 because that was the Corps current projection of where they would be at the time we need to make a decision to go, or not. He felt we needed to take advantage of the timing, and go back to try and change the language in the Water Resource Development Act (WRDA).

Commissioner Averill reported the funding for the Corps project was coming through Congress to the Corps, and we couldn't get to it except through the Corps. He noted the Twin Cities Project funding would be coming through the Governor's Office, and the General Investigation (G.I.) Project was through the flood authority; however, they were unable to get them to start design on that project. Commissioner Averill hoped through the G.I. study they could show that flood retention worked; however, if they continued at their current rate, they wouldn't even start the G.I. study until we have to make a decision on the dams.

Commissioner Averill reported he had been working with Congressman Brian Baird's Office, and registered several times, disconcert about the slow path it was taking. He noted the only money the flood authority had was the \$2.5 million, which was currently funding the PUD study.

February 16, 2010

Commissioner Averill stated he was not happy with the way things were going, but they could at least see things on the horizon and he was trying to lead the process for success. He noted if the city pulled back and went out on its own, they start all over and the county doesn't have the money to do that.

Commissioner Averill reported the county had a vision for over 80 years to fix flooding, and a legacy of no accomplishment. He provided information to council on how the flood authority was funded, what it does and some of the accomplishments they had made, and some of his concerns about where they go from here.

Councilor Dawes asked if Commissioner Averill wanted to carry through with the flood authority as it was, with the large membership. Commissioner Averill noted, as a group, they worked around the issues and the questions people were throwing out had to be addressed anyway. Councilor Dawes stated he agreed; however, it appeared that some of the members on the authority wanted to shoot things down before they even had a chance to run them to the end of the road. Commissioner Averill reported he shared in Councilor Dawes' frustration, but unfortunately from a funding standpoint, he didn't know how to get around it. He felt they were doing the best they could, and acknowledged he didn't like the progress they were making.

Commissioner Averill stated because he was no longer the chair of the authority, come Thursday, he had some things he wanted to pass along to a few people. He felt the Corps was stalling and they needed to be told that publicly. Commissioner Averill believed they needed the coordinated study so they could break the deadlock and get on with solving the problem. He stated he was strongly for water retention, and his estimation was they couldn't get there without it.

Mr. Vander Stoep reported his client in the matter was the PUD, but their real clients were the people not only in Lewis County, but all down the Chehalis River basin. He felt the one thing they could agree on was the best answer for our community and the basin, was water retention.

Mr. Vander Stoep agreed with what Councilor Harris stated earlier, which was if they pinch the river in the middle they would add flooding upstream as well as downstream. He noted his message to the council was to pursue as far as they could, as hard as they could, on the best answer for the community.

Mr. Vander Stoep provided the following information on dams:

- PUD was the last enterprise in the Pacific Northwest to build a major dam, adding the dam at Cowlitz Falls was significantly larger than anything that would be put at the headwaters of the Chehalis River.
- When Congressman Baird came last fall, he was very excited about water retention because it tied into what people were talking about with global warming.
- People say 'dams' in a very precise way, noting the PUD had a proposal for two large earthen dams up at the headwaters of the Chehalis River that included a small bit of hydro as a component.
- We could simply build water gates that close during certain times to reduce flooding.
- There were a lot of ways to structure flood control that don't conjure up another Grand Cooley Dam.
- People oppose dams because of water quality, even though we had to pay millions of dollars because of the low oxygen and poor water quality in the middle of the river during summer months.
- Improvements to water quality could be improved by storing water in November and December and releasing it in August and September, which was a potential environmentally beneficial component.

February 16, 2010

Mr. Vander Stoep stated he absolutely believed the Corps levee plan, as currently designed, would never be built. He believed the federal and state government would never appropriate \$200+ million dollars to build 11 miles of levees along I-5 for the following reasons:

- There were more than 140 properties along the way and the local government would be the local sponsor, which meant they had to pay for all the land acquisitions and maintenance.
- One of the mantras was 'no water faster downstream;' however, the Corps indicated they could not assure us there wouldn't be more water upstream, or downstream with their plan.
- Based on the new FEMA maps the question had come up, could they even build levees in the new floodway?

Mr. Vander Stoep reported they were going to have to go back to Congress now because they were told the costs would absolutely be over 20 percent. He suggested Chehalis, Centralia, and Lewis County speak up now as one voice stating they want a Corps project, but they want it to focus on the possibility of retention with very modest levees. Mr. Vander Stoep felt it would be lethal to take the approach of building levees first and dams secondary, because they didn't have the money to do both.

Mr. Vander Stoep stated he had to disagree with Mayor Ketchum with regards to building levees now and retention later. He noted, first of all, there wasn't money for it; and second, Northwest Hydraulics report and maps showed places in

Centralia that don't even get wet if they had water retention. Mr. Vander Stoep wondered why anyone would support an 11 mile levee project when there are places that don't even get wet. He agreed there would need to be a few places around the airport where they would need modest levees, but nothing approaching the 11 miles the Corps was currently conceiving.

Mr. Vander Stoep reported the Corps website reported the earliest the levee plan would be completed was 2020, not including the six-month to a year-and-a-half delay they reported two weeks earlier. He stated he could not accept that, adding they had a bird in the hand with the Corps plan, and we were not going to get any protection over the next decade.

Mr. Vander Stoep reported they had the geologic study that was approved by the Washington State Department of Ecology, which noted two excellent sites for water storage; however, there had been no environmental or cost benefit study for the Corps to look at or accept. He was optimistic that water retention could be done, but until those studies were done and approved, he was not ready to take the last step to say done deal.

Mr. Vander Stoep stated the authority had spent \$2.5 million, with the PUD study taking about \$250,000 of that. He felt the authority was never going to make a solid decision based on the competing agenda and different motives. Mr. Vander Stoep noted when legislation set up the \$50 million they specifically stated the authority was going to be an interim body. He felt it was important to move to a flood zone, and hopefully Grays Harbor would follow.

Councilor Taylor noted they had a flood meeting coming up and there were items on the agenda that needed to be hammered out. He stated he was trying to find the right direction for the city to go and wondered why they would keep supporting the Corps project, and asked if the Corps needs to remain engaged. Mr. Vander Stoep noted they would still need to have the Corps involved. He stated they had been saying, up until the last couple of weeks when they came to believe they were going to be over their 20 percent, let the Corps plan go forward and complete the study on water retention, and hope they could incorporate water retention into the Twin Cities Plan. Mr. Vander Stoep reported they were almost certainly going to have to go back to Congress for new authorization now, and felt it was important to direct the Corps to look at a comprehensive basin-wide flood control that includes retention.

February 16, 2010

Councilor Taylor asked if they could just amend the old WRDA bill. Mr. Vander Stoep reported those projects were amended frequently in the same fashion, but felt the Corps would probably say they have to go back to square one.

Councilor Taylor asked if there had ever been projects designed and done to Corps standards without having the Corps actually do it. Mr. Vander Stoep stated their hope was the consultants at the Corps would agree with the studies being done, rather than going back and redoing them all themselves.

Councilor Pope noted he had grown up around flooding, and in his opinion, dams stopped flooding and areas benefited from them. He noted a good example of what could be done with retention was the Tennessee Valley Authority.

Councilor Harris noted he attended a Chehalis River Basin Partnership meeting shortly after the 2007 flood, where state and federal officials came in and gave a 15 minute at-a-boy to the Skookumchuck River Dam, and talked about how it held back any other potential issues. He noted the very next speaker at the meeting was Mark White, who stated 'we all know dams don't work.' Councilor Harris noted his biggest concern was how to get past that, and how do they deal more with the entities than with the projects themselves.

Mr. Vander Stoep noted he had heard the Tribal leadership of the Chehalis Tribe was open to water retention. He felt one of the assumptions was the Tribe would automatically be against it, but he didn't feel that was true. Mr. Vander Stoep believed if push came to shove, if we could show there was a benefit to protecting their facilities without damaging water quality in the end, there was a possibility the Tribe would end up being neutral or a supporter.

Councilor Dawes felt the problem had to do with Mr. White being the Tribe's representative and speaking on their behalf. He inquired as to how they were supposed to combat that impediment and move forward. Mr. Vander Stoep reported there had been at least two meetings at the authority when Tribal leadership had been in attendance, noting Mr. White behaved very differently at those meetings.

Councilor Lund stated he had worked with the Tribe and was personal friends with several of the Tribal chairmen. He indicated they were very smart people, but you had to get to them and tell them what the problem was before they would take care of it. Councilor Lund felt nobody had made an attempt to do that. Councilor Taylor believed they had good communication with Chairman Burnett. Councilor Lund stated they needed to communicate with the Tribal Council, not just Chairman Burnett.

Councilor Spahr felt the consensus was there needed to be some retention and they had two vehicles to get to their objective, one being the authority and the other being the zone. Mr. Vander Stoep reported Lewis County already had a district and zone in place, which only needed to be activated by the Commissioners.

Mr. Vander Stoep reported Mr. Dave Muller and Commissioner Bill Schulte had briefed most of the members of the Chehalis council and the Centralia Council, and was told there seemed to be a wide consensus on the part of both councils, as well as Pe Ell, that the authority was broken and they needed to move forward to the next step, which was the flood zone.

Councilor Spahr asked if they would have more flexibility and impact if they went to a zone. Mr. Vander Stoep noted the first thing they would have would be a group focused on one question. He compared it to a fire district and the council, noting the fire district had one focus, while the city council had a hundred different issues before them, same thing with the County Commissioners. Mr. Vander Stoep stated they needed a dedicated focused board with one goal, which was flood control. He believed that in itself would solve a lot of the problems. Mr. Vander Stoep indicated Grays Harbor would have to do the same thing, adding there could be an inter-local agreement whereby they could essentially be one body, with one mission.

February 16, 2010

Councilor Pope stated he considered it to be a major problem when one incident can paralyze the whole state, costing \$400 million a day. He felt they needed a group who could be totally focused, and had no problem moving towards a flood zone.

Councilor Harris asked if the flood authority wasn't first designed to build a flood district. Commissioner Averill stated that was one of the objectives. Mayor Ketchum and Councilor Harris agreed it was the only objective, because they could not form a flood district without a flood authority first. Councilor Taylor agreed, adding the authority was only a vehicle to get everybody together.

Councilor Harris asked Commissioner Averill to demonstrate to him the benefit of the flood authority. Commissioner Averill reported the flood authority from the very start was intended to be an intermediary to a flood district. He stated there were two forms of a district under RCW 86.09 and part of 85-36. He noted the prosecutor recommended they go that route because with the flood zone the county commissioners would be the commissioners of the zone; and with a flood district they would be elected. Commissioner Averill reported with a flood zone the county would own the zone and all the liabilities, and with the district, the district would assume all those liabilities. He noted the problem with a flood district was it would require property owners to approve the district through a vote of the voters. Commissioner Averill reported they resolved that issue in the 2008 Legislature and now, in a three or more flood district, it would be the registered voters that decide what it would be. He noted another issue they had was they had three commissioners and three counties with big egos, and no way to divide them up. Commissioner Averill stated they asked the Legislature to consider five commissioners, but the idea was shot down in the 2009 session. He noted it was back in the 2010 session, adding he hoped it would slide through under the radar.

Commissioner Averill stated they understood and had asked the flood authority to hire a consultant to look into a flood zone district, because most flood districts in the state were very small, while the larger districts in the state were zones. He felt there were some options that would allow them to elect supervisors as opposed to having the commissioners do it, but they didn't know what those options were yet. Commissioner Averill stated they were commissioning a study at the next flood authority meeting to tell them how to do it.

Councilor Taylor asked if there was a way to get to that stage, without doing another study. Dr. John Henricksen reported the prosecutor's office had been researching zones quite extensively over the last few of weeks, since they became aware that a zone already existed in Lewis County. He stated he agreed with Councilor Taylor that a study was not necessary, and suggested Glen Carter probably had a lot of the answers the council and commissioners were looking for.

Dr. Henricksen compared a zone to a voted district. He stated they wouldn't have to get the voters okay to establish a zone, whereas, to establish a flood control district they had to have a complete designed project to put before the voters. In

Dr. Henricksen's opinion, we could not have a district for the simple reason we don't have a project as of yet. He suggested if the council wanted more information, Mr. Carter would be very willing to come and discuss his findings.

Dr. Henricksen commented on the project itself, noting he had heard a lot of discussion about potential obstacles and appreciated Councilor Dawes' concern. He stated they should never stop pursuing a project because of potential obstacles, and suggested they get the project designed and established, then start surmounting the obstacles.

Dr. Henricksen stated he thought Councilor Lund's analysis of the Tribe was a very accurate one, adding they may be a factor to deal with, but he didn't believe they were going to be an insurmountable obstacle.

Dr. Henricksen stated he had just come from an interview, and was told by the interviewer that if we had a unanimous 'one voice' presentation on a designed project that would make the levees half the size of what the Twin Cities Project was originally conceived to build, Senator Patty Murray and U.S. Representative Dicks would both be willing to listen. He felt no one could pre-determine what those two could accomplish; however, it would be totally ridiculous for us to just sit here and say we'll go for levees because that's all we can get.

February 16, 2010

Dr. Henricksen reported levees cannot stop a catastrophic hydraulic event, adding they only work to moderate the flow of slightly moderate events. He noted they fail for a number of reasons, including: the fact that they can not be made big enough to act like a dam; and they are not maintained.

Dr. Henricksen stated the fact was they had to get together and quit giving messages that levees are all we want. He reported they would be hiring an independent hydrology engineering firm that has no connection to the Corps or FEMA, to verify what they were saying. Dr. Henricksen added they had great respect for Northwest Hydraulic Consultants, but they were not going to be able to stand up and blow holes in the levee project, because a good share of their business came from the two agencies.

Dr. Henricksen believed unless we get retention, the only thing that will change the footprint of the new FEMA maps would be scientific data. He felt the only thing to change the data would be retention; therefore, that was where their focus needed to be, with levees secondary. Dr. Henricksen stated everyone above us, including the Corps, needed to hear that message loud and clear.

Councilor Taylor asked if Dr. Henricksen could explain the process of moving from a flood authority to a zone. Dr. Henricksen stated it was actually pretty easy according to Mr. Carter. The commissioners meet and two out of the three say they want a zone, they vote for it, and the zone becomes activated. He suggested they talk with Mr. Carter, noting the council could rely on his findings.

Dr. Henricksen stated once they start the process of re-authorizing the project, we need to make sure they include retention as the primary effort.

Councilor Spahr stated he favored the zone, if in fact that was what the county commissioners were willing to take on. Dr. Henricksen noted once it was up and running they could turn it over to a supervisor to oversee the process. He, as well as others, agreed they needed to stop having part-time attention to the problem.

Councilor Taylor noted the flood authority was full of people from the various counties and the Tribe, and getting from point A to point B was sometimes very difficult. Dr. Henricksen agreed, noting there was a certain element on the authority that could care less on solving flood problems in the Chehalis River basin. Councilor Dawes noted those were the impediments they needed to get rid of, before they could move forward. Dr. Henricksen stated if they got the zone in place the authority would go away, and a lot of those impediments would disappear.

Councilor Lund asked if they shouldn't make a statement that we pull out of the flood authority today, and support the county zone that was formed in 1990. Mr. Vander Stoep suggested they tell the authority to keep going, and give Councilor Taylor the authority and flexibility to act under their direction to specifically ask them to vote to move forward with a zone.

The Council briefly discussed points of consideration for Councilor Taylor to take back to the authority. City Manager MacReynold suggested, because the flood authority would be taking up the issues in parts, they should consider bringing them up in order.

After further discussion, Mayor Ketchum listed the following points:

- The Chehalis city council supports funding the next phase of the retention study
- The Chehalis city council agrees, along with the Governor's Office, to support the proposed coordinated study of retention and levees
- The Chehalis city council supports the reauthorization of a significantly different U.S. Army Corps of Engineers Twin Cities Project, with retention as the primary element that includes levees secondary
- The Chehalis city council supports moving towards a county flood zone to replace the existing flood authority

Councilor Dawes stated in all fairness to the Tribe, he agreed with the assessment made earlier. He noted the leadership was probably open to the idea of retention, especially if the goal would potentially bring back fish to the river and address the water issue in the summer months.



February 16, 2010

Councilor Dawes wondered if it might appear to the state and federal agencies that we can't even stick with a plan. Mayor Ketchum didn't believe they would, since the Governor's Office was throwing out the option to study retention. Councilor Dawes noted he was referring to changing their focus from a flood authority to the flood zone. Mayor Ketchum felt the flood authority had changed their focus, and now we're trying to get back to a focus. Councilor Dawes stated he just wanted to make sure, adding he was supportive of a zone.

Dr. Henricksen reported when the flood authority was formed, it was very clear to the Governor and made very clear by Senator Swecker and Representative Alexander, that the authority was just a temporary body. He felt it could be presented to the Governor as having matured into a zone.

Dr. Henricksen stated they also needed to keep in mind that when legislation was passed allowing a three county flood control district, it included a lot of representation on the governance of the district, much more than he would have ever hoped for. He reported there were no regulations requiring representation from the Tribe with flood control zones, so they wouldn't have the likes of Mr. White sitting on the zone. Dr. Henricksen noted he was not trying to do an end-run around the Tribe because they could not do that, adding with any project going forward they would eventually have to deal with the Tribe and their requirements, which would always be true.

Councilor Harris reported we were still studying and trying to find the best solution, adding we had not changed our minds from our very first statement to the state legislature, which was 'don't do anything unless it's going to benefit everyone.' He stated he was not going to settle for the least common denominator, and that's what they would be doing if they settle for one thing and hope the next thing happens.

Councilor Lund asked if they should stop talking about levees. Dr. Henricksen stated they were going to have to have some kind of levee system, because even with dams we're still going to have some moderate to mild flooding.

Councilor Lund felt they should vote on the issue. Councilor Dawes didn't believe they needed to vote, adding he felt they made a strong enough statement. Councilor Spahr also thought they got the message across. Councilor Harris stated he trusted Councilor Taylor to deliver the message to the authority.

Councilor Taylor reported about three months ago the authority talked about making sure the streams and tributaries that affect the Corps project were included in the evaluation. He reported they had a motion coming up that the flood authority had to vote on, to see if they had support.

City Manager MacReynold stated, from his observation, the council was clearly not in support of the Corps project as it currently stands, adding it had to go back to Congress to include retention as the primary focus, with some level of levees. He felt the safe thing to do was to bring it up at the authority and try to get them to vote to have it added to the evaluation.

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

---

Mayor

Attest:

---

City Clerk

February 22, 2010

The Chehalis city council met in regular session on Monday, February 22, 2010, 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, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Mark Scheibmeir, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Eva Lindgren, Finance Manager; Bob Nacht, Community Development Director; Tim Grochowski, Public Works Director; and Rick Sahlin, Street Superintendent. Members of the news media included Adam Pearson from *The Chronicle*.

1. **Sports Complex Presentation.** City Manager MacReynold reported Dale Pullin from Thorbecke's Fitlife Center was working on a major sports complex concept to be built in the city of Centralia. He noted Mr. Pullin requested to make a presentation to the council, to talk about the ancillary services that would go along with the new complex.

Mr. Pullin reported the project started about four months ago with the idea of preserving the tax dollars that could possibly be leaving our community for a project that had been underway for the last several years. He stated with the changes in the economy he started looking around and found the need was really here, with hotels at very low rates and businesses in the community that could utilize additional revenues.

Mr. Pullin reported he moved forward and put together a presentation for the Lewis County Public Facilities District on a new concept, which involved the creation of a comprehensive year-round sports complex to house both indoor and outdoor events. He stated the community needed a purpose and reason to bring people here, and he believed sports created a reason for families to visit.

Mr. Pullin reported his idea was to make Centralia and Chehalis the northwest regional destination for sports competitions. He noted the proposed facility would be a 105,000 square foot facility that would seat over 3,000 people. The venue could host a wide variety of events including, but not limited to: sports, concerts, fundraisers, graduations, and business conventions.

Mr. Pullin noted he had the opportunity to talk to the premier baseball organization in the northwest, which provided him with some incentive to look at re-doing and upgrading our fields. In order to take it to the next level, he came up with a vision of 'GAME.'

- **Generating sports business**
- **Advancing sports business**
- **Marketing sports business**
- **Expanding sports business**

Mr. Pullin talked briefly about another company called Sports Capitol Northwest, and another called Tourism Benefits Round Rock, who coined themselves as the sports capital of Texas. He noted what would make us unique from the others would be that we would have an indoor events center in the middle of everything. Mr. Pullin stated in his research he found the average dollar amount spent by a family while attending a sporting event was \$421. He indicated the whole idea was to impact hotel/motel tax, and he believed the city of Centralia saw that and were looking at utilizing a large portion of that money to put into their fields.

Mr. Pullin reported, through his discussions with Sports Capital Northwest, Centralia and Chehalis would be hosting the 2010 Junior Northwest Championship in August. He noted Centralia and Chehalis Babe Ruth teams would host the concession stands as way of fundraising for their organizations. Mr. Pullin stated they would also have a combined team between Centralia and Chehalis that would participate in the event at no charge, that would be evaluated for the USA baseball program in North Carolina. He noted it wasn't just about teams; it was about individuals.

Mr. Pullin stated they were also in the process of putting together a new entity called Fast Pitch Northwest, adding they already had regional tournaments booked all over the Northwest, including Idaho and Montana. He indicated the reason they wanted to ramp things up was to start building revenue in the community.

February 22, 2010

Mr. Pullin felt we had to come out new, with a new product and service if we were going to be successful. He added, with everybody working together it would be a win win situation for everybody, as well as an economic benefit for the community.

Mr. Pullin stated he was seeking the support of the city council on the concept, adding with approval he would like to move forward by working with City Manager MacReynold on the details of the marketing of the communities within the concept, and the future improvement of the ballfields in Chehalis.

Mayor Ketchum stated he thought it was a great idea and appreciated all the effort Mr. Pullin had put into it. He felt it would be a huge benefit to our hotels.

Councilor Dawes believed cities that are close together should not be short-sided, adding with the new facility in Centralia he could see a very direct benefit to Chehalis. He stated even though the facility would not be located in the city Chehalis he would support it because he knew there would be a benefit for everyone.

Councilor Harris noted one thing that was not recognized often enough was how the Centralia and Chehalis departments worked with each other, adding they were very supportive of one another.

Mayor Ketchum gave Mr. Pullin the council's blessing to keep working with City Manager MacReynold.

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

- a. Minutes of the regular meeting of February 8, 2010;
- b. Claim Vouchers No. 95970-96104 and 12010 in the amount of \$162,693.15 dated February 12, 2010;
- c. Authorize the City Manager to execute agreement for routine bridge inspections and load ratings with Sargent Engineers, Inc., for an amount not to exceed \$4,300;
- d. Award bids for rock, gravel, and asphalt to various bidders;
- e. Confirm re-appointment of Cheri Wilder to the Civil Service Commission for a six year term expiring December 31, 2015; and
- f. Confirm re-appointment of Scott Blinks to the Chehalis Planning Commission for a four year term expiring December 31, 2013.

Councilor Pope seconded the motion.

Councilor Harris asked if the money for the bridge inspection was already in the budget. It was noted it was budgeted, and staff was just asking for approval to execute the agreement.

The motion carried unanimously.

Councilor Dawes requested that staff go through all the boards and commissions to make sure they were all updated.

### 3. **Staff Reports.**

a. **January Financial Report.** Ms. Lindgren reported on the sales tax revenue, noting there was a drop of \$70,000 in revenue from the same time period in 2009; and with regards to the 2010 budget they were coming up short by one percent. She noted they would be watching those revenues very closely because it would affect whether or not the city had to take additional action down the road.

February 22, 2010

Ms. Lindgren reported on the charges for goods and services, noting she still had to book the normal January journal entries. She noted had those entries been made, the number would have increased by \$88,000 and there would have been a positive variance to the non-tax revenues category of \$12,000.

Ms. Lindgren briefly talked about expenditures, noting the finance department's budget appeared to be over budget already. She noted this was due to expenses paid out at the beginning of each year for the utility billing software maintenance agreement and the accounting software, adding the negative variance would go down over the course of the year. Ms. Lindgren stated the other notable item was the negative variance in the non-departmental budget, which was due to the annual insurance premium in the amount of \$319,000. She indicated she expected about half of that amount to end up going out of the general fund, to be split out between the different departments.

Councilor Spahr brought up the issue of the streamlined sales tax. He felt there had to be some accountability from the state as to how much money was leaving our area and how much was coming in. Ms. Lindgren indicated she received a report from the state each quarter, once they make a determination on the mitigation payments. She stated the report gave her detailed information on what the state was attributing the positives and negatives to for each business, which was how she was able to challenge them when at one point we were told we would not be receiving any mitigation funds.

Councilor Spahr stated he was concerned about the January 2010 report, and wondered if business was really down that much. Ms. Lindgren stated she had access to the information and the city also had auditors that go through the sales and use tax revenue records on a monthly basis to look for tax revenues that may be miscoded to other jurisdictions. She noted they also compared our database of business licenses to people who are paying sales and use tax.

Councilor Lund reported he knew of a local business who sold to people countywide whose sales were down 25 percent over last year. He felt if they were down it probably meant everybody else's sales were down, which added up to a lot of lost sales tax revenue.

City Manager MacReynold felt the real crux of the problem was around the claim that the state was mitigating the loss of that revenue by changing how it used to be done. He felt that process was sorely flawed and continued to be. City Manager MacReynold believed much of what the state was doing was speculation and felt the city should be receiving more mitigation money than we were, but unless we had somebody scrutinizing all of those dollars we pretty much had to take their word for it.

City Manager MacReynold reported he and Councilors Harris and Dawes met with the state legislative delegation to talk about the issue. He stated there was a real interest that the state doesn't know how it's going to deal with it, and there was no real comfort level that they should be continuing it. City Manager MacReynold felt Councilor Spahr's case was very strong, in that the state needed to rethink it.

Councilor Harris believed the problem had to do with the legislation, adding when the streamline sales tax went through it included full mitigation. He felt the city should be able to get the two raw numbers of what was collected within our city limits that used to come to us, versus what now goes out. Ms. Lindgren noted it was unfortunate that we don't receive that information.

Councilor Harris reported the city lost between \$400,000 and \$500,000 dollars last year in potential sales tax reimbursement (backfill), which was real dollars we should be accounting for. He suggested we look at filing an injunction against the state ourselves, because it wasn't going to cost any more than the \$400,000 we're losing. Councilor Harris felt it was all being covered up by the bad economy; however, we needed to stop the process that was happening right now. He stated he was tired of the Department of Revenue using it as a revenue stream to put on additional workers to run the program in the first place. Councilor Harris stated he was planning on going to the Association of Washington Cities (AWC) meeting in June, and would like to see the city round up as many communities as we could, who want to see the process stopped, as well.

February 22, 2010

Councilor Dawes felt it would have to come from the cities because the state didn't care. Councilor Harris believed AWC didn't care either. Councilor Taylor agreed. Councilor Dawes stated AWC was caught between a rock and a hard spot because they basically had 50 percent of their members who were against it and 50 percent who supported it. He indicated at the regional meetings there was a lot of support to go back and revisit the issue because there were a lot more losing entities than there were winners.

Councilor Dawes felt it was going to be easier to get something formulated at the regional meetings, as opposed to the state. He reported, while the local delegates at the House and Senate were very sympathetic and understood, they were in a minority party and would be fighting against the state, who could care less because they get the same amount of money whether the sales tax comes from the point of sale, or not.

Councilor Dawes noted the current report represented the November sales and suggested they wait to see what we get in December, before they throw everything out.

Councilor Harris reported in December of 2008, the area was hit with snow and we ended up with very low sales. He suggested if the revenues in the next few months are lower than anticipated and we end up lower than last year, we should really be alarmed.

b. **Update on Barnes Property.** City Manager MacReynold reported the Barnes Property had been a longstanding project over the past three years. He noted Bob Nacht had been working with a consulting firm to get the property developed, but unfortunately he ran into the Corps and state regulatory environment.

Mr. Nacht gave a brief history of where they were, how they got there, and what they intended to do with the Barnes Property. Mr. Nacht reported the following:

- In 2007, the city contracted with Ecological Land Services to do a wetland delineation on the Barnes Property, and to help us present a Joint Aquatic Resources Permit Application to all of the state agencies in order to get a development permit for the property.
- The city went to the Corps to see if they would allow us to use the wetland mitigation site we established on our National Avenue Property to mitigate the five or less acres of identified wetland on the Barnes Property site.
- The Corps stated they no longer allowed individual project mitigation and the city would have to do a wetland bank on the National Avenue Property and fold the Barnes Property into it as debits and credits.
- The city's consultant put together a program for on-site mitigation on the Barnes Property, leaving some of the viable wetlands to cause them to be landscape amenities; and to develop some for the roadway system.
- The Corps was presented the program, and at such time the environmental group wondered why the city was trying to protect on-site degraded wetlands near an airport; they suggested the city use the National Avenue Property to mitigate it.
- The city decided to put together a mitigation project for the National Avenue site.
- If the Corps allowed us to put together a mitigation project on National Avenue site for the Barnes Property first, the city would agree to put together a bank on the National Avenue site that would go beyond the Barnes Property individual needs.
- The Corps conceptually said okay at first; however, the last correspondence we received from the Corps stated any development activity the city does on the Barnes Property would be speculative fill and the city

February 22, 2010

would need to go through an individual permit that would require avoidance, minimization, etc., which would cost the city another couple of years and thousands of dollars to put together.

- Mr. Nacht was confident the city qualified for the nationwide permit and the mitigation strategy.
- After the last meeting in April 2009 the city decided to cut its losses and not do any further engineering on the development of the Barnes Property because the potential leasers of the property got caught in the same economic climate as everybody else, adding if we would have built it, they would not have come at that time.
- All of the work done on the Barnes Property thus far was valid work, and would be there when we got to a point of pursuing some sort of development on the property.

Mr. Nacht stated because the Corps was calling it speculative fill, and the fact that we did not have a tenant for the property and were not proposing to develop it ourselves, they would not agree to anything at this point in time. He noted after two years of arguing back and forth, the Corps gave the city 30 days to put together a development package. Mr. Nacht indicated the city did not put a package together because we don't have one at this time.

Mr. Nacht reported currently they were back to square two. He indicated the city had a lot of wetland determination and mitigation projects on both the Barnes property and the National Avenue property that could be put together fairly easily by a developer or someone who leases the property.

Mr. Nacht stated the city could sell the prior work in any arrangement we had with a potential lease of the Barnes property, and felt we needed to start marketing the property in some fashion, certainly for the tax revenue the city would receive from it. He noted even with the other issues going on, such as: the flood plain issues; the FEMA mapping; the flood authority; and the Corps levee project, the city had a history on the Barnes property that would allow us to pursue a development permit if we had an actual project in site, such as, a project brought to us by a developer under a lease agreement and specific criteria.

Councilor Harris asked, in the marketing of the property, could they look at offering incentives to businesses whose sales tax revenue would remain with the city. Mr. Nacht suggested there was probably a whole litany of enticements that could be put together for a potential developer, adding the biggest issues for anybody would be the necessary up-front site costs, such as, the roadway system and frontage improvements. He noted the filling activity would also be costly, as well as the necessary infrastructure. Mr. Nacht stated the package they put together would need to include some enticement for someone to spend that kind of money. He reported staff would do some research on how to market the property and bring a list of options back to the council to review. Mr. Nacht stated the council made it clear they wished to lease the property rather than sell it, and staff was going down that path.

City Manager MacReynold suggested the council explore the options in executive session at the next regular meeting, since the issue would involve discussions around lease/sale of property.

Councilor Taylor asked if it was legal for cities to do sales tax increment financing. City Manager MacReynold stated they did not have sales tax increment financing in the state of Washington.

Mr. Nacht reported the key for the city was to identify a specific development and developer that we could get together with to create a permit application that was no longer speculative, adding that would move the city forward with the permitting process. He noted they had a viable conceptual project they had been using all along, adding somebody could walk in and do what the city had anticipated doing all along.

Councilor Dawes felt it would be nice to see our existing businesses start getting back; adding once that happened the other things would come.

February 22, 2010

c. **Update on Hiring Attorney for FEMA Mapping Strategy.** City Manager MacReynold briefed the council on the direction they gave to get an attorney on board to develop a strategy on the FEMA mapping issue. He reported he had identified four, possibly five attorney firms and they would be starting the interview process later in the week, and early next week.

City Manager MacReynold was pleased to announce that the Airport Board had joined the effort and committed up to a maximum of \$20,000; and the Chamber of Commerce was also considering joining us in that fight, as well. He indicated the county had a discussion about focusing their attention on the technical merits and arguments, and there was some discussion about the public utility district being part of it, but in a different way.

City Manager MacReynold understood the Port of Chehalis was also discussing the matter on Thursday, adding we should hear back from the Chamber of Commerce by the end of the week.

Councilor Taylor asked if the city of Centralia had joined. City Manager MacReynold stated he had not heard anything from them.

#### 4. **Council Reports.**

a. **Way Finding Sign Unveiling.** Councilor Dawes reported he didn't think he was going to make it to the unveiling of the new way finding signs on Friday and wondered if he could stop by and look at the signs ahead of time. City Manager MacReynold stated the new signs were beautiful and suggested Councilor Dawes stop by public works to see them.

b. **Flood Authority Update.** Councilor Taylor stated he delivered the council's position to the flood authority last Thursday, adding he was unsure how well it was taken. He noted he explained to them several times over the last two years the city's position, which was pretty much right in line with the direction he was given. Councilor Taylor indicated there was no discussion on the four points he brought up; however, he did receive some strange looks from some of our partners to the North. He felt they understood clearly what the city's position was, and hoped they would come on board and help us all to move in one direction.

5. **Resolution No. 5-2010, First and Final Reading - Supporting Water Retention as a Primary Function with Levees Secondary in the Chehalis River Basin.** Mayor Ketchum reported at Tuesday's special meeting they had a discussion about the whole flood issue and came up with four points they wanted to support. He reported Councilor Lund wanted to somehow make it official, so he asked that a resolution was prepared for the council's consideration.

Councilor Lund moved to adopt Resolution No. 5-2010 on first and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

6. **Code of Ethics for Chehalis City Council Members.** Mayor Ketchum stated the council had before them a proposed code of ethics for their consideration.

Councilor Harris stated he would like to see the word 'hereafter' stricken from the document, as it may imply they were having issues. He also suggested adding a section to address a situation that might come up, such as, when the council makes a decision on something, even though it may be contradictory to what their personal beliefs were, that they support the decision of the council. Councilor Harris suggested it read 'council members shall support the decisions made by a vote of the Council.'

Councilor Taylor wondered if it was really necessary, adding he understood the importance of being unified; but had concerns about not being able to express their own opinions. He felt disagreement wasn't always a bad thing, and in some ways it had made them stronger in the past. Mayor Ketchum thought it was fine to disagree during the discussion of an issue, but once they come to a consensus it should stay a consensus.

February 22, 2010

Councilor Dawes thought that issue was already addressed under No. 2. Councilor Harris felt they needed to be mindful of how they conduct themselves, but at the same time, he didn't want to control someone's freedom of speech, or opinion.

Councilor Spahr indicated he would have a problem with not being allowed to state his opinion on an issue, and agreed with Councilor Dawes that it was already covered under No. 2. Councilor Dawes stated there would be times when they will always maintain their right to say "it was a council decision, and I'll support it as a member of the council, but I don't necessarily agree with it." He added he was elected by the people of the city to express what he believed they wanted him to express. Councilor Harris stated he had no problem with that, adding he just wanted to bring it up for discussion more than anything else.

Councilor Dawes wanted to know how they would go about enforcing No. 6 - Council Members shall not hold or acquire a financial interest in any contract voted on by them for one year after leaving office. He supported it, but didn't know how they would enforce it.

Councilor Taylor stated he understood why the council wanted the code and would agree to sign it; however, he didn't need a piece of paper to tell him what was right and wrong. He felt most of them operated in a pretty strict manner and had pretty good ethics.

Councilor Harris stated he liked the fact that they were talking about it now, not when it was necessary. Councilor Taylor thought Councilor Harris made a good point.

Councilor Pope moved to approve the Code of Ethics, as amended, 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 a 7:11 p.m.

---

Mayor

Attest:

---

City Clerk



March 8, 2010

The Chehalis city council met in regular session on Monday, March 8, 2010, 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, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. 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; and Patrick Wiltzius, Wastewater Superintendent.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.110(1)(c) – lease or sale of real estate for approximately 45 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum announced the council would take a four minute recess at 5:59 p.m. and re-open the regular meeting at 6:03 p.m. Additional staff included: Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Dave Vasilauskas, Water Superintendent; and Rick Sahlin, Street Superintendent. Members of the news media included Adam Pearson from *The Chronicle* and Ron Hall from KITI.

2. **Tourism Dollars.** Jim Valley, Centralia-Chehalis Chamber Executive Director, talked briefly about the tourism dollar allotment the Chamber would receive as part of the tourism contract with the city, which was on the consent calendar for the council's consideration. Mr. Valley stated they looked forward to putting forth a greater effort at the Chamber to do a better job of promoting Chehalis, Lewis County, and the City of Centralia. He noted they recently started working with the webmaster that runs the Tour Lewis County website, adding they would be doing some improvements to that as well.

Councilor Dawes noted they used to receive emails about upcoming ribbon cutting ceremonies and such, and had noticed those had slacked off. Mr. Valley noted Councilor Dawes must have slipped off their email list, but he would make sure he received the notices from now on. Mayor Ketchum suggested he check to be sure that all the councilors were on the list to receive emails. Mr. Valley reported they had a ribbon cutting ceremony the following day, at 11:00 a.m., at the Visiting Nurses on Market Boulevard.

3. **2009 Chehalis Community Spirit Award.** Mayor Ketchum, along with Chehalis Foundation Representative J. Vander Stoep, Chehalis Business Association (CBA) Chair and Director of the Lewis County Historical Museum Debbie Knapp, business owner and CBA member David Hartz, and Jim Valley, presented James Lintott, a former resident from Chehalis, with the 2009 Chehalis Community Spirit Award in recognition of his generosity and continued support to the community. Mr. Lintott was presented with a proclamation, Chehalis mints, a desk clock with the city logo, and a key to the city.

Mr. Lintott thanked the city, adding he lived a very blessed life everyday because of the people of this community. He stated he grew up with wonderful parents, teachers, mentors and friends who were always there to worry, care and help when he needed a hand. Mr. Lintott indicated his success really wasn't that surprising considering the support he received. He stated he felt like he had the spirit of Chehalis in his life everyday, adding he missed the west coast terribly and still considered it to be his home.

Mr. Hartz reported they were holding a reception for Mr. Lintott at the Shire, and invited the council and community to join them following the meeting.

4. **Rosie the Riveter.** Edna Fund and Dr. Susanne Weil reported on the Rosie the Riveter Celebration taking place at the Centralia Community College on Wednesday, March 10, at 1:00 p.m. Dr. Weil, who coordinated the 2010 Lyceum Lecture Series, provided a copy of the 2010 brochure to the council and members of the audience. She reported the lecture series showcased Northwest Washington talent, with this year's focus on Lewis County. Ms. Fund noted the refreshments for the March 10 event would be coming from the Chehalis Deli.

Dr. Weil talked briefly about some of the other events, noting 2010 was the centennial of Mark Twain's death and Timberland Library and the Lyceum had put together a whole series of events for the occasion.

March 8, 2010

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

- a. Minutes of the special work session of February 16, 2010, and the regular meeting of February 22, 2010;
- b. Payroll Vouchers No. 33334-33385 in the amount of \$106,759.89 dated February 19, 2010; Claim Vouchers No. 96105-96224 in the amount of \$123,802.19 dated February 26, 2010;
- c. Authorize the City Manager to execute the 2010 Agreement between the city and the Centralia-Chehalis Chamber of Commerce to provide tourism promotion and visitor information services for the City, the City of Centralia, and Lewis County in an amount not to exceed \$21,000 (\$7,000 each);
- d. Authorize the City Manager to execute a master interlocal agreement for reimbursable work between the City and Lewis County Public Works;
- e. Confirm re-appointment of Dr. John McCord to the Chehalis-Centralia Airport Governing Board for a six year term expiring December 31, 2015;
- f. Award bid for the Newaukum River Bridge Watermain Replacement Project to Pilchuck Diversified, Inc., in the amount of \$347,664.16; and
- g. Authorize City Manager to execute the interlocal agreement between the City and the Chehalis-Centralia Airport Governing Board; the addendum to the interlocal agreement between the City and the Port of Chehalis; and the memorandum of understanding between the City and the Centralia-Chehalis Chamber of Commerce for the purpose of retaining legal counsel and professional services in the review of the FEMA map diagram as presented.

The motion was seconded by Councilor Pope and carried unanimously.

6. **Staff Reports.**

a. **Status of Spring Park Openings.** Bob Nacht reported the kitchen facility and picnic shelter application form had been revised to be consistent with the City of Centralia's form, adding their goal was to make things as consistent with other agencies processes and procedures, as much as possible.

Mr. Nacht reported they would be reducing the number of rental periods for the V.R. Lee Building and Hess Kitchen from the current three periods, to two periods a day. He noted, with limited staffing, they didn't have the ability to monitor and replace paper towels and such, as frequently as they used to. Mr. Nacht indicated they were experiencing a number of issues with the facilities, which was causing them to have to do more cleaning in between renters. He felt by reducing it to two periods per day, it would allow more time for staff to clean in between rentals. Mr. Nacht reported they did some research on the number of building rentals and found very little usage during that second period of the day and believed the public would not be negatively impacted by the change.

Mr. Nacht reported they were also addressing the banquet permits for alcohol usage and liability insurance. In addition, they were identifying ways for a person who rents a shelter to actually be able to reserve a portion of the grassy area outside a shelter, or building for purposes of outdoor weddings, receptions, and such. Mr. Nacht noted they had a lot of usage for those types of purposes and were trying to set up a mechanism to where people can set up their outdoor events without violating a lot of the parks protocol.

Mr. Nacht reported they were also developing a process to address issues they were running into for community-wide uses of the park, such as, the Seattle to Portland bike ride, the Cascade Country Cook-off, and a number of other usages of the park system.

Mr. Nacht indicated they were going to start allowing building rental applications to be submitted to the community development department for up to one year in advance, rather than opening the door every year on

March 8, 2010

November 15 for all building rentals for the following year. He reported as they go through the process of streamlining their procedures they may run into a glitch here and there, but those issues would be addressed as they run across them.

Councilor Pope reported the Lintott/Alexander Park had a nice new shelter that was built and completed this past year.

b. **Update on Hiring Attorney for FEMA Mapping Issue.** City Manager MacReynold reported they had been interviewing four different attorneys and attorney firms over the last couple of weeks. He noted the interview panel consisted of Chamber Executive Director Jim Valley, Airport Manager Allyn Roe, City Attorney Bill Hillier, and Bob Nacht.

City Manager MacReynold reported they had completed the interview process and had narrowed it down to two. He stated all references had been contacted as of late that afternoon and they would be meeting Tuesday afternoon to make their selection. City Manager MacReynold noted City Attorney Hillier would be working with him to negotiate a contract, adding he was encouraged by the references and the level of experience that the two front-runners brought.

City Manager MacReynold reported they would be working in cooperation with Lewis County, who was taking care of the technical side through Prosecutor Michael Golden's office. He noted they would also be working with the Lewis County Public Utility District, as they had some significant contacts at the federal level.

Councilor Spahr asked if we sign a contract with an attorney now, could another organization or municipality join later. City Manager MacReynold stated they certainly could, adding we would welcome all the help we could get.

Mayor Ketchum stated he appreciated all of those who had stepped forward to join us in the fight.

Councilor Harris stated he had been contacted by a number of individuals who would be affected by the new FEMA maps, adding it would be nice to find a way for them to be heard. City Manager MacReynold reminded Councilor Harris that there would be a public process that FEMA would have to go through. He stated with the assistance of the county and the other partners, their hope was to get them to push the release of the draft map out, which would give us more time to develop a strategy that would position us through any possible legal process.

## 7. **Council Reports.**

a. **Way Finding Sign Unveiling.** Councilor Dawes noted he and Councilor Spahr attended the unveiling of the first of the new way finding signs located across the street from city hall. He reported Larry McGee did a nice job speaking on behalf of the Chehalis Community Renaissance Team.

b. **Lewis County Historical Museum Fashion Show.** Councilor Dawes reported he attended the Lewis County Historical Museum Fashion Show on February 20. He felt the show itself went off great, and they raised about \$3,300 for the museum. Councilor Dawes stated it would have been nice to see a few more people in attendance.

c. **Meeting with Lewis County Economic Development Council (EDC) Director.** Councilor Spahr reported he had a meeting with Lewis County EDC Director, Dick Larman, adding he was still trying to bring himself up to speed on a lot of issues.

d. **Fact Finding Mission in Arizona.** Councilor Spahr noted he just got back from a fact-finding mission down in Arizona. He reported in looking over his brother-in-law's utility bill, they had very little applied to usage and a lot to the base charge. Councilor Spahr reported their fees for water and sewer were about \$86 dollars per month, whether you were there or not. He felt Chehalis was pretty competitive, adding he originally thought they were a lot lower than what we were.

March 8, 2010

e. **Chehalis River Basin Partnership Meeting**. Councilor Harris reported on the Chehalis River Basin Partnership meeting he attended, adding both Commissioners Schulte and Averill were also in attendance. He stated they were still looking for new sources of funding and had decided to form a foundation, rather than a non-profit. Councilor Harris noted the reasoning behind forming a foundation was because it would allow the committee to have more control.

f. **Ghost Hunting Adventure**. Mayor Ketchum reported he sat in on a ghost hunting session at the Aerie in Centralia; however, there were no encounters with any ghosts that evening.

g. **28<sup>th</sup> Annual Historical Bicycle Ride**. Mayor Ketchum announced the 28<sup>th</sup> Annual Historical Bicycle Ride put on by the Chehalis/Centralia Optimist Club was set for Saturday, May 8, with registration between 7:00 – 9:00 a.m., at Stan Hedwall Park. He noted Rose Spogen who normally comes to the council to promote the bike ride was unable to make it this year.

h. **Comcast HD Technology Fee**. Councilor Spahr brought up the letter received from Comcast concerning the new HD Technology fee, and the old HD equipment rental fee. He noted he was unsure if they could do anything about it, but he would like to question it a little bit more. Councilor Spahr noted it appeared the new \$6.50 HD Technology fee was going to be charged for each hookup, and he was curious as to what the fees were for the rental equipment they were no longer going to charge for.

City Manager MacReynold reported he would be happy to follow up on the issue.

8. **Resolution No. 6-2010, First and Final Reading – Amending the 2010-2015 Six-Year Transportation Improvement Plan (STIP)**. Tim Grochowski reported the administration was requesting the council to approve an amendment to the current 2010-2015 STIP. He indicated the request was due to the addition of three projects that were identified for potential stimulus funding. The projects included asphalt overlays for the following:

- National Avenue from Kresky Road to Exhibitor Road
- Louisiana Avenue from Highway 6 to Chamber of Commerce Way
- Riverside Drive from the south city limits

Mr. Grochowski reported the projects needed to be shovel ready at the time the funding becomes available. He noted there was not much more work they could do except asphalt overlay on those projects.

Mayor Ketchum stated it was always good news when they had the possibility to do something with someone else's money.

Councilor Harris moved that the council amend the 2010-2105 Six-Year Transportation Improvement Plan and Resolution No. 9-2009 by adopting Resolution No. 6-2010 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 6:41 p.m.

---

Mayor

Attest:

---

City Clerk

March 22, 2010

The Chehalis city council met in regular session on Monday, March 22, 2010, 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, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Kelvin Johnson, Fire Chief; Peggy Hammer, Human Resources Administrator; Eva Lindgren, Finance Manager; and Tim Grochowski, Public Works Director. Members of the news media included Adam Pearson from *The Chronicle* and Ron Hall from KITI.

1. **Proclamation – Sexual Abuse-Assault Awareness Month.** Mayor Ketchum presented a proclamation to Katie Braae from the Human Response Network, proclaiming the month of April as Sexual Abuse-Assault Awareness Month in the city of Chehalis.

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

- a. Minutes of the regular meeting of March 8, 2010; and
- b. Payroll Vouchers No. 33386-33469 and 1277-1342 in the amount of \$738,818.75 dated February 26, 2010.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Staff Reports.**

a. **February Financial Report.** Eva Lindgren stated the focus of her report would be on the general fund, which took a large unbudgeted hit due to the retro pay paid out earlier in the year for the non-uniform employee contract. She reported the expenditure would be included in the upcoming budget amendment.

Ms. Lindgren briefly reviewed some of the revenue sources, noting the property tax revenue was not due until the end of April and hoped collections would be good. She reported the sales and use taxes were still lagging slightly, adding it could be problematic since the revenues received in January and February reflected what was collected in November and December. With reference to sales and use tax, Ms. Lindgren reported they were already \$100,000 dollars behind on what was collected during the same time period in 2009. She noted once the March figures come in they would evaluate the situation and figure out where to go from there.

Ms. Lindgren noted the interfund taxes appeared low; however, she still needed to book the normal February journal entries. She noted the finance department continued to exceed the expected percentage due to the up-front software maintenance costs, and in addition, she had almost \$11,000 dollars worth of retro pay that was not budgeted for.

Ms. Lindgren reported the non-departmental fund continued to exceed the expected percentage due to the insurance payment that they were still working on to allocate out to other funds. She noted in 2009, they allocated \$128,000 dollars out of the general fund for insurance, and expected the amount to be higher in 2010.

Councilor Dawes stated he was still concerned about the sales tax collected for sales made over the internet. He felt the city was not getting that money and suggested perhaps the wrong sales tax was being collected.

Councilor Dawes reported he recently ordered a garage door through Home Depot and had it installed at his home, and the final paperwork he was given showed a higher rate of sales tax than our 7.9 percent. Ms. Lindgren thought that was incorrect and would be interested in pursuing that with Home Depot. She thought it could be very easy for a clerk to put in the wrong tax code, considering the number of deliveries they make. Councilor Dawes reported the installer of the door came from Aberdeen, Washington, which was probably where the sale tax went.

Councilor Dawes stated he had a hard time believing sales were that far down in our area. Ms. Lindgren pointed out that automobile sales had been a significant component of our tax revenues, which were not very good this

March 22, 2010

last year. Councilor Dawes felt that could be a part of it; however, he just read an article in *The Chronicle* stating our local Toyota dealer was not really hurting that much, and automobile sales were up about 40 percent nationwide over last year.

Ms. Lindgren reported the city had no recourse, adding they had discussed the same issue over and over again. She stated we only had access to our own tax revenues and could not look at what others were getting to determine if it should be ours.

Councilor Harris inquired about sales tax on the sale of manufactured homes. Ms. Lindgren stated it was supposed to stay at the location where the manufactured home was sold from, not where they are delivered. She stated she would be very skeptical that the taxes would be miscoded based on the nature of the business, adding the streamlined sales tax did not change anything with that particular industry.

Councilor Spahr noted several years ago he had some work done on his home by a company out of Tumwater, Washington. He reported the sales tax percentage he was charged was more than what we would charge locally, so he called them up and they agreed they had charged him the wrong rate.

Councilor Spahr felt the average citizen didn't understand if they don't catch that, the city doesn't get credit for that sale. Ms. Lindgren stated business owners were required to report by the location where they do business or deliver products, and could be reporting up to a dozen or more different tax codes at different tax rates. Councilor Taylor stated as businessman, it was horrible. Ms. Lindgren felt the council's concerns were valid and the city was doing the best it could in terms of auditing the sales and use taxes with the resources we had available.

Councilor Taylor inquired about the sales tax reports. Ms. Lindgren reported the city received sales tax from the state in a lump sum; however, she also received confidential reports that showed what sales tax was coming from what business. She noted Bob Nacht uploaded our business license data base to our tax auditor on a monthly basis, and they upload our sales tax data base and compare the two. Ms. Lindgren reported we are getting business licenses where we weren't getting them before, and in some instances, we are getting sales tax revenue that was most often going to Lewis County.

Councilor Dawes stated he didn't want any confidentiality broken, but asked if Ms. Lindgren could go back and look at the five largest retail sales tax contributors in Chehalis over the last four or five years, to see if their business had dropped as dramatically as the sales tax had.

Ms. Lindgren stated she could look at the information, but there were so many limitations as to what she could share with the council. Councilor Dawes stated the council was supposed to legislate and do things, but yet they had staff telling them they can't tell them anything. He wondered how they were supposed to make an educated decision when they are not able to get the information they need from the State. Councilor Dawes felt it gave the impression of trying to hide something, and suggested if we tried to do that at the local level the citizens would be here pounding on the desk. He stated he would like to find a way to see if our businesses are lacking 18 percent, and if not, why then was the sales tax revenue lacking.

Councilor Dawes wondered if there are any cities out there that are swimming in sales tax revenue. Ms. Lindgren stated she could give them the printout of what the State reported as the winners and losers, adding that information was not confidential.

City Manager MacReynold stated another issue to take into consideration was the major economic downturn. Councilor Dawes believed there were several businesses in Chehalis that were staying about the same, if not getting better, but yet they still had this dramatic drop in sales tax revenue. He briefly talked about other slow economic times over the years, but never recalled sales tax taking such a tremendous dive.

March 22, 2010

Councilor Harris felt the economic downturn should not have anything to do with calculating what was or was not there, adding it was all smoke and mirrors. He agreed with Councilor Dawes that we were not off as much as what we were being deducted for.

Councilor Spahr suggested if they were to compare November 2008 to November 2009, and call the stores to see if business was up or down, it might give them an idea of which way business was going. Ms. Lindgren reported the bottom line was business may be up, but unless it was a retail establishment that only does walk-in business, being up wouldn't necessarily translate into dollars for the city.

b. **Update on Hiring Attorney for FEMA Mapping Issue.** City Manager MacReynold reported they had reached an agreement with Don Marcy from the firm of Cairncross & Hempelmann, P.S., out of Seattle, Washington, to represent the city in its efforts to amend the currently proposed FEMA flood insurance rate maps for the Chehalis River basin. He noted Mr. Marcy met with the administration at the end of last week and would be developing a scope of work based on their discussion. City Manager MacReynold reported Mr. Marcy would be providing the scope sometime this week, at which time he would share it with everybody. Additionally, Mr. Marcy seemed very interested and had probably already made contact with the county to get access to the technical information. He noted Mr. Marcy would also be working with the Lewis County Public Utility District and their lobbyist, if we have to move in that direction.

City Manager MacReynold continued to hope that we could work with the other partners and do what we need to do to get FEMA to postpone the release of the maps. He noted the latest information was they were intending on releasing the maps in July or August 2010, which was much better than this month.

Councilor Spahr inquired about the letter that was signed by all of the entities in Lewis County and involved Pacific International Engineering, asking if they would be working with the attorney, or if it was regarding something different. City Manager MacReynold stated Pacific International Engineering was the company the county was hiring to do the technical work. He noted there was a concern about the history of that firm; however, Mike Daniels, the engineer had good credibility at the State and their hope was the old baggage wouldn't interfere in the acceptance of their work.

Councilor Spahr stated he was watching, with interest, the new FEMA floodway maps for Fargo, North Dakota, adding it was going to be real interesting to see what happens out there. Councilor Dawes reported there were several mid-western communities that were upset with FEMA over the very same issue that we are dealing with.

#### 4. **Council Reports.**

a. **Lewis County Economic Development Council (EDC) Meeting Update.** Councilor Spahr reported he attended the EDC meeting where they agreed to produce a proclamation or some form of resolution supporting flood control with retention in the Chehalis River basin.

b. **Lewis County Flood Authority Update.** Councilor Taylor stated he was unable to attend the last meeting and asked City Manager MacReynold if he wouldn't mind giving that report.

City Manager MacReynold reported one issue on the agenda of the flood authority, as a table item, was our request that they consider other streams and other impacts to our communities (Chehalis and Centralia), which was part of the original resolution (Chehalis Resolution No. 1-2008) adopted by both city councils. He reported they had an on-going discussion and finally, after some minor changes of wording from 'requiring those things to be considered' to 'they will consider those items,' the flood authority unanimously supported our request. City Manager MacReynold felt it was good news for us, but problematic based on the United States Army Corps of Engineers project itself.

City Manager MacReynold reported the authority was proceeding with the general investigation, which included retention. He stated he raised the issue of our council making our position very clear with reference to retention first and levees secondary, and felt everybody recognized that.

March 22, 2010

c. **Ribbon Cutting Ceremony and Update on Lewis County Historical Museum**. Councilor Dawes reported he attended the ribbon cutting ceremony at the new Visiting Nurses Thrift Shop, adding he told them it was nice to have them back in town. He also attended the Lewis County Historical Museum Board meeting last week, adding things were moving along well.

d. **Chehalis-Lewis County Fire District #6 Cooperative Group Meeting Update**. Councilor Dawes reported he attended his first meeting with the district since taking over for former council member Robin Fuller. He stated after a short discussion one of the questions he asked was, how long they were going to dance. Councilor Dawes felt the time had come for the two entities to sit down and seriously look at where they were going. He noted in talking with the Commissioners they too were also to the point of wanting to move forward to look at what the best path was for both groups to take.

Councilor Dawes reported he told the group he would like to see if a partnership could be formed, and evaluate what the benefits would be for both the citizens of Chehalis and the district. He felt the residents who lived in the district were very important to the city because those were the people who come to town and shop at our businesses, which helps support us.

Councilor Dawes stated it appeared a lot of the processes in working together, such as training and automatic aid response, were already in place. He felt both sides were 100 percent interested in seeing where it could go, and felt it could be a definite win-win situation for all concerned. He strongly urged the council's support to do what was needed to get the ball rolling.

Mayor Ketchum felt they were to a point of doing all they could through the departments, which prompted the meeting of getting people in there that had the background on how to merge fire departments. He agreed with Councilor Dawes, that the cooperative group was ready to move forward.

City Manager MacReynold reported, at their last meeting, Riverside Fire Authority Fire Chief Jim Walkowski came and walked them through how they were able to get to where they were, and what the steps were to get there. He thought it might be helpful for the council to have a work session and have Chief Walkowski come and talk about it and lay out the different options to be considered by the council and the district.

Mayor Ketchum asked if that was something the council would like to do, or did they want to leave it up to the committee to move it forward.

Councilor Lund felt it would be better to get somebody who didn't have a bunch of baggage to educate them about the process and options. He stated it sounded as though it was a hoopla over there, and wondered why the council would want someone from that ball of wax teaching them about the process.

Councilor Harris stated he understood what Councilor Lund was saying, but he would like to find out the difference between unifying two entities with full-time paid departments opposed to unifying one full-time paid department with a volunteer department. He noted it seemed to him that they needed more information on how to go about working to consolidate those types of units rather than two paid units. Councilor Harris stated if Chief Walkowski has some background in that area, he would like to hear it.

City Manager MacReynold reported the other option would be to just give direction to the city's representatives to go see what they can do and report back.

Councilor Spahr noted another big difference between what Centralia and Fire District #12 did and what we're trying to do was the money aspect, adding it was about equal between the two entities over there because their big tax base was away from the city limits and not likely to be annexed, whereas, the big cash cow for District #6 was very annexable by the city. He believed that issue would present a big problem for us.

Councilor Taylor stated they had to take care of the fire issue before they can get annexation accomplished.



March 22, 2010

Councilor Spahr noted he used to work with a contractor and he always said it's not a good deal unless it's a good deal for all parties involved.

Councilor Dawes stated he was obviously looking at what was best for the city, but he was trying to look at what was best for everyone involved. He reported when they last studied annexation it was deemed not to be in the best financial interest of the city. Councilor Dawes felt if something were to happen with some form of regionalization or consolidation, it would not affect the annexation of the industrial park or the benefit it may have on the city through property tax revenue. He stated he was certainly intrigued with what they could do, and as for reasoning, he saw our situation as something totally different from what Centralia did.

Councilor Taylor felt we didn't have to do anything we didn't feel comfortable doing, whereas, every year Centralia was battling their financial situation and believed they really didn't want to be in the firefighting business, so they pushed as hard as they could to make sure the fire authority happened.

Councilor Dawes stated he couldn't worry about that, adding what Centralia did and how they did it was not an issue. He reported we needed to look at the situation as a potential partnership in one form or another that would provide the same or better level of service for all concerned. Councilor Dawes stated it was not going to be a decision made from the ground up by elected officials, adding there were a number of stakeholders that would need to be involved.

Councilor Pope felt they had a situation that was going to cost a tremendous amount of money any way they do it, and he wasn't talking about annexation. He noted there was also going to be a demand on the volunteer department to be at the same standards in training as the city's fire department. Councilor Pope stated before they could satisfy anything else, they would first have to agree on the working environment, conditions, and training and standards. He agreed with Councilor Dawes, that they are going to have to start from the ground up. Councilor Dawes added it was not going to be an overnight process.

Mayor Ketchum felt they were all in consensus that they needed to take it to the next step. He stated it would be nice to have information from Chief Walkowski, but agreed, they needed to find someone who had experience with consolidating a volunteer and paid unit. Mayor Ketchum asked if they wanted to have the full council involved, or leave it to the committee.

Councilor Harris felt it should be left to the committee, and have them report back.

Councilor Pope felt there was a lot work to do and wondered if anything was being done during the interval. He suggested they put together a list of needs, and if there was research that needed to be done somebody should be doing it.

Fire Chief Kelvin Johnson reported one of the items they were trying to address was the various viewpoints as to how they were going to get there. He stated the next step was to see if there was truly an interest to look further and to get everyone in the same room to see if it was still feasible, or not.

Chief Johnson reported, because they did not have enough firefighters in any one of the organizations, none of them could meet the national standards to do simple basic house fires by themselves. He stated they had to work together, which was why they now had automatic aid agreements in place.

City Manager MacReynold thought the two chiefs had done a lot with regards to automatic aid response and training. Councilor Pope felt that was all part of the work, adding if the city had standards, they would need to bring the volunteers up to those standards. He suggested they set up a schedule or time-line, because it couldn't be done haphazard. Chief Johnson stated that was one of the items the fire service was facing nationally, adding the requirements for the volunteers and paid staff had to be equal. Councilor Harris felt that was part of the problem, noting if they are trained enough as volunteers to do the same thing the paid firefighters are doing, it's harder to keep them around.

March 22, 2010

Councilor Harris stated it would be nice to know if the district was keeping their volunteers up to standards we can accept, adding the city should have some criteria as to what would accommodate some kind of collaboration. He felt they needed some basics from within the departments to say, we can work together as long as the level of education or service was maintained by every one of their volunteers. Chief Johnson stated that was one of the items they were working on not only locally, but nationally, realizing not all volunteers had the same amount of time available, and that we do set minimum standards that say, you have to be at a certain level of training before you can do certain jobs within the organization.

Councilor Lund felt the volunteer firemen were dying out because people don't take time to do anything for free any more. He asked the question, if they merged and it became more difficult to get volunteers, would the taxpayers of Chehalis have to pay to put full-time employees in at the district. City Manager MacReynold stated that was a good question.

Councilor Dawes noted that would be one of the reasons for doing a study, adding he would like to find out what it would involve. He felt the working relationship between the two agencies had improved over the last couple of years and would like to move ahead to see if there was something they could do that would be in the best interest of both.

Councilor Pope thought the committee should continue to move forward and the representatives from the council could report back when necessary.

Councilor Taylor stated he was one of the city representatives on the committee, but was having a hard time making the meetings. He wondered if anyone would be interested in replacing him.

Mayor Ketchum stated if there was another councilor who wanted to volunteer to be on the committee, to let him know before the next meeting.

City Manager MacReynold stated he would see if they could find someone who had experience in consolidating a volunteer and paid department.

5. **Resolution No. 7-2010, First and Final Reading – Declaring City Property Surplus.** City Manager MacReynold reported the administration had put together a list of surplus items that were no longer of use to the city. City Clerk Judy Schave reported, attached to the agenda was exhibit 'A,' that included items from the various departments, and exhibit 'B,' which listed items from the police department that could not be sold to the general public. She noted the items on exhibit 'B' would be offered to other agencies that might have a need for them. Ms. Schave requested the council adopt the resolution on first and final reading.

Councilor Spahr moved to adopt Resolution No. 7-2010 on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

6. **Executive Session.** Mayor Ketchum announced the council would convene into executive session at 7:16 p.m. following a ten minute recess pursuant to RCW 42.30.110(1)(g) – public employee matter for approximately 30 to 45 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 7:35 p.m. and reopened the regular meeting.

There being no further business to come before the council, the meeting adjourned at 7:35 p.m.

---

Mayor Pro-tem

March 22, 2010

Attest:

---

City Clerk

April 12, 2010

The Chehalis city council met in regular session on Monday, April 12, 2010, 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, Bob Spahr, and Daryl Lund. Mayor Ketchum was absent (excused) and Councilor Taylor arrived at 6:07 p.m. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Amanda Vey, Assistant City Attorney/City Prosecutor; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Bob Nacht, Community Development Director; and Tim Grochowski, Public Works Director. Members of the news media included Adam Pearson from *The Chronicle* and Ron Hall from KITI.

1. **Discussion on Number of Drinking Establishments (Bars) in the Downtown Area.** City Manager MacReynold reported he and Police Chief Glenn Schaffer had been talking for some time about the number of bars in the downtown area and the issue of public safety. He felt it would be a good time for Chief Schaffer to talk to the council about the issues they were facing, and come back at a later date with some recommendations for the council to consider.

Chief Schaffer reported in 2005 the city had six tavern type establishments in town, and in 2010, with the opening of the Devil Fish Pub on Chehalis Avenue, the city would be up to ten. He noted the total number of calls handled citywide by the department from October 2009 through March 2010 was 3,243 with 75 of those occurring at bars. Chief Schaffer suggested it wasn't necessarily the number, but the types of calls they were responding to.

Chief Schaffer reported another phenomenon in town was the after-hour crowds on Chehalis Avenue. He indicated the pubs in Centralia close, by agreement, at 1:00 a.m., at which point the patrons leave Centralia and come over to Chehalis. Chief Schaffer stated the Market Street Pub and Code Red close prior to 2:00 a.m. and do a good job of getting the people clear of their businesses and sidewalks; however they still had a couple of establishments on Chehalis Avenue that stay open until 2:00 a.m. He reported every weekend, the area in front of the Paradise and Garbe's becomes a swarm of people who hang around until after 2:30 or 3:00 a.m.

Chief Schaffer reported a couple of weeks ago they had one officer slightly injured during a confrontation, which could have been a lot worse. He noted the officers were trying to break up a fight between two brothers when the two started calling to the crowd for help. During the incident, officers from Centralia, the Sheriff's Department, and the Washington State Patrol were called in to assist our officers.

Chief Schaffer reported two years ago, the department started taking a pro-active approach to the problems they were having. Some of the steps taken, included:

- doing walk-throughs at the bars
- establishing an excellent working relationship with the Washington State Liquor Control Board (WSLCB)
- training for the officers by the WSLCB on how to apply the liquor code and where it could be used
- adopting Title 66 and forwarding all reports to the WSLCB that had any culpability on the licensed establishments
- changes as to how the department responds to some of its calls, whether or not someone gets charged criminally
- changing schedules to have at least three officers on duty on Friday and Saturday evenings to deal with crowd type issues

Chief Schaffer felt if they continued to have a 40 percent increase in bar type establishments every five years, they would be well beyond their resources in dealing with any problems at the bars, specifically on Chehalis Avenue.

Chief Schaffer talked briefly on section 5.04.050(c) of the Chehalis Municipal Code, which stated "no city officer or employee may refuse to issue a license because of the officer's or employee's belief that there are enough of a particular type of business in the city already." He reported he looked at a section of zoning and business licensing rules on drinking establishments from the City of Camas, which had a section stating 'there shall be no more than one such establishment per block; and there shall be a maximum of six such establishments permitted in the downtown

April 12, 2010

commercial zone. Chief Schaffer stated he was not recommending they copy Camas' ordinance exactly, but would like the council to consider the idea changing some of its business licensing and zoning rules in order to have some control over it in the future.

Councilor Pope asked if it was legal to establish a moratorium on developing such businesses or facilities in certain zones for a given period of time. City Attorney Bill Hillier stated it was absolutely legal, but the council would have to set a policy. City Manager MacReynold reminded Councilor Pope about the briefing from Washington Cities Insurance Authority regarding the issues they were having around litigation, with reference to moratoriums.

Mayor Pro-tem Dawes noted at one time the city did something about the number of Churches in the downtown area. Bob Nacht reported initially they were made conditional uses, and later they were prohibited in the central business district. He reported the zoning definitions and criteria were couched in a way to make them incompatible usage for that district.

Councilor Pope asked if they could develop some type of zoning to address the issue with the bars. City Attorney Hillier stated the council had the right to create criteria for their zones in order to address such issues as, the number of feet between, or the maximum number of any particular type of activity.

Councilor Harris noted they already had an ordinance in place to keep 'adult' type businesses a certain distance away from schools and/or daycares. City Attorney Hillier reported the city of Centralia also passed an ordinance on the maximum number of bars they would have, adding as those types of businesses close their doors the licenses were not being renewed. He reported they had gone from 13 bars down to six.

Mayor Pro-tem Dawes believed there were two separate issues: the first, whether to establish a certain number within a certain zone; and the second, the responsibility of the licensee. He felt there were some licensees who were not being very responsible and wished Chehalis could get a similar agreement with the bar owners, as Centralia had. Mayor Pro-tem Dawes reported Chehalis never used to have a problem, and in fact, we were the ones going over to Centralia to back them up every Friday night. He felt they needed to be pro-active and hoped they could nip it in the bud before it becomes a problem for the downtown area.

Councilor Spahr stated he didn't believe it was a big number at that point and time, and suggested they tread softly when talking about limiting the number of businesses, and types of businesses in town.

Councilor Harris inquired as to how they could control the traffic on the sidewalk, adding the external problem seemed to be as much of an issue as anything. Chief Schaffer noted they had the ordinances, but the issue was enforcing them. Councilor Harris wondered if they could make it the responsibility of the bar owner. City Attorney Hillier stated once they're out the door they are no longer the bar owner's responsibility.

Mayor Pro-tem Dawes felt limiting the number of bars was not necessarily going to take care of the problem. Chief Schaffer agreed, adding he was confident what they had put into place was going to help, but was afraid the trend might continue if people see our area as being one rich with bars. He stated he didn't know if our resources would be able to handle it if the crowds continue to grow.

City Attorney Hillier stated it would be interesting to find out how many of the actual defendants over a certain period of time were residents of Chehalis versus people coming in from out of the area. Prosecuting Attorney Amanda Vey stated she could probably compile the information for the last three months.

City Attorney Hillier stated, outside the authority of the WSLCB, if a business had a certain number of issues over a certain period of time, the council had the authority to pull the business license. Mayor Pro-tem Dawes stated he knew that, but didn't know if the council was interested in being any kind of quasi-judicial body, should they appeal the suspension of their business license. City Attorney Hillier stated he wasn't necessarily telling them to do that, he was just letting them know it was the only legitimate control they had over closing a business down.

April 12, 2010

Mayor Pro-tem Dawes wondered if there wasn't some kind of ordinance where it would be cited into municipal court and the judge would then decide on the issue. Bob Nacht noted the council would not be the appeals body for any administrative action or procedure, adding they only set the policy.

City Manager MacReynold felt it was a timing issue with primarily two establishments and wondered what kind of communication the Chief had had with them to see if they would be able to help us deal with the issue. Chief Schaffer indicated his communication with them had been exhaustive.

Chief Schaffer reported the cause for most of the problem was due to over-serving, but in order to enforce that ordinance they had to have people inside the bar that see the employees hand the drinks to the intoxicated patrons. He suggested they could work with the WSLCB to bring in undercover officers or have agreements with other departments, but felt the process was not very efficient.

Mayor Pro-tem Dawes stated he didn't know if there was any direction the council could give at that point, but based on the conversation, the council would be willing to listen to anything Chief Schaffer had to propose. He felt they had a real problem in the making and if they didn't do what they could to assist, they were going to have a bad situation on their hands.

City Manager MacReynold stated the council would be hearing more from them in the future as they work through it. Mayor Pro-tem Dawes stated he for one understood what Chief Schaffer was going through, and would be very supportive of anything they could do to alleviate the potential problem.

Mayor Pro-tem Dawes announced the council would take a five minute recess and reopen the regular meeting a 6:05 p.m.

2. **Prudential Community Spirit Award**. Mayor Pro-tem Dawes presented a proclamation to Cheri Anda-Barnes, who was named one of the top 2010 Washington State Youth Volunteers in the 15<sup>th</sup> Annual Prudential Spirit of Community Award.

3. **Update on Twin Transit Development Plan**. Ernie Graichen, General Manager of Twin Transit, briefly walked the council through the 2010-2015 Transit Development Plan and their 2009 annual report. Mr. Graichen reported the Revised Code of Washington required each transit to develop a plan that reflected what was happening during the current year, and what would be happening in the subsequent six years that followed. He noted the State would take all of the plans and develop a statewide plan, which would be used by the Legislature to determine the operational and capital needs of public transportation. Mr. Graichen reported the plan would go before the Washington State Department of Transportation, as well as their stake holders, such as the city.

Mr. Graichen reported, at the time he came on board the image of Twin Transit was not good. He noted customer service was bad, and their financial position was very poor and they only had six months of reserves remaining. Mr. Graichen reported things had improved significantly over the last six years, noting they had raised the bar on the quality of drivers they employ, and had installed video cameras in all of their buses to minimize vandalism and mitigate complaints. He felt the cameras also kept the drivers on queue to produce good customer service. Mr. Graichen reported, while they were at the lowest sales tax rate in the State of Washington, at .2 percent, they had actually grown their reserves to \$2.4 million over the last six years.

Mr. Graichen talked briefly on their future plans, noting everyone who relied on sales tax was struggling. He stated last year they had the highest drop in sales tax revenue in their insurance pool, at 17 percent, and had lost 30 percent additionally in January. Mr. Graichen reported they would not be implementing a sales tax increase at this time, adding the Board had elected to spend reserves until they see some sort of turn around. He indicated they may look at fare increases possibly in 2011, as they had not had an increase since 1996. Mr. Graichen reported their main goal was to preserve jobs and services because the people needed it. He reported at such time the economy does turn around, they planned to replace the remaining seven buses in their fleet, which would be 80 percent federally funded.

April 12, 2010

Mr. Graichen stated if appropriate, in 2014 they would consider a county-wide service expansion with the objective of bringing people to the economic center of Chehalis and Centralia. He noted the expansion would entail: a sales tax increase of .2 to .4 percent; the addition of six buses and driver staff; and paratransit services throughout the entire county for those who qualify for disability.

Mr. Graichen stated they also hoped to look at replacing the facility they currently occupy in 2015, as it was a 50-year old pole barn that was about ready to fall apart.

Mr. Graichen reported their plan laid out the financial performance, the best guessed projections of sales tax, grant funding, and capital cost they would incur over the next six years. He stated their long-term goals were to:

- remain financially viable as a business in the community
- continue to meet the transportation needs locally and in the county
- ensure passengers have the means to access work opportunities, goods and services, and medical appointments
- ensure the special needs population have transportation they otherwise would not have

Mr. Graichen felt the plan was conservative, particularly on the sales tax recovery side of things. He hoped they would be able to rely on operational grant funding, which would allow them to sustain.

Councilor Spahr inquired about the bus that ran out to the Great Wolf Lodge, wondering if there were more customers coming in, rather than going out. Mr. Graichen felt they had more passengers coming in to town from the lodge, accessing the factory outlets, the museums and the steam train.

4. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following:
- a. Minutes of the regular meeting of March 22, 2010;
  - b. Claim Vouchers No. 96225-96393 in the amount of \$179,460.59 dated March 15, 2010; Claim Vouchers No. 96394-96531 and 22010 in the amount of \$126,017.37 dated March 31, 2010; and Payroll Vouchers No. 33470-33558 and 1343-1412 in the amount of \$733,146.33 dated March 31, 2010; and
  - c. Authorize the City Manager to execute interlocal agreement between the City and the City of Winlock to address certain building permitting requirements of Winlock using Chehalis standards.

The motion was seconded by Councilor Taylor and carried unanimously.

City Manager MacReynold credited Councilor Lund for calling him about the situation in Winlock, which led to the interlocal agreement. He believed working together and utilizing resources in this difficult economic time would be a benefit for both cities. City Manager MacReynold thanked Councilor Lund and Mr. Nacht for putting the program and agreement together.

5. **Staff Reports.**

a. **City Manager Evaluation Forms/Executive Session.** Mayor Pro-tem Dawes requested the council fill out the annual evaluation forms on City Manager MacReynold and have them returned to the city clerk by Tuesday, May 4. He also noted an executive session would be scheduled for Monday, May 10, at 5:00 p.m., to jointly review the evaluation.

b. **Update on Chehalis Flood Sub-Zone District.** City Manager MacReynold reported the county recently passed an ordinance establishing a flood sub-zone district. He noted the county was soliciting applications for two representatives from Chehalis, two from Centralia, and one from Lewis County. City Manager MacReynold noted the county was not clear on the criteria, but in conversations with them, they were suggesting the councils make recommendations to the Commissioners on the two representatives they wished to have appointed. City Manager

April 12, 2010

MacReynold indicated the forms had been distributed and at some point the applications received would be brought to the council so they can select two representatives. He suggested if the council knew of anyone interested in applying they should have them contact city hall for an application.

Councilor Taylor stated he was contacted by Julie Balmelli-Powe who was interested in being considered as a representative for Chehalis. He felt Ms. Balmelli-Powe would do a good job representing the city. Councilor Spahr asked if the applicants had to live in the city. City Clerk Judy Schave reported she spoke with Sheila Unger at the Commissioner's Office and was informed they did not have to live in the city limits of Chehalis. Mayor Pro-tem Dawes reported, historically, the city had taken people within the school district for the various city appointments, and asked that an application form be sent to Ms. Balmelli-Powe.

## 6. Council Reports.

a. **Chehalis River Basin Partnership Update.** Councilor Harris reported he attended a Chehalis River Basin Partnership meeting on March 26, adding the meetings were continuing to be difficult as they work through the process of looking for funding. He noted they were still working on the formation of a foundation and had made some good headway at the last meeting to try to come up with some ideas of what they were looking for in a director for the foundation.

b. **Update on Ecosystem Workshop.** Councilor Harris reported he, City Manager MacReynold and Bob Nacht attended a workshop on March 30 pertaining to ecosystem services in the Chehalis River Basin. He noted it was a four hour exercise and they came up with some very good ideas of their own to determine how we could pay for some things, but unfortunately it was not the kind of information the city was looking for.

c. **Chamber Forum Update.** Councilor Spahr reported he was able to attend the Chamber Forum that day, where the topic of discussion was flood control. He indicated the Centralia City Council would be considering a resolution at their meeting on Tuesday that would support water retention in the Chehalis River Basin.

d. **Draft Flood Control Plan.** Councilor Taylor reported the draft flood control plan was out and they were asking for public comment on the document. He noted water retention was only briefly mentioned in the draft plan.

Councilor Taylor felt the authority continued to fragment, adding the Mayor of Montesano jumped up in the middle of their meeting in Rochester, Washington, and implied the flooding was caused because of all of the filling being done in Chehalis. He stated their goal was to push for dissolving the authority and moving towards a flood zone district.

e. **Little League Opening Ceremony.** Mayor Pro-tem Dawes reported he participated in the Little League opening ceremony on Saturday, adding Councilor Taylor and several other city employees were also in attendance. He stated he welcomed everyone to another season and had the privilege of seeing Andy Sennes throw out the first pitch. Mayor Pro-tem Dawes noted they also dedicated the new sign for 'Andy Sennes Field, the Home of Champions.'

6. **Resolution No. 8-2010, First and Final Reading – Adopting New City Tagline.** City Manager MacReynold reported part of the Renaissance Plan included a change to the city's logo, tagline and nickname. He stated in the early 1990s the city approved the 'Rose City' as the official nickname for the city.

City Manager MacReynold reported Resolution No. 8-2010 was proposing the adopt "*Chehalis Where Heart and History Shape Our Future*" as the official tagline, and Resolution No. 9-2010 was proposing to adopt "*Chehalis - The Friendly City*" as the official nickname. City Manager MacReynold indicated there was some concern raised during conversations with the individual council members, so as part of the process they split the tagline and nickname into two separate resolutions for their consideration.

Mayor Pro-tem Dawes felt they may need to amend one of the sentences in Resolution No. 8-2010, which described the current Chehalis brand the 'Rose City' as being outmoded and not conveying the assets and opportunities available in the city.



April 12, 2010

Chehalis Community Renaissance Team Chair, Larry McGee reported they were getting a lot of positive comments back on the new wayfinding signage and the logo was being strongly reinforced, which was the mentality they wanted to apply to the phrases. He noted the magic of any of the identities they select would be how they are used.

Mr. McGee reported they struck out on the initial process of coming up with a new tagline and it became very clear, especially when they had their booth at the farmers market, that people did not like the choices they were given and they needed to go back and re-think the issue. He did not believe the logo, tagline, or the nickname would matter unless they put a plan in place and stick to it for a significant period of time.

Mr. McGee reported the committee had a great offer from Frank DeVaul, who lived in the business. He indicated the DeVauls, Frank and Judy, as well as Shelly Clemens, Caryn Foley and himself, had met a couple of times to look at the past, to see how they could move from that and develop something new. Mr. McGee asked Mr. DeVaul to quickly take the council through the process they were working on.

Mr. DeVaul reported, as part of their process and how they came up with the tagline, they went back to the very beginning of the Beckwith study to try to find the common themes and elements, and utilized some folks who had been in the community for a long time, including Gail Shaw. He reported they talked about the spirit and the heart of the city with regards to community outreach and how we pull together to help others during difficult times. Mr. DeVaul felt the recommended tagline connected to a lot of the key elements about the city and what was inside the people who live here.

Mr. DeVaul felt the more difficult task was trying to come up with a nickname. He noted Chehalis did not have a unique geographic landmark or something in our history that automatically resolved itself to make us unique. Mr. DeVaul stated, in taking the spirit of what the Renaissance Plan was, and recognizing it was a plan of what we want Chehalis to be known for 20 years from now, the thought process was to create something that was very unique and special that we could utilize as a catalyst to help with the tagline, but also recognizing it was going to be a process. Mr. DeVaul reported they had discarded the word 'friendly' several times, but they just kept coming back to it. He felt they could create an atmosphere and utilize it as something we want Chehalis to be, adding the key would be in implementation.

Mr. McGee reported seven other cities had adopted the nickname of "The Friendly City," the closest being in Texas. He felt it would be a lot of work over time to make either one of the proposals valuable for us, but they were willing to commit to that work and he was confident that City Manager MacReynold understood it was something we all had to work on together.

Mr. DeVaul stated it would take no expense and felt it was something every individual in the community could buy into and participate in. He suggested it was timeless and it would not go away unless we ignore it, or drop it.

Councilor Pope asked if they were aware that "The Friendly City" had been tried before sometime in the later part of the 1950s through the 1970s, when the city had its own Chamber of Commerce downtown. Mr. DeVaul noted it obviously fell into disuse and wondered if there was a negative aspect about it. Councilor Pope felt it just wasn't promoted enough.

With reference to the tagline and nickname, Councilor Taylor thought they could have one without the other. He reported he remembered Tom Beckwith talking about the tagline, adding he said 'if they had to work for it, then don't do it.' Mr. McGee believed that concept to be wrong; adding from his experience in marketing, it was all about the commitment to the use. Mr. DeVaul felt unless that had something that rose to the surface the alternative would be to pick something we want to be known for and integrate it into the plan.

Mr. McGee stated if either of the recommendations struck them as something they could buy into, such as they tagline, they could get started with that and address the other at a later date.

April 12, 2010

Councilor Harris felt they needed to be careful about what they use as a tagline or nickname because people tend to distort things. He noted they already had a "Little Miss Friendly" at the Southwest Washington Fair and thought they might be trying to grab that tag and attaching it to ourselves. Mr. McGee agreed the thought of using 'The Friendly City' was not original, but felt it had a good value and was something they could buy into and commit to develop. He thought the fact that they already had a 'Little Miss Friendly' was great, adding it was like a piece of it was already institutionalized.

Councilor Lund stated he appreciated all the work of the committee and understood them wanting to get moving on the process. He noted many times he was flustered with his father because he was a kid that wanted to do things right now, while his father liked to take time to think about things. Councilor Lund wondered if perhaps the council shouldn't sit back and think about it, adding perhaps someone out there who doesn't know about the Renaissance Plan might come up with something unique that no one ever thought of.

Mayor Pro-tem Dawes reported he was willing to defer to the committee on the tagline because that was what they were tasked to do. He noted the committee was not asked to change the 'nickname,' adding he believed the program would be developed and built on the tagline, not the nickname. Mayor Pro-tem Dawes stated the issue he had was, if they called themselves something, such as a 'drug-free community,' and posted a sign stating that, it didn't necessarily make them a drug-free community.

Mayor Pro-tem Dawes stated, based on their discussion, it didn't appear there was any support for Resolution No. 9-2010, and asked if he was correct in that assumption. There was no objection by the council.

Mr. McGee reported he viewed both the tagline and the nickname as important, and agreed the council had to be on board, and if they were not there yet then they needed to keep working.

Mayor Pro-tem Dawes brought up some concerns he had with Resolution No. 8-2010, as it was written. He asked the council to consider the following recommended amendments to the resolution.

- Amend a portion of the title to remove the wording after the word 'tagline,' because they would only be repealing a certain portion of the resolution previously passed;
- Omit the 5<sup>th</sup> 'Whereas' that talked about the outmoded brand the 'Rose City;' and
- Add wording to Section 2. to read 'A portion of Resolution No. 14-2000, adopted the 24<sup>th</sup> day of July, 2000, shall be, and the same hereby is, repealed.'

Councilor Pope moved to adopt Resolution No. 8-2010 on first and final reading.

The motion was seconded by Councilor Taylor.

Councilor Harris moved to amend the motion, as earlier noted to: remove a portion of the heading after the word "Tagline;" remove the 5<sup>th</sup> 'Whereas;' and to Section 2. add the words "A portion of" prior to the word Resolution.

The motion was seconded by Councilor Taylor.

The motion to the amendment, as proposed, carried unanimously.

The motion to adopt Resolution No. 8-2010, as amended, carried unanimously.

7. **Resolution No. 9-2010, First and Final Reading – Adopting New City Nickname.** Councilor Pope stated since there seemed to be no agreement on the 'nickname' he would make a motion to table the item until the next regular meeting.

April 12, 2010

The motion was seconded by Councilor Harris.

Mr. Shaw stated it was a wonderful thing to see everyone wrestling with the ideas and to feel the concerns that everyone had. He reported the two sections represented a lot of heart-felt feeling on everyone's part, but as part of the process they needed to be sure they all get there together. Mr. Shaw stated he liked the nickname 'The Friendly City,' in part, due to a book he read that was given to him by City Manager MacReynold, which talked about the new sociology of the United States of including people in, instead of pushing people out. He agreed, 'friendly' was a little shop worn, but also agreed with Mr. DeVaul that it was something that was going to have to be worked on. Mr. Shaw suggested they give themselves a few years to try to make it 'The Friendly City,' adding it would be a much bigger challenge than anything else they do.

Councilor Harris stated he liked the word 'friendly,' but the word 'friendship,' which wasn't as time worn kept popping into his head.

The motion carried unanimously.

Dr. Pope proposed a workshop prior to the next meeting, to get everybody's opinion on the proposed nickname. He stated he had concerns because they had tried it before, but thought the explanation of developing it made sense. Dr. Pope noted he would like to have everybody else get to that point, rather than them pushing it through right now.

City Manager MacReynold reported the administration already had a follow-up work session set up prior to the next regular meeting with Washington Cities Insurance Authority from 5:00 to 6:00 p.m.

Councilor Harris stated his only concern about having that discussion was he didn't think they should overstep their bounds and become the body that determines what the 'nickname' would be. Councilor Taylor agreed. Councilor Pope thought it was important for each council member to give the committee a reason and explanation as to why they don't like the proposed nickname, not just tell them they don't like it and to find another one.

There being no further business to come before the council, the meeting adjourned a 7:17 p.m.

---

Mayor

Attest:

---

City Clerk

April 26, 2010

The Chehalis city council met in regular session on Monday, April 26, 2010, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:02 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Dennis Dawes. Councilor Taylor arrived at 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; Eva Lindgren, Finance Manager; and Tim Grochowski, Public Works Director. Members of the news media included Adam Pearson of *The Chronicle* and Paul Walker of KITI.

1. **Work Session - Washington Cities Insurance Authority (WCIA) Training on Open Public Meetings Act, Appearance of Fairness, and Public Records Act.** As part of the on-going training sessions for the council, Jeff Myers, representing WCIA, presented information to the council on the open public meetings act, appearance of fairness and public records act.

Following the conclusion of the presentation, Mayor Ketchum announced the council would take a three minute recess and reopen the meeting at 6:12 p.m.

2. **Interview Applicant for Chehalis Planning Commission Vacancy.** Jeff Mecca (591 Hilltop Drive, Chehalis) talked briefly about why he would like to be appointed to the Chehalis Planning Commission. He reported he had been a resident with the city for over 20 years and felt the planning commission was a place where he could serve and give back to the community. Mr. Mecca stated he would like the opportunity to be involved in the development of the community going forward. He reported he was on the Visiting Nurses Assured Home Health Foundation for the last 15 years and was involved with the 'first offender shoplifting program' at the Washington State Juvenile Rehabilitation facility in Chehalis.

Mayor Ketchum thanked Mr. Mecca for coming and talking with them, adding he appreciated him wanting to serve.

3. **Employee Service Awards.** Mayor Ketchum presented Kyle Knapp, Water Distribution Operator I, a certificate of appreciation for 5 years of service with the city. He also presented Steve Emrich, Firefighter, a certificate of appreciation for 10 years of service with the city.

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

- a. Minutes of the regular meeting of April 12, 2010;
- b. Claim Vouchers No. 32010 and 96532-96658 in the amount of \$303,708.86 dated April 15, 2010; and
- c. Confirm appointment of Jeff Mecca to the Chehalis Planning Commission for a four-year term expiring December 31, 2013.

The motion was seconded by Councilor Taylor and carried unanimously.

5. **Staff Reports.**

a. **Quarterly Financial Report and March Finance Report.** Eva Lindgren walked the council through the first quarter financial statements for all funds. She stated the report was a picture in time showing balance sheet accounts, and revenues and expenditures. Ms. Lindgren noted the actual beginning balances were the unadjusted beginning cash and investments totals for each fund. She pointed out some of the funds had other balance sheet accounts during the year that included items such as accounts payable, accounts receivable, and inventory that were noted as non-cash components. Ms. Lindgren indicated the biggest non-cash component was in the water fund, adding most of it was inventory.

April 26, 2010

Councilor Spahr wondered why some of the funds had negative non-cash components. Ms. Lindgren reported some funds could have some accounts payable components included in them, adding the new accounts payable process paid everything by the end of the month and there could be some accumulation of things to be paid out in the following month, such as monies due the state.

Ms. Lindgren reported on the general fund, noting the sales and use tax on the surface looked real good; however, it included the November and December sales tax revenues which were typically higher. She felt in order to stay on track it should have been higher than 25 percent, taking into account the variances between the months.

Ms. Lindgren talked briefly about contributions and donations in the general fund, noting the first quarter budget amendment would take those into account.

Councilor Harris inquired as to why most of the general fund department expenditures in the variance column were in the negative. Ms. Lindgren explained the insurance premiums had been allocated out and the reports assumed that everything was paid evenly throughout the year, which was one of the main things that had put the departments in the negative. She reported the first quarter budget amendment would address any variances between what was budgeted and what actually happened with the insurance allocations. Ms. Lindgren stated the other component was the retroactive payment, which would also be addressed in the budget amendment.

b. **Quarterly Sales and Use Tax Report.** Ms. Lindgren reported the discouraging news was the year-to-date revenue was down 8.8 percent. She stated the good news was the month-to-month variance was moving in a positive direction and was curious to see if it was going to be the trend, or not.

Councilor Harris stated unfortunately our expenses were increasing, especially when it came to compensation. He noted it was obvious our revenue stream was continually decreasing and felt it was putting them between a rock and a hard place when it comes to compensation discussions. Councilor Lund asked if Councilor Harris had any suggestions. Councilor Harris suggested they deal with it, when they deal with it.

Ms. Lindgren pointed out that when she proposed the budget numbers for 2010, the beginning fund balance was approximately \$100,000 less than what she expected it to be, simply because they had not budgeted for the retroactive payment. She noted there was a little bit of a wash in terms of what they were looking at for the projected ending balance. Ms. Lindgren stated Councilor Harris was absolutely correct in that there was definitely room for concern.

c. **Schedule Work Session to Discuss 2011 Council Goals.** City Manager MacReynold reported they sought to hold a goals work session back in early March, but it didn't work out. He requested they set a work session for Monday, May 3, at 5:00 p.m., in the council chamber, to discuss 2011 council goals and to receive an update on where they were with their current goals and projects. Councilor Spahr indicated he would be gone that day, and believed Councilor Pope would also be gone that day. Councilor Dawes felt if they had a quorum they had to do it, otherwise they were going to be in to the summer months when people are gone on vacations. Mayor Ketchum suggested Councilors Spahr and Pope get their goals to City Manager MacReynold prior to the meeting of May 3. City Manager MacReynold reported he would see that Councilors Spahr and Pope receive the written summary on the current goals.

## 6. **Council Reports.**

a. **Lewis County Historical Museum Update.** Councilor Dawes reported he attended the June Gorter Memorial Garden dedication at the Lewis County Historical Museum, adding they had some great home-cooked food at the event.

Councilor Dawes reported the museum had a new exhibit called "Tour Lewis County" and suggested if they had a chance they should stop by and take a look at it.

April 26, 2010

b. **Update on Chehalis Flood Authority**. Councilor Taylor reported he attended the regular flood authority meeting last Thursday, where they discussed the budget bill passed by the legislature during their recent session. He noted the bill basically cut the legs out from underneath the authority, adding anything they did would have to be approved by all the state agencies, which meant the authority couldn't make any decision.

Councilor Taylor felt at that point it would be a good idea if the authority just went away, and he made the motion if the Governor signed that language into law that the authority immediately be disbanded and they continue to move towards the formation of a flood zone. He noted his motion was not received very well and they ended up having an intense three-hour meeting, which had to be recessed and continued the following day.

Councilor Taylor reported it was decided they should send a letter to the Governor asking her to veto or strike the language in her budget bill. He stated he would have liked the letter to be a little more straightforward and to the point; however, it ended up being a letter asking her very nicely to do something and didn't believe it would end up doing anything at all.

Councilor Taylor reported one thing they forgot to do before they adjourned was to deal with his motion. He noted that motion would be tabled until their next meeting, which would give them something to talk about. Mayor Ketchum thanked Councilor Taylor for making the motion, and talked briefly about the confusion of what was said and what was sent out in the two letters.

c. **Chehalis River Basin Partnership Update**. Councilor Harris reported he attended the Chehalis River Basin Partnership meeting on Friday, noting it was a bit disrupted by the fact there were some questions as to whether or not the minutes from the meeting were accurate.

Councilor Harris reported the partnership was continuing to look into forming a 501c3, in order to receive funding in other ways for things such as, salmon recovery and habitat restoration. He noted they were having some legal discussions as to how to get it done, adding they had to be very careful because a 501c3 could act independently on their own outside the parameters they are dealt. Councilor Harris noted Attorney Bob Schroeter was working on behalf of the county to write up some information that would help them seal it up so it doesn't take on a life of its own, or become a monetary constriction to the agency itself.

Councilor Taylor inquired about the discussion of the minutes, noting it was also brought up at the flood authority meeting on Thursday. He noted Commissioner Bill Schulte seemed rather angry when he was talking about the minutes and how they were wrong. Councilor Harris noted there was some discussion about the interpretation of what he was saying and how it was construed in the minutes of the meeting to be different than what he said. He noted Commissioner Schulte brought the audio tape of the meeting to contradict that. Councilor Harris reported Grays Harbor County was the lead entity of the Chehalis River Basin Partnership and was the responsible party to talk to the Governor's Office. He felt there were some concerns about some behind the scenes work being done, and thought things were kind of getting schmoosed down in the meeting minutes, that in some cases shouldn't be.

Councilor Harris stated he did not want to misquote what was said, adding it was brought up, discussed and resolved. He felt it was mostly a matter of interpretation and a matter of misunderstanding on the part of Lee Napier and staff, as to what was really being asked for. He stated Commissioner Schulte believed he asked for consensus on an issue and it didn't take place. Councilor Harris suggested it just got lost in the conversation, and wasn't as underhanded as some might have thought.

Councilor Spahr believed consensus was sometimes hard to come to. Councilor Harris stated they might as well forget consensus when it comes to either one of the two agencies because for them it becomes the power of one. Councilor Spahr agreed, adding all it took was one person to hold everything up. Councilor Harris noted even a person claiming to represent an entity could hold things up, which made it very difficult to get anything done.

Councilor Dawes reported from the involvement he had with flood issues he could now see why the politicians up North figure this area can't get its act together. He felt there were too many different groups trying to do the same thing, and it was dysfunctional. Councilor Dawes understood the need to look at different aspects, but it

April 26, 2010

seemed to him there could be one group formed so they don't have so many people involved who are only there to take care of their own interest. Councilor Harris stated that was exactly what the flood authority was appointed to do. He added, it was a smaller group in the beginning that eventually expanded to be what it was today, and they knew the entities coming in would create the demise of its own existence. Councilor Taylor thought it came down to the fact that it was a red county in a blue state. Councilor Harris believed a lot of it was about control.

d. **Council Appointment to Chehalis-Lewis County Fire District #6 Cooperative Group.** Mayor Ketchum suggested appointing Councilor Spahr to the Chehalis-Lewis County Fire District #6 Cooperative, replacing Councilor Taylor. There were no objections to the appointment.

7. **Tabled Item - Resolution No. 9-2010, First and Final Reading – Adopting New City Nickname.** Mayor Ketchum asked if anyone had any objections to tabling the item until the May 3 work session. City Attorney Hillier stated it would be appropriate to table it to their next regular council meeting, but they could discuss it at the work session.

Councilor Dawes moved to table Resolution No. 9-2010 to the next regular meeting of May 10.

The motion was seconded by Councilor Harris and carried unanimously. It was noted the issue would be discussed at the council work session on May 3.

8. **Ordinance No. 856-B, First Reading – Amending the 2010 Budget.** Ms. Lindgren reported she outlined the highlights of the amendment in the agenda report and provided a line-by-line schedule showing exactly what each line was for.

Councilor Harris inquired about the 'sufficient funding' for the parks and recreation plan, asking what the amount was. Ms. Lindgren reported the amount was \$8,558, noting she came up with number by combining what was paid out this year and the remaining balance of the contract.

Councilor Taylor commented on the purchase of a patrol car out of the gambling enforcement fund, adding he thought that was a good purchase.

Ms. Lindgren reported Police Chief Schaffer's proposal on how to expend the monies had been ran by the State Auditor's Office to get their feedback, to make sure they thought what we were doing was reasonable and within the parameters. She noted the auditors responded favorably.

Councilor Taylor moved to pass Ordinance No. 856-B on first reading, and to suspend the reading of the ordinance.

The motion was seconded by Councilor Lund and carried unanimously.

9. **City Nickname Discussion.** Councilor Taylor reported he and CCRT Chair, Larry McGee, met last week and talked about the city nickname issue. With regards to the earlier discussion to table Resolution No. 9-2010, he hoped the timeframe given, from when they meet to discuss it until the next regular meeting, would be enough time for the committee to meet and deliberate it. He stated he didn't want to rush it, adding it was too important. City Attorney Hillier indicated they could always table the item again to a later date.

Mr. McGee thought Councilor Taylor's comments were right on, adding they weren't in a fire drill. He noted they had the motto and felt the council was very supportive of it. Mr. McGee reminded the council the group had struggled on the nickname and rather than them sending it back to the committee to come up with something, he would rather the council spend some time discussing it and give them some ideas or flavors of something they would like to see. Mayor Ketchum noted there was nothing stopping the committee from looking further either.

Councilor Dawes asked if having the tagline developed wasn't more in-line with what they needed in order to proceed on things they wanted to do that were time-sensitive. Mr. McGee stated that was his view.

April 26, 2010

10. **Street Repairs Needed.** Councilor Lund brought up the issue of a couple of needed street repairs. He noted National Avenue and the south end of Louisiana Avenue were getting pretty busted up and wondered if they should tell staff to figure out a way to get them fixed. Councilor Lund believed staff was hoping and waiting to see if they get any federal or state funding, but he didn't believe either agency had any money to give. He stated he didn't want to wait until the goals session to bring it up, adding the longer they put it off the more it was going to cost the taxpayers to fix it.

Mayor Ketchum recommended City Manager MacReynold have staff look into what the problems are, what the solutions would be, and where the money would come from for the repairs, and report back at the next meeting.

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

---

Mayor Pro-tem

Attest:

---

City Clerk



May 3, 2010

The Chehalis city council met in a special work session on Monday, May 3, 2010, 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, Daryl Lund, and Dennis Dawes. Councilors Taylor and Spahr were absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; 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)(c) – lease or sale of real estate for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 5:50 p.m. and immediately opened the work session. Additional Staff included: Peggy Hammer, Human Resources Administrator. Members of the news media in attendance included Paul Walker of KITI.

2. **Discuss City Nickname.** City Manager MacReynold reported at their last regular meeting the council continued to table the item regarding a new city nickname. He noted the council was copied on the proposal of the nickname, as well as an email sent to Councilor Spahr from a local resident suggesting the council consider an alternative proposal. City Manager MacReynold noted the purpose of the discussion was to find out what the council's thoughts were on the matter.

Councilor Dawes reported one reason he did not support the nickname of 'The Friendly City' was because it was basically a retread of what the city went through in the 1950s and 1960s. He noted he had a brochure he purchased off of e-bay that talked about Chehalis – 'The Friendly City,' which included a picture of the old library and city hall before they were remodeled. Councilor Dawes stated another reason he did not support it was, anytime a chance comes along to make a snappy headline it was going to be thrown in their face in a not so flattering way. He added, the negative headlines would not serve anybody well.

Councilor Dawes stated he appreciated all the work the renaissance committee had done and continued to do. He remembered the committee being charged to come up with a tagline, but was unaware of anything coming to them to change the nickname from the current 'Rose City' to anything else.

Mayor Ketchum noted he had come up with the same opinion; that it would just get thrown back in their face.

Councilor Harris stated he didn't disagree, adding that moniker didn't do much for him either. He noted in defense of whatever they decide on for a nickname, it could be turned around in some fashion. Councilor Harris felt they needed to step above the third grade mentality and not worry about what someone can do to it, otherwise they were going to end up with virtually nothing. He felt the fact that it had been tried before reinforced his desire not to support it.

Mayor Ketchum stated he didn't believe they had ever been slammed for being called 'The Rose City.' He wasn't sure if they were going to come up with any solutions, but knew they didn't like the nickname 'The Friendly City.'

Councilor Lund stated Frank DeVaul was a very astute businessman in town. He noted he trusted him and if he thought they should be called 'The Friendly City,' then they should do it.

Councilor Dawes reported at the last council meeting he asked Larry McGee if the tagline was enough for them to precede without any disruption, and he said it was. He felt there was no rush for the council to do anything at this time, adding it appeared there was not enough support for 'The Friendly City.' Councilor Dawes suggested there might be something out there that no one had thought of yet that could be tagged into history.

Councilor Harris noted during the renaissance meetings they talked about the possibility of using different colored roses to depict the various districts and such, which he didn't have any problem with. Councilor Dawes noted if they do anything down the road with the street signs, it would be nice to get the city's new seal on them.

May 3, 2010

Councilor Dawes suggested at the next regular meeting they bring the item off the table and not take any action on it.

3. **Review 2010 Projects and Goals**. City Manager MacReynold reviewed the most recent report, which identified the progress on the council's 2010 goals and projects. The goals and projects identified included:

- Continue progress on the Louisiana Avenue Project, begin construction in 2010: the county had made significant progress on the design to run it from where it currently ends, to out and over to the levee; the Washington State Department of Transportation would be paying for it to go over the levee; city was coordinating to have the connection done during the same time the Mellen Street project was being done in Centralia; piping should be done in 2011; and construction in 2012-2013.
- Maintain the fiscal viability of the city: the city continues to be right on the edge and depending on what happened over the next couple of months, that could change; administration continues to be paying attention month-to-month and may be coming to the council if it does not maintain or get better; research was being done to pay off utility loans for city hall and the outside construction work on the library property.
- Transportation entrances to the city - Plan for entrance enhancements and beautification to draw people off I-5: freeway signage was done; wayfinding signage was all up; next phase would be to look at where additional signage may be needed, and to look at pedestrian signage.
- Continued support of the implementation plan and the renaissance team: established the implementation team (The Chehalis Community Renaissance Team); took lead on the pilot project on Chehalis Avenue that focused on parking changes and street trees; provided wayfinding signage that supported the new logo and city colors; produced a Historic Walking Tour and brochure.
- Develop a customer service program for the city: a draft plan had been put together on how to develop and implement a customer service program.
- Analyze identified city programs/services to improve service delivery at less cost: the administration will be analyzing the utility billing system to determine if it can be done at less cost and maintain or improve customer service from an outside source; analysis will include other local governments, special purpose districts and private sector providers.
- City Capital Improvement Plan: Ensure that phase II is underway: currently being developed by the city's planning consultant and would be presented for review and approval as part of the Comprehensive Plan update process later this year.
- City Comprehensive Plan - Completion and approval of the Comprehensive Plan update, which includes a Parks Comprehensive Plan: a draft plan from the consultant on the Comprehensive Parks and Recreation Plan was being reviewed in-house; initial drafts of the required elements of the city's Comprehensive Plan have been completed; the completed draft Plan will be presented to the council for public hearings and consideration.

Councilor Dawes wondered why they had left flooding solutions off their 2010 goals, since they had been working through it for some time. He felt if they were trying to be the lead agency they needed to have it as one of their goals. City Manager MacReynold agreed, noting there had been a lot of staff and council time spent on the issue. He thought it was one of those things they were so involved with that they just missed adding it in 2010. City Manager MacReynold suggested it be one of the 2011 goals.

Other comments on the update included: Councilor Dawes asked if Lintott/Alexander Park was included in the signage; and Councilor Harris inquired about the small triangular piece of property owned by the county just north of I-5 Toyota, to see if the city might be able to obtain it to use for advertising. City Manager MacReynold reported he would check to see if any of the wayfinding signs included Lintott/Alexander Park; and according to staff, the county

May 3, 2010

had already identified the value of the property that Councilor Harris inquired about, based on what was going on at the Barnes property.

4. **Identify and Discuss City Projects and Goals for 2011.** City Manager MacReynold reported he and Mayor Ketchum hoped to have more of a low-key discussion about what the council cared about, and then identify what they believe they want to have happen next year with regards to the 2010-2011 goals and projects.

Councilor Dawes stated he liked to throw out ideas with some sense of reality. He reported he didn't see the economy turning around that quick, and while the five of them probably had some great ideas for goals and things they would like to see done, he didn't want to set anybody up to fail by throwing out a bunch things they couldn't obtain.

Councilor Dawes suggested the following goals and projects:

- Continue work on regional flood issues/solutions
- Consolidation-regionalization of fire services with Fire District #6 (suggested meeting more often)
- Continue to work on 2010 goals not identified as 100 percent complete

Councilor Lund suggested the following goals and projects:

- Institute the taking of credit cards and electronic payments
- City take lead in land development at the Barnes property

Councilor Ketchum suggested the following goals and projects:

- Improve quality of our parks

Councilor Pope suggested the following goals and projects:

- Street repairs throughout the city, identify how we're going to get them done
- Continue to look at relocating the fire station
- Develop more programs for the youth in our community
- Clean up city property on Chehalis Avenue near Green Hill School

Councilor Harris suggested the following goals and projects:

- Improve downtown aesthetic and infrastructure
- Develop "Stream Team" to enhance local streams, using youth and volunteers
- Get more involved with Lewis County campus project
- Pool improvement project (City needs to approach Chehalis Foundation)

Councilor Pope noted he had investigated and found we could not have a YMCA in our community because our area was too small and we were too close to the one in Olympia.

City Manager MacReynold and the council talked briefly about the current fire station facility. City Manager MacReynold noted a few years ago they formed a facilities citizen committee who suggested tearing the current facility down once we have a new fire station. He reported even though the facility had a lot of history, the committee found the cost to do anything with it would be so significant that it would be much cheaper to tear it down. City Manager MacReynold noted, since then, they had created the walking tour which talked about a lot of the history in that building. He wondered if the council would want to keep the fire station and try to do something else with it, because it was such a historical building.

Councilor Pope believed somewhere in the minutes the building was declared unsafe, and couldn't understand why it was still occupied. Councilor Dawes believed it stated they could not do much upstairs because they had taken the front stairwell (exit) down; and as for the lower floor, they did some retro-fitting of that building, but

May 3, 2010

said in order to bring it up to code it would be cost prohibitive. Councilor Dawes stated they never declared the building unsafe.

Councilor Pope reported there was a rumor about St. Joseph's closing their school again, and if that was true, the city should buy it. Mayor Ketchum indicated the rumor was not true.

Councilor Dawes stated they could always make it a historical type building like Astoria, Oregon, did, noting they display old fire engines and other things along that line in their old fire station.

Councilor Harris felt there was no reason why they couldn't use it for storage, noting they had plenty of things to store.

Councilor Lund suggested a children's museum.

The council agreed to add the following to their 2011 goals:

- Consider other uses for the fire hall building

City Manager MacReynold asked if the council wanted to prioritize their goals. Mayor Ketchum suggested the list be put in the packet for Monday, May 10, so everyone had it. He asked the councilors to prioritize the goals as high, medium and low (1 - being a high priority, 2 - being a medium priority, and 3 - being a low priority) and to turn them in on Monday the 10<sup>th</sup>.

5. **Chehalis Newsletter**. City Manager MacReynold noted staff was still looking for ways to save money and the city clerk had looked into doing an electronic newsletter, rather than paying to have it printed and delivered. Ms. Schave reported she and staff were in the process of narrowing down their selection for the website redesign project. She noted the final two vendors they were looking at both offered e-newsletters, and asked the council if they might want to consider moving in that direction.

Ms. Schave noted she currently sent out two newsletters per year, which ran \$1,900 per year for printing and \$1,340 per year for postage. She provided a copy of City of Centralia's newsletter, noting they had already started producing their own newsletter in order to save money. Ms. Schave noted she already had the program needed to do the same type of newsletter. She felt staff would be able to provide more information and do it more often than what they were currently providing.

Mayor Ketchum was concerned about people that don't have access to the internet. Ms. Schave reported they could continue to have hard copies available at the various 'city' locations.

The consensus of the council was to have staff start producing our own newsletter.

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

---

Mayor

Attest:

---

City Clerk

May 10, 2010

The Chehalis city council met in regular session on Monday, May 10, 2010, in the Chehalis city hall. Mayor Pro-tem Dawes called the meeting to order at 5:18 p.m. with the following council members present: Terry Harris, Bob Spahr, Daryl Lund, and Chad Taylor. Mayor Ketchum and Councilor Pope were absent (excused). Staff present included: Merlin MacReynold, City Manager.

1. **Executive Session.** Mayor Pro-tem Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(g) – public employee performance review for approximately 45 minutes and there would be no decision following conclusion of the executive session.

Mayor Pro-tem Dawes closed the executive session at 6:07 p.m. and announced the council would take a five minute recess and reopen the regular meeting at 6:12 p.m. Additional staff included: 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; Eva Lindgren, Finance Manager; Tim Grochowski, Public Works Director; and Rick Sahlin, Street Superintendent. Members of the news media included Adam Pearson of *The Chronicle* and Paul Walker of KITI.

2. **Introductions.** City Manager MacReynold introduced Ben Smith, who recently started doing some temporary/ summer intern work for the city. Mr. Smith talked briefly about his background and the work he would be doing for the city. He felt it would be a great experience, and appreciated the opportunity.

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

- a. Minutes of the regular meeting of April 26, 2010; and the special work session of May 3, 2010;
- b. Claim Vouchers No. 96659-96793 in the amount of \$174,967.90 dated April 30, 2010; and Payroll Vouchers No. 33559-33642 and 1413-1481 in the amount of \$703,323.11 dated April 30, 2010; and
- c. Set date and time of May 24, at 6:05 p.m. for a public hearing concerning the city's 2011-2016 Six-Year Transportation Improvement Program.

The motion was seconded by Councilor Spahr and carried unanimously.

4. **Staff Reports.**

a. **National Avenue and Louisiana Avenue Repairs as Requested by the City Council.** City Manager MacReynold reported at the last regular meeting the council requested staff take a look at National Avenue and Louisiana Avenue, to see what we could possibly do to move forward with getting them repaired. He noted they already had a lot of possibilities in the hopper, as noted in the agenda report.

Tim Grochowski reported they had been pursuing grants and funding for the last ten years, at least for National Avenue. He noted Louisiana Avenue had been on the Six-Year Transportation Improvement Program (STIP) two times, but was not eligible for federal funding because it was not a federal route. Mr. Grochowski indicated they had recently submitted paperwork and Louisiana Avenue was now considered a federal route. He noted they had been feverishly trying to get grants and had applied for the federal jobs bill, Representative Brian Baird's federal appropriations request, stimulus funding, and had applied for a joint project with the city of Centralia on National Avenue.

Mr. Grochowski reported they met last week with a representative from the United States Department of Agriculture (USDA) to discuss a loan opportunity for street repairs. He indicated the USDA did a project in Tenino, Washington, as well as some other street projects in other cities. Mr. Grochowski recommended they wait a week or so for the outcome of the grants already applied for, before proceeding to look for other funding sources.

City Manager MacReynold stated as things play out they still need to be looking at other opportunities, and consider long-term funding with reference to the two projects in conjunction with some other projects. He felt a loan

May 10, 2010

was a very real possibility; however, they needed to have an on-going identified revenue stream to pay it off. City Manager MacReynold still hoped they might be able to get some federal funding to do the needed repairs.

Mayor Pro-tem Dawes thought the point of identifying a revenue source was appropriate, adding as much as they needed to have it done, he couldn't support it without a way to pay for it. He noted an ounce of prevention was worth a pound of cure, and if they could jump on the cracks and take care of them temporarily they needed to do that, otherwise the streets were just going to become more deteriorated.

b. **Update on E-verify.** Mayor Pro-tem Dawes reported the last time the council spoke on the subject was back in October 2009, and at that time they decided to take a 'wait and see' approach to see what other jurisdictions had done. He noted staff was asking for council direction on the matter.

City Manager MacReynold reported the issue came about from a citizen request, and because so few jurisdictions had moved forward with it, it was recommended we wait. He noted since that time, many more jurisdictions were beginning to use the system.

City Clerk Judy Schave reported she had provided the council with some background information on e-verification, most of which they had seen before. She indicated, to date, the agencies who had signed up or passed ordinances in support of e-verify were: the cities of Washougal, Yakima and Lakewood, and Pierce County. Ms. Schave noted Lewis County recently signed up for e-verification for their employees and would be presenting a resolution to the County Commissioners in the next month or so, requiring e-verification for contracts of \$100,000 or more.

Ms. Schave noted the internet provided a lot of the same information, adding there were those who are in favor of it and those who opposed it; all giving their opinion of what they believed was best. She stated in the end, it would be the council's decision on how they want staff to proceed on the matter. City Manager MacReynold added, based on the discussion, if the council wanted staff to proceed to do e-verify he encouraged them to give that direction, and at the next meeting staff would bring back an ordinance for the council's consideration.

Mayor Pro-tem Dawes reported the last time they discussed the matter it was mostly to do with projects that were \$100,000 or more, or they could set the amount. He noted for employment purposes, he thought the city was already verifying employees. Ms. Schave noted employees were required to fill out an I-9 form, which was not the same as e-verify.

Mayor Pro-tem Dawes stated the two areas they would be looking at were contracts the city administers, and employment, to make sure people who work for the city are legal to work. Councilor Taylor brought up the issue of giving direction on the dollar amount, as well.

Mr. Jack Tipping (2101 Hwy 508) thanked the council for considering e-verify for the city. He spoke in support of e-verify, adding he felt the federal government had let them down in regards to illegal immigration, and believed e-verify was one of the few tools we had at the local level to discourage illegals from coming here. Mr. Tipping brought up other issues, such as jobs, economic and financial costs, and crime. He was convinced the financial burden to the city would be non-eventful and urged the council to adopt e-verify to help protect United States citizens.

Stan Lupkes (310 N. Rock, Centralia) stated he supported e-verify because it was a citizens duty to obey, uphold and support the law, and felt the council had the responsibility to lead the way. He believed illegals from all countries lent itself to slave labor practices. Mr. Lupkes also believed it devastated people of Spanish ancestry who had been in this country for more generations than any of our ancestors. He stated it was not right that illegals should be able to jump the line the way they do and get support from the local, state, and federal government.

May 10, 2010

Scott Hamilton (Graf Road, Centralia) stated he wanted to take e-verify to the contractor level, noting instances of contractors and sub-contractors bringing in crews of non-English speaking persuasion. He noted it was typical for the dry-wall industry to hire illegal workers and charge them union dues, and never have to pay the dues back because they won't be in the country long enough. Mr. Hamilton stated he would like to see e-verify in the sub-contractor level because that was where most of the abuse was taking place, and suggested many of those jobs would be below the \$100,000 mark.

Mayor Pro-tem Dawes stated it was his understanding that e-verify had to do with the total project bid and anyone connected to the project would have to go through the e-verify process, which would include the subs. Ms. Schave stated that was her understanding, as well.

May 10, 2010

Robin Roy (186 Calvier Road, Cinebar) stated as a citizen she had concerns about family, jobs, and homes being in danger of illegal aliens. She noted there were people in the United States who were not brought into the American way, our culture, or our sense of right and wrong. Ms. Roy believed jobs for American citizens were being affected because contractors who use illegal workers are able to underbid other contractors who pay regular wages. She stated she strongly supported e-verify and hoped that each one of the council would act on behalf of the American citizens.

Mayor Pro-tem Dawes thanked the four speakers for coming to the council to give their opinions on the matter. He noted even if enacted, it would not address all their concerns because there were certain things it would not cover.

Mayor Pro-tem Dawes stated he would like to have the council formulate some direction to give to the administration, as to what they would like to have done with it.

Councilor Harris wondered how they would be assured sub-contractors are using the system and proving they meet the criteria. Ms. Schave stated it was her understanding there would be language in the bid document stating they would have to e-verify, and any subcontractors under the contractor would also be subject to the same guidelines. City Attorney Hillier noted there would be a written certification process where subs, as well as the general contractors, certify that they have done a background check on all their employees that are on the job. He noted they could have them update their information if the contract should run over a long period of time.

Councilor Harris felt the problem they had when producing legislation was whether or not they have enough teeth in it. He suggested some sort of fine or percentage penalty be stipulated in the ordinance, so they don't have to come up with something after the fact. He suggested we look at what others have done and add similar language to include some sort of financial or fiscal challenge if the contractors fail to meet the criteria. Mayor Pro-tem Dawes suggested looking at the federal e-verify, adding he thought they would have some type of sanction if someone doing a federal contract violated the provisions they certified.

Councilor Spahr reported it was his understanding the city would have the ability to set parameters on how much was mandatory, and how much was not. He felt if they could put in what they expect and it doesn't cost the city anything, he didn't see why they wouldn't do it.

Councilor Lund stated he supported e-verify and thought all contracts should be included, not just those over \$100,000. He reported there were people out there who are using social security numbers that don't belong to them. Councilor Lund indicated he wanted to see the ordinance tight enough so people that belong to this country could get a job; and to keep illegals who don't deserve them from getting them. He stated it needed to be known the City of Chehalis was not going to put up with it.

Councilor Taylor stated he was going to make the same comment as Councilor Lund, adding any contract from zero to whatever should require e-verify.

May 10, 2010

Mayor Pro-tem Dawes felt the issue of a penalty for violating the terms should be researched, noting again, the federal e-verify process probably had some kind of penalty clause if provisions were violated. He stated he didn't see any significant cost or workload for the city, other than adding a line to the contract document stating the contractor certifies anybody working under the main contract, or under a sub-contractor would go through the e-verify process.

Mayor Pro-tem Dawes brought up the issue of the dollar amount, noting he knew the city probably issued a few contracts under \$100,000, but felt the annual contracts for rock and like items that we purchase from local vendors would not be an issue. City Attorney Hillier reminded the council about the small works roster, which was used for small contracts where the city just calls and gets three estimates. He stated they could certainly add those types of jobs to the document and require them to follow the same procedures. Mayor Pro-tem Dawes felt the contractors on the small works roster also do bigger contracts elsewhere, and were probably already signed up to do it.

Mayor Pro-tem Dawes stated he was a proponent of e-verify back in October and remained supportive. He noted based on the consensus of the council, there was at least interest from the five council members present for staff to put together an ordinance for their consideration. He noted the ordinance should include any contract that the city issues. Councilor Dawes didn't believe it was going to be that difficult, because a lot of the contractors who do the big dollar jobs were probably already doing it.

Councilor Lund asked if there was a way to require the contractor e-verify all employees, to make sure they were not just sending those who had been verified to do work for us, and continue to use illegal workers to do other work for them. City Attorney Hillier felt by requiring all of them, we would run into difficulties in doing our checks and balances. He also noted, with reference to the penalty, it should not involve shutting the contractor down because that would only penalize the city. City Attorney Hillier suggested the process involve a monetary penalty and/or other requirements if violated. He stated they could make it real interesting because all contracts require a five percent retainage and the city could just set the penalty against it, adding they could iron those details out as they go through the process.

Mayor Pro-tem Dawes thought there was a provision for existing contracts, which noted they could not go back retro-actively. He talked briefly about the small works roster, adding they could not go back retroactively on that either, but the next time they call for the small works roster the administration needed to include language stating e-verify would be required.

Councilor Spahr stated it really sounded like it was going to be more on the employer and not so much the city. Mayor Pro-tem Dawes felt Councilor Spahr's point was right, adding it was clearly up to the employer to do the verification.

City Manager MacReynold stated with the information they had, and with more jurisdictions doing it, the steps to make it happen were really pretty clear. He agreed they weren't talking about a lot of staff time; it would just be another step they have to go through.

Councilor Taylor stated he would like to see the ordinance written in a way where it is not realistic for a contractor or anybody to do business with the city and break the rules. He liked the thought of withholding the retainage, adding he also liked the idea of having penalties high enough to deter people from breaking the law. Councilor Lund agreed.

Councilor Harris stated as a businessman, he wanted to know what the process was and what kind of cost was involved for an employer/contractor to implement e-verify. Councilor Taylor noted it was stated earlier that it would take about five minutes per employee. Councilor Harris stated he wasn't speaking against the process, but felt they needed to look at it from all sides and find out what kind of responsibility it was going to put on the contractors. He felt smaller contractors might be taken out of the loop if it took a lot of staff time or work just to do a \$1,500 job.



May 10, 2010

Mr. Tipping reported there was a tutorial on the internet that takes the employer about an hour-and-a-half to walk through, and after that about five minutes per employee. He noted there was no cost to the employer, but there were companies out there that will do it for a small fee per employee.

City Manager MacReynold noted he could empathize with Councilors Taylor and Lund, with reference to holding the retainage; however, what was worrisome to him was they already required retainage for contracts, and if they were going to require additional retainage to deal with the issue of e-verify it might be too burdensome and discourage contractors from doing work for us, especially the local contractors who already sharpen their pencils as much as they can.

Councilor Spahr asked if it would be useful to start working on an ordinance and then have a work session to review it and pick some of the stuff out. Mayor Pro-tem Dawes stated, as far as the penalty, he would go back to his original thought which was to look at what had been done by other jurisdictions, or look at what the federal e-verify stated as a penalty. He suggested they first look at the draft and if they felt at that time they need to do a work session, they could do that. Councilor Harris stated he would like to see that happen, and would also like to see the retainage in the draft for discussion purposes, with the ability to drop that part out later if they decide to do that.

Councilor Lund stated if a businessman was doing things right, he wouldn't care what the retainage was because if he does the job right, he'll get it all back.

Councilor Taylor noted, for him, it wasn't about the retainage, he just wanted to see the fine or penalty so stiff that it's not worth breaking the law.

## 5. **Council Reports.**

a. **Update on Chehalis Flood Authority.** Councilor Taylor reported the Governor was given a budget that had some strings attached to it as to how the flood authority would operate, noting all the projects they do would have to be reviewed and re-reviewed and probably reviewed again. He indicated a letter was sent to the Governor from Grays Harbor, Lewis County, and the flood authority, asking if she would clarify or back off on some of the strings she attached. Councilor Taylor reported the Governor went ahead and signed the budget without changing it, which meant they had to operate under the current language for the next year. He stated they would continue to try to get something done with the budget language, because all it was going to do was add extra steps that were going to cost the taxpayers an extreme amount of money for stuff they were already going to do on a lesser level. Councilor Taylor felt it also gave authority to people who shouldn't have authority over our project. He stated two years ago the Governor said she wanted to be supportive and do what the locals wanted to do, but after she signed the budget with the current language it, was clear she wanted to do what staff and other entities want us to do.

b. **Chehalis River Basin Partnership Update.** Councilor Harris reported he would be chairing the basin partnership meeting next week, noting the Chair and Vice-Chair were not going to be able to attend.

c. **Upcoming High School Musical and Cancer Walk.** Mayor Pro-tem Dawes reported the "Every Other Year" musical was on at the high school if they had a chance to see it, this coming Thursday, Friday and Saturday, at the Chester Rhodes Auditorium, at R.E. Bennett School. He noted he would also be helping out the Lewis County Historical Museum making 'donkey' ears during the Cancer Walk, at Tiger Stadium in Centralia.

6. **Tabled Item - Resolution No. 9-2010, First and Final Reading – Adopting New City Nickname.**  
Councilor Taylor moved to un-table Resolution No. 9-2010.

The motion was seconded by Councilor Spahr and carried unanimously.

City Manager MacReynold noted the nickname was one of the two recommendations brought before the council a few weeks ago, with reference to a city tagline and nickname. He noted the proposed nickname was being recommended by the Renaissance Committee, and if the council decided not to take any action on the item it would not slow down the process of the committee.

May 10, 2010

Mayor Pro-tem Dawes noted the two potential actions the council could take were to offer a motion to adopt Resolution No. 9-2010; or, when the chair calls for anything and hears silence he would deem there was no interest on the part of the council to take any action, and it would die.

Councilor Spahr stated he didn't have any problem with the proposed nickname, adding it was interesting that the process had been so complicated and heartfelt by everyone. He noted the media often referred to Chehalis as the 'mint' city and didn't know if they would ever get over the 'mint, rose, or friendly' city when it all happens. Councilor Spahr stated it was interesting it took the path it had taken, but in a way he appreciated it because it showed people's interest in how important it was. Councilor Spahr stated he would just as soon wait to see what they say.

Mayor Pro-tem Dawes called one last time to see if anyone had a motion to offer.

There being no motion, the chair deemed no interest on the part of the council to pursue the item, and the resolution was declared dead.

7. **Ordinance No. 856-B, Second Reading – Amending the 2010 Budget.** Ms. Lindgren reported she had made two minor changes to the ordinance since the first reading, which were identified and highlighted in the report. Ms. Lindgren reported when she went back and reviewed her work, she found they needed additional funding because she had shown a reduction instead of an increase to the budget. She noted the only other item added was a request from the police department to use gambling enforcement funds to purchase two motorcycles for the department.

Mayor Pro-tem Dawes inquired as to what types of bikes were being purchased. Police Chief Glenn Schaffer noted they would both be Kawasaki.

Councilor Taylor moved to pass Ordinance No. 856-B on second and final reading.

The motion was seconded by Councilor Spahr and carried unanimously.

8. **Progress on UGA Issues.** Councilor Lund noted Mr. Nacht was an asset to our town and progressive of industry. He inquired about the meeting with the city of Centralia concerning the urban growth area (UGA), wanting to know what they were supposed to do and what the policy was on getting things done. Councilor Lund stated he gets frustrated when he's with a group of businessmen downtown and gets called on the carpet about people wanting to get things done in our community, and being told the city couldn't do anything because staff was too busy with the budget, and now months later nothing's happening.

City Manager MacReynold reported he didn't know about the most recent situation Councilor Lund was referring to, but, with reference to the city of Centralia, in conversations with former City Manager Patrick Sorensen, their position was they were doing some further research, and at that time they were not willing to have a joint meeting with us. He noted since Mr. Sorensen's departure from the city of Centralia, there had been no communication further about it.

Councilor Lund stated he wished people would tell the people concerned from our city that it wasn't us. He added everybody was looking down their nose at him asking why the city wasn't doing anything about it. City Manager MacReynold reported he had that conversation with the engineering firm months ago, after he was told by Centralia that they were not moving forward until they had done more research on their side.

Mr. Nacht stated if anyone had any concerns, as opposed to speculation, about what was going on with a permit application or a project, they needed to come to his office and sit down and discuss it, adding he could give them up to date information as to what was happening. He reported as the rumor mill runs rampant around town they don't know what's happening, and the city can't do anything about it.

City Manager MacReynold reported he would follow up with the engineering firm to confirm they know where we're at. Councilor Lund stated it wasn't them, it was other people. He indicated he just wanted to know what they could do to make something happen. City Manager reported the only contact he had was with the engineer, and not

May 10, 2010

knowing who Councilor Lund was referring to, he didn't know who was upset with what the city was doing, or not doing.

Mayor Pro-tem Dawes stated, with all due respect, if there was property in the UGA or some other jurisdiction, the city certainly had no control over the process. He noted it was very easy to point fingers, but felt City Manager MacReynold had Councilor Lund's points and Councilor Lund was given some updated information, adding they could both address the issue from there.

There being no further business to come before the council, the meeting adjourned a 7:17 p.m.

---

Mayor

Attest:

---

City Clerk

May 24, 2010

The Chehalis city council met in regular session on Monday, May 24, 2010, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:02 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Dennis Dawes. Councilor Taylor was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; 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)(c) – lease or sale of real estate, and RCW 42.30.110(1)(i) – potential litigation for approximately one hour and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 6:04 p.m. and announced the council would take a ten minute recess and reopen the regular meeting at 6:13 p.m. Additional staff included: Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Peggy Hammer, Human Resources Administrator; Eva Lindgren, Finance Manager; Tim Grochowski, Public Works Director; Rick Sahlin, Street Superintendent; and Ben Smith, Summer Intern. Members of the news media included Adam Pearson of *The Chronicle* and Paul Walker of KITI.

2. **Interview Applicant for Historic Preservation Commission Vacancy.** Bob Nacht introduced David Plotz who applied for the vacant position on the Chehalis Historic Preservation Commission. The vacant position was previously held by Barbara Mason whose term expired December 31, 2009.

Mr. Plotz talked briefly about his background, noting he was born in Centralia and raised in Chehalis. He attended Washington State University and shortly after graduating moved to New York, where he bounced between Tokyo and New York for a period of 13 years. Mr. Plotz returned to the area and is currently the power supply manager for Lewis County Public Utility District. He felt it would be a great opportunity for him to get more involved with the community, by serving on the Historic Preservation Commission.

Councilor Dawes stated he appreciated Mr. Plotz' interest and thanked him for applying.

3. **Public Hearing Concerning the 2011-2016 Six-Year Transportation Improvement Program (STIP).** Tim Grochowski reported the administration was seeking council and public input to update the city's STIP for 2011-2016. He noted attached to the agenda report was the 2010-2015 STIP and the updated proposed street section of the Capital Improvement Plan, which identified street projects the administration believed to be of high importance.

Mr. Grochowski talked briefly about the extension of NW Louisiana Avenue and Airport Road, which was included on the STIP because it was a vital part of our regional transportation system. He noted the city had partnered with Lewis County and the Washington State Department of Transportation for grant funding for a portion of the improvement.

Mr. Grochowski reported the Chamber of Commerce Way Channelization Project would remain on the STIP until the project was completely closed out. He noted the city would continue to wait to hear about the \$700,000 of federal funds that were included in the Local Agency Agreement Supplement, adding they were just waiting for approval.

Mr. Grochowski stated the 2010-2015 STIP included the Chehalis Community Pathway Project, which was also on the statewide STIP. He noted the National Avenue and Louisiana Avenue overlay projects were included on the statewide STIP, as well, and had been submitted to the Lewis County Transportation Strategy Council for possible funding from the Federal Jobs Bill Project for pavement repairs, overlay and striping.

Mayor Ketchum closed the regular meeting at 6:18:05 p.m. and opened the public hearing. There being no public comment, Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:18:20 p.m.

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

a. Minutes of the regular meeting of May 10, 2010;

May 24, 2010

b. Confirm appointment of David Plotz to the Chehalis Historic Preservation Commission for a three-year term expiring December 31, 2013; and

c. Authorize the city manager to execute contract agreement for fixed asset appraisal services between the city and Suncorp Valuations, Inc., to meet management and fiscal reporting requirements.

The motion was seconded by Councilor Pope and carried unanimously.

5. **Staff Reports.**

a. **April Financial Report.** Eva Lindgren reported on the general fund revenues, noting she had been in touch with the Lewis County Treasurer's Office to find out what funds had been received with regards to property tax. She noted at the beginning of May the city received \$440,000 in general property tax and an additional \$113,000 was collected by May 18, which was not reflected in the report. Ms. Lindgren stated they were not quite at the halfway point they hoped to see, but the LC Treasurer's Office indicated collections were in the ballpark of what they normally were. She noted everything else was basically addressed in the report in terms of any significant variances.

Ms. Lindgren reported on the utility funds, noting they still had budgeted repayments for \$566,000 to the water and sewer funds. She noted none of that had been remitted due to the fact that they had not yet issued debt. Ms. Lindgren stated she and City Manager MacReynold had met with a couple of individuals involved in the debt industry and were scheduled to meet with some bankers later in the week to discuss options.

6. **Council Reports.**

a. **Relay for Life Cancer Walk.** Councilor Dawes reported he assisted with the Relay for Life Cancer Walk on Friday, May 14. He also attended the first anniversary party at the Holiday Inn Express on Tuesday, May 18, adding it was well attended and they seemed to be very happy to be here. Councilor Dawes reported they were very complimentary on our recreation staff, noting they fill the motel numerous times on the weekends because of the various recreation programs the city offers. He reported the County Assessors were also having their annual conference there later this year.

b. **Lewis County Economic Development Council (EDC) Board Meeting Update.** Councilor Spahr reported he recently attended an EDC board meeting, adding there were some very interesting things going on. He stated he let them know we were talking about e-verify and the representative from Employment Security volunteered to come and talk to the council if they wanted more input on the subject.

c. **Chehalis River Basin Partnership Update.** Councilor Harris reported he attended the Chehalis River Basin partnership meeting on Friday, May 21. He noted they discussed budget issues, and they were still struggling with the 501c3 program.

Councilor Harris indicated a meeting was set for the Chehalis Basin Partnership and the Chehalis Flood Authority to meet with the U.S. Army Corp of Engineers on Tuesday, May 25, at the Veterans Museum, at 9:00 a.m.

Councilor Harris reported he humbly accepted an opportunity to speak at the Relay for Life Cancer Walk on Friday, May 15, adding it was always fun to talk about cancer. He stated he and Mayor Ketchum had the opportunity to taste all the cakes that were up for grabs at the event, noting they had no idea there were going to be over 40 cakes to taste. Councilor Harris complimented Debbie Knapp and her crew, who put the event together.

d. **2011 Council Goals.** City Manager MacReynold reported a prioritized list of the 2011 council goals was included in the agenda packet. He noted the council came up with the goals during a work session on Monday, May 3, adding the goals were prioritized from high to low.

May 24, 2010

7. **Ordinance No. 857-B – First Reading, Implementing Federal E-Verify Requirements for City Contracts.** City Manager MacReynold reported, at the last meeting, the council had a discussion and took public testimony about whether or not they wanted to move forward on developing an ordinance with reference to e-verify. He noted the council gave some input as to what they wanted to see in an ordinance and directed the administration and city attorney to put together an ordinance for their consideration.

Councilor Dawes noted the two items that held the most interest of the council were to set parameters on the amount of the project, and to set a penalty amount. He indicated the proposed ordinance set the main contract amount at \$1,000, and a penalty of up to \$5,000 to be held from retainage.

Councilor Dawes moved to pass Ordinance No. 857-B on first reading.

Councilor Harris seconded the motion.

Councilor Spahr inquired about Section 2, No. 2, asking how many contracts would be eliminated under the 60-day requirement. City Manager MacReynold noted in the last two years only one contract would have been eliminated.

Hal Washburn (14545 Wiley Lane, Olalla, Washington) stated he was one of the individuals who addressed the City of Lakewood numerous times during their consideration of e-verify. He noted he was a member of Washingtonians for Immigration Reform and was heavily involved in the immigration debate. Mr. Washburn noted over the years a number of small businesses have been put under pressure and have gone out of business trying to compete with other firms who hire illegal immigrants and pay them sub-standard wages. He felt e-verify would help greatly to protect jobs and would make sure they go to people who are eligible for them. Mr. Washburn thanked the council for spending the time to investigate the issue and hoped they would see it through.

Robin Roy (186 Calvier Road, Cinebar, Washington) thanked the council for taking e-verify under consideration. She noted she spoke to most of the council two weeks ago about the negative impact illegal immigration had on her family. Ms. Roy suggested for every illegal immigrant who had a job there are two American citizens that don't. She felt it was important for everyone to stand together for our culture and for the hard working American citizens who need the jobs.

Bill Smith (PO Box 227, Onalaska, Washington) reported he represented Act for America. He noted they were working with Congress to try to get them to understand how serious the problem of illegal aliens was. Mr. Smith stated there were hundreds, if not thousands, who cross our borders both north and south, and felt e-verify was very important to identify those who are illegally coming into our country.

Terry Schrader (5033 213<sup>th</sup> Avenue SW, Centralia, Washington) reported he had been in the construction business for many years as a one guy operation with one or two helpers. He noted it was cheap for a lot of companies to hire illegals, which made them impossible to compete with. Mr. Schrader thought construction was a great starting point for young men because they don't need a lot of education, and they could end up making a good living from it. He felt they needed to stop illegal immigration by reducing the incentive for people to come here.

Jack Tipping (2101 Hwy 508, Chehalis, Washington) thanked the council for their work on the e-verify program and was pleased about the contract thresholds the council was considering.

Mayor Ketchum thanked the city attorney and the administration for all their hard work, adding he also appreciated all the comments and the work the council did at the previous meeting during his absence.

The motion carried unanimously.

8. **Award Contract for the Chehalis Website Redesign and Development Project.** City Clerk Judy Schave recognized Airport Manager Allyn Roe, Co-Chair of the Chehalis Community Renaissance Team (CCRT),

May 24, 2010

Larry McGee, CCRT Chair, and Caryn Foley, Administrative Assistant to the City Manager, who were all part of the selection committee.

Ms. Schave reported the Chehalis Renaissance Plan recommended the city implement a new Chehalis brand, which included redesigning our current website to include more focus on visitor information and promotion of business. She noted in June of 2009, the administration presented the council with a proposal to have our current vendor, Beachdog.com, redesign our site; however, the council thought it would be best to look at other options and approved a motion to direct the administration to do a Request for Proposal (RFP). Ms. Schave noted they sent out a request and received three proposals; however, due to funding issues the proposals were rejected and the project was pushed back to 2010.

Ms. Schave reported in March the committee met and developed a new RFP. The committee researched many sites and made several notes as to what they wanted the new site to include. She noted the RFP went out in March 2010, and the city received 24 proposals ranging from \$2,300 to \$69,000. Ms. Schave explained the process the committee went through to narrow down their selection. She reported the committee was recommending Aha Consulting, Inc. for the website redesign project.

Mr. Roe offered to answer any questions the council might have, adding Ms. Schave did a great job putting it together. He felt what really attracted the selection committee to Aha Consulting was their eagerness for the business and their attention to the city in their proposal. Mr. Roe noted one of the key elements the committee looked at was to ensure the software being used to develop the website was open source, rather than proprietary. He noted the committee wanted to make sure that if the company went out of business, the technology behind the website could easily transfer to another source.

Councilor Spahr suggested it was one of those things that some people might look at and ask why it couldn't just be done in-house. He stated websites were difficult to maintain and thought the \$3,000 a year maintenance fee, for up to three years, was a good price.

Mayor Ketchum noted the city had been trying to do it themselves for years and it was time to progress.

Councilor Harris suggested the current site had been difficult to maintain.

Councilor Dawes felt it was important to keep up with technology, because if we didn't, things would become stale.

Councilor Harris moved to accept the proposal received from Aha Consulting, Inc., to provide website redesign and development services for the city, and authorize the city manager to execute the contract agreement.

The motion was seconded by Councilor Pope and carried unanimously.

9. **Flood Zone District.** Commissioner Schulte reported he talked with City Manager MacReynold on Friday and gave him a list of names of the people who had volunteered for the flood zone district. He asked the council to select two names to represent the city of Chehalis and get them sent to the county so they could get the flood zone up and operating. Mayor Ketchum noted they would take the matter up at the next regular meeting.

There being no further business to come before the council, the meeting adjourned a 6:54 p.m.

---

Mayor

Attest:

---

City Clerk

June 14, 2010

The Chehalis city council met in regular session on Monday, June 14, 2010, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:16 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, 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; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Director; 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)(i) – potential litigation, and RCW 42.30.140(4)(a) – collective bargaining for approximately forty-five minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 6:02 p.m. and announced the council would take a five minute recess and reopen the regular meeting at 6:07 p.m. Additional staff included: Rick Sahlin, Street Superintendent; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media included Adam Pearson of *The Chronicle* and Paul Walker of KITI.

2. **Recognition of W.F. West High School Spring Athletic Teams.** The council recognized the W.F. West Boy's Baseball, the Girl's Softball, and the Track and Field Teams for their accomplishments this year, adding the athletes and coaches represented the city and school district well. Baseball Coach, Tom Zuber, stated they were very proud of their teams, noting it was a combination of commitment, focus, dedication, hard work, and luck.

Mayor Ketchum reported the boy's baseball team placed 1<sup>st</sup> in the State 2A Baseball Championship; the girl's softball team took home 3<sup>rd</sup> place in the State 2A Softball Tournament; and Andy Robertson took 1<sup>st</sup> place in the 800 at the State 2A Track & Field Championships.

3. **2010 Community Farmers Market.** Brenda Book thanked the council for the opportunity to come and officially announce the opening of the sixth Community Farmers Market in downtown Chehalis, starting Tuesday, June 15, at noon. She thanked the city for hosting the market, noting without their support she wouldn't be able to give such an unprecedented report of the market's success.

Ms. Book noted she was stepping down from Market Manager to sit on the Board of Directors, as treasurer. She introduced the new market manager, Jackie Rose, adding she shared the same commitment to local food and community development.

Ms. Book reported the market grossed about \$30,000 during its first year, and over the next four years market sales had significantly increased each year to \$110,000 in 2009. Ms. Book indicated this was the 5<sup>th</sup> year for the market to participate in the Farmers Market Nutrition Program. She noted the state and federal assistance program provided vouchers to low income seniors and women with children, which are redeemable for fruits and vegetables at local farmers markets only. Ms Book noted, in 2009, \$14,000 in vouchers was exchanged for fresh produce at their market alone. She noted it was also the second year the market would have the ability to accept food stamps.

Ms. Book reported they had several events on their 2010 calendar, including: the 2<sup>nd</sup> Annual Kids Day on June 29; local music performances throughout the season; WSU Master Gardner's plant clinics, chef demonstrations, and the Chehalis Community Renaissance Team (CCRT) on site each day. She noted they would end the season with the 4<sup>th</sup> Annual Harvest Dinner, adding more information on the event would be announced at a later date. Ms. Book reported their goal was to make every Tuesday afternoon a festival in downtown Chehalis, and hoped to bring in people to shop and eat at all the local businesses.

Mayor Ketchum felt it was a win-win situation for both the city and the market, adding he was glad to have them back.

4. **Update from the Chehalis Library Advisory Board.** Chuck Hill, Chairman of the Library Advisory Board, reported things were very busy at the library. He noted between 2008 and 2009 the number of items going in and out of the library had increased 47 percent, from 135,000 to 199,000. Mr. Hill noted there was also an increase in



June 14, 2010

new cardholders, and on average they saw between 550 to 600 customers daily. He indicated the drive-up window continued to be a smashing success, noting they had on average 60 to 75 vehicles per day. Mr. Hill thought the drive-up window was a wonderful addition for the elderly, and people with small children. He reported Timberland had to buy larger drop-off bins for the drive-up because there was

such an increase in the number of books being dropped off in the drive-up area.

Mr. Hill reported the Timberland system continued to look for ways to lower costs. He reported there were no more substitutes available and each library had to make due without them; and no new positions had been created, even with the 47 percent increase.

Mr. Hill reported, in an effort to try and get people to look at what's going on in their local community, Timberland was sponsoring a "Passport Campaign" this summer. He stated people visiting the different libraries will get a stamp in their passport book, adding the Chehalis stamp resembled the city's new logo.

Brian Zylstra reported on the summer reading program, which was scheduled to start in the next couple of weeks. He noted the 2010 nationwide theme was "Make a Splash - Read."

Mr. Zylstra reported, on June 7, a special forum was held at the library to introduce the four candidates being considered for the Timberland Executive Director position. He noted the board would be meeting that evening to make their final selection.

Mr. Zylstra talked briefly about a group of volunteers, led by Christy and Dr. Larry Nelson, who put in about 200 hours during the month of May to weed the grounds around the library.

Mr. Zylstra encouraged people to look at what Timberland offered on-line, noting they had gotten very savvy with social media. He indicated they had a lot of great services available on their website, including: video, music, audio and e-book downloads.

5 **Consent Calendar.** City Manager MacReynold requested to pull item No. 13, having to do with an interlocal agreement between the City and Lewis County for the purpose of retaining a technical expert and other services relating to the current FEMA floodplain/floodway mapping project. He noted Lewis County had not had the latest version that was passed on to them, and Commissioner Schulte had requested the council hold off talking any action until they had time to review the agreement.

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

- a. Minutes of the regular meeting of May 24, 2010;
- b. Claim Vouchers No. 96794-96927 in the amount of \$372,640.21 dated May 14, 2010; Claim Vouchers No. 96928-97045 and 42010 in the amount of \$73,463.11 dated May 28, 2010; and Payroll Vouchers No. 33643-33726 and 1482-1550 in the amount of \$707,563.44 dated May 28, 2010;
- c. Award bid to Kawasaki Police Authority Sales for two (2) 2010 Kawasaki motorcycles in the amount of \$36,082.24;
- d. Authorize City Manager to execute agreement between the City and Gibbs and Olson to develop an Inflow and Infiltration Remediation Plan, in an amount not to exceed \$25,000;
- e. Authorize City Manager to execute engineering agreement between City and RB Engineering for the State Avenue Pump Station Upgrade Project, in an amount not to exceed \$36,900; and
- f. Accept bid from Hamilton Rocking and Contracting, Inc., in the amount of \$41,842.62 for the Coal Creek Box Culvert Wing Wall Project.

June 14, 2010

The motion was seconded by Councilor Taylor and carried unanimously.

6. **Introductions.** Councilor Pope reported, over the last several years, Pope's Kids Place had invited medical students to come to their facility, hoping that one day one of them would come back and stay. He introduced Kriti Srivastava from the University of Washington (UW). Ms. Srivastava reported she was from Redmond, Washington, but grew up in Indiana. She stated she had just completed her first year of medical school at the UW and was doing a four week rotation at Pope's Kids Place.

7. **Staff Reports.**

a. **Planning Commission Public Hearing on 2010 Proposed Amendments to the City's Development Regulations.** Bob Nacht reported he wanted to publicize the upcoming planning commission public hearing, set for June 22, at 6:00 p.m., in the Activity Building. He noted each year the city invited citizens to submit petitions or requests to change the city's development regulations. Mr. Nacht reported they had received one petition from a local citizen and about 12 petitions from staff, noting a majority of them involved housekeeping measures. He indicated the petitions had been distributed to the planning commission and were available for public review.

b. **City of Centralia Commits to Sending Letter of Support.** City Manager MacReynold reported he met with representatives from the City of Centralia earlier that day, to discuss concerns around the FEMA mapping issues. He stated Centralia had committed to support Chehalis and Lewis County in our approach in dealing with FEMA. City Manager MacReynold reported he had passed the information on to the lobbyist in Washington, D.C., and locally, adding it would be built into our white paper that they are taking to staff.

Councilor Lund asked if Centralia committed any money. City Manager MacReynold stated not yet.

Councilor Spahr suggested, if we're having these kinds of problems here, you had to wonder what people in places like Fargo, North Dakota were going through. City Manager MacReynold reported the issues with FEMA were happening all over the United States. He noted, according to our lobbyist, a couple of Congressmen had initiated legislation to change FEMA's approach.

c. **City Manager Out of the Office.** City Manager MacReynold reported he would be in Scotland for the next few weeks, spending some time with Lord and Lady MacDonald, and other chiefs of Clan Donald. He stated he and his wife, Tanna May, were looking forward to their visit, and seeing different parts of the country.

8. **Council Reports.**

a. **Events Attended by Councilor Dawes.** Councilor Dawes reported he and Mayor Ketchum attended the opening of the new Veterans Administration Outpatient Clinic at the Lewis County Mall. He also had a chance to attend the meeting at Centralia Community College, along with Mayor Ketchum and Councilor Pope, regarding the possibility of a children's museum, which was part of the work being done by the CCRT.

Councilor Dawes reported he had a chance to ride the steam train with a group of volunteers who were being honored and thanked by the Lewis County Historical Museum for their time and services.

b. **Quilt Presented to Pope's Kids Place.** Councilor Pope reported he spent some time with a group of quilter's, who meet at the Vernetta Smith Chehalis Timberland Library twice a month. He stated they presented Pope's Kids Place with a quilt that had been started in 1940 by someone in the community, adding it had quite a bit of history. Councilor Pope noted the quilt had been passed on several times before it was given to the group.

c. **Meetings Attended by Councilor Spahr.** Councilor Spahr reported he attended the Lewis County Economic Development Committee meeting on Thursday, June 10, noting the speaker that day represented Richie Brothers Auctions, who came and talked about their location in Lewis County. Councilor Spahr felt it could be a sizable boom to the county with reference to tax revenue, not to mention the few jobs it might bring in.

June 14, 2010

Councilor Spahr also attended the Chamber Forum earlier that day, noting the fire marshals from both Chehalis and Centralia were in attendance to talk about inspections in commercial buildings.

d. **Update on Flood Authority.** Councilor Taylor talked briefly about the joint meeting he attended with the Chehalis River Basin Partnership, the Flood Authority and the United States Corps of Engineers (Corps), to discuss the General Investigation (GI) study. He reported the meeting had a facilitator; however, he seemed more interested in just hearing himself speak. Councilor Taylor stated they voiced their opposition to the GI study and would follow up with a letter to clearly state their points, adding he believed they were going down the right path to get the FEMA flood maps fixed and to make sure the Flood Authority doesn't prevent them from taking care of the problem.

e. **Meeting Attended by the Mayor.** Mayor Ketchum reported he and Councilors Pope and Spahr attended a meeting on the previous Tuesday, to discuss the proposal of parking garages within the city. He felt the ideas and proposals they presented were good, and hoped something would come out of the meeting. Mayor Ketchum noted one possible site would be at the corner of Boistfort Street and Washington Avenue, and the other potential site was close to the courthouse.

9. **Ordinance No. 857-B – Second Reading, Implementing Federal E-Verify Requirements for City Contracts.** City Manager MacReynold reported, since the first reading, they had to make some adjustments to the ordinance based on what the federal law allowed. City Attorney Bill Hillier stated there was a concern by the proponents of the ordinance that the penalty, dealing with a contractor forfeiting some of their retainage, may have an impact on the basis of the federal approval. He wasn't certain they had any teeth left in the ordinance, but would leave it up to the council to decide.

Councilor Dawes stated he didn't want to see it thrown out because it didn't have any teeth in it, and asked if they had the right to put the teeth in the contract through contractual language, as opposed to the ordinance. City Attorney Hillier reported they did.

Councilor Dawes moved to pass Ordinance No. 857-B, as amended, on second and final reading.

The motion was seconded by Councilor Spahr.

Councilor Harris reported just a few days after the last council meeting the city of Yakima reversed themselves on E-Verify, noting during a rigorous debate the vote came back 4-3 against supporting it. He noted it came down to a Hispanic outcry against the council members, adding they put pressure on them to change their vote. Councilor Harris stated it was a demonstration of sadness as far as he was concerned.

The motion carried unanimously.

10. **Resolution No. 10-2010, First and Final Reading – Adopting the 2011-2016 Six-Year Transportation Improvement Plan (STIP).** Mr. Grochowski reported they held a public hearing at the last regular meeting to go over some of the projects. He briefly discussed the STIP, adding the reason some of the projects were listed twice was because they were still hoping for the 'Jobs Funding' to come through on National Avenue, Louisiana Avenue, and Riverside Road. Mr. Grochowski reported the Chamber of Commerce Way Project remained on the STIP because they were still waiting to find out about the \$700,000 in federal funding having to do with a local agency agreement supplement that was waiting for approval. He noted the Airport Road Extension Project was still on schedule for 2012.

Mr. Grochowski reported they were still trying to get some money from the Cowlitz Lewis Economic Development District through the Cowlitz-Wahkiakum Council of Governments (COG) for an enhancement project on Chehalis Avenue to include: traffic realignment, striping, benches, tree planting, and lighting on the east side of the street.

June 14, 2010

Mr. Grochowski reported they were looking at a couple of projects on N. Market Boulevard in the downtown area, which included: street lighting on both sides of the street; and, having the asphalt ground and repaved six feet from the curb towards the center line, noting they did the same thing about 15 or 20 years ago due to the asphalt being pushed up by cars as they pull into the parking stalls. Mr. Grochowski reported Bob Nacht was looking into some prices on irrigation for the islands in the downtown area, and the CCRT was also talking about planting trees. He stated they were looking at separate grants for the projects, adding they were not included in the STIP.

Mr. Grochowski reported they were still trying to go out for a full-blown grant on Chehalis Avenue and N. Market Boulevard (downtown) to tear them out completely and rebuild them, but the chances of getting those grants was pretty slim because nobody had any money.

Mayor Ketchum inquired about the Chamber Way Project, asking what keeping it open had to do with the city of Centralia. Mr. Grochowski reported the city of Centralia did a job and they were told by the State they would be able to receive \$700,000, when suddenly, the State changed their mind. Mr. Grochowski reported, if they could get the federal government to transfer \$700,000 to the Chamber Way Project, it would loosen up some state money to pay Centralia the \$700,000 back. He noted it might also lessen our cost for the Chamber Way Project.

Mayor Ketchum asked if the islands would be staying in the downtown area. City Manager MacReynold reported there really hadn't been a decision made with reference to Market Boulevard, adding the focus had been on the pilot project. He noted the reason they were going for the enhancement money was because when they went down and met with the COG, Rosemary Siipola who handles all of the grants, looked very favorably on our project. City Manager MacReynold reported the city's summer intern, Ben Smith, was finishing up his research on the pilot project, noting he had been busy surveying property owners, residents and users in the area. He stated they planned on bringing a report back to the council with the results of the research done by Mr. Smith.

Councilor Spahr asked what kind lighting they were looking at for Chehalis Avenue and Market Boulevard. Mr. Grochowski reported they would be installing the same type of historic lamp posts that the Lewis County Public Utility District was putting in.

Councilor Taylor moved to adopt Resolution No. 10-2010 on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

**11. Resolution No. 11-2010, First and Final Reading – Repealing Resolution No. 1-1997 and 1-2007.**

Mr. Nacht reported, since they would be discussing the National Avenue Project shortly, he would be brief on the issue of repealing prior resolutions dealing with the same issue. For the record, Mr. Nacht pointed out, the title of the resolution should be changed to read "A resolution of the City of Chehalis, Washington, repealing Resolution No. 01-1997, and 01-2007, and providing for an effective date hereof." He noted the body of the text reflected both resolutions being repealed.

Mr. Nacht stated the agenda report described why they were repealing the resolutions, and it would become abundantly clear why it needed to be done once they start talking about the project in the next agenda item. He reported environmental agencies no longer look favorably on individual projects, which was why staff was requesting to abandon the old concept and address the new concept.

Councilor Dawes asked that the word "City" also be added in the first sentence, to read "The City owns a 66 acre parcel of property."

Councilor Taylor moved to adopt Resolution No. 11-2010 on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

June 14, 2010

12. **Agreement to Create a Wetland Bank on the City's National Avenue Property.** Mr. Nacht reported the National Avenue Project was a rather complex issue and he wanted to make sure the council had all the information they needed, and their questions answered.

Mr. Nacht reported his office was approached last fall by Robert Sokolove, President of WCEI, LLC, with a concept of creating a wetland mitigation bank on the city's National Avenue property. He noted the administration and the city attorney's office had been in communication with the proponent of the project through their attorney, Dan Mackesey, who was unable to make it to the council meeting.

Mr. Nacht reported the agreement before the council was a result of all of the parties negotiating back-and-forth. He noted the agreement would provide an opportunity for the city to partner with WCEI, LLC, to create a wetland bank on the National Avenue property.

Mr. Nacht introduced Mr. Sokolove, who first thanked Mr. Nacht and City Attorney Hiller, noting they represented the city's interest very well. He noted he had been involved in the mitigation banking business since its inception, which went back about 20 years. Mr. Sokolove stated he had been involved with banks in 35 states, and helped write the new "Federal Rule" that was now in effect.

Mr. Sokolove reported his company was associated with a 550 Lawyer law firm, who own half of his company. He noted one of the nice things about their association was the law firm had a lot of corporate clients, which gave them an opportunity to go in and produce sites together with companies who have unutilized land.

Mr. Sokolove reported he had done one bank in Washington State and they were currently pursuing two in Oregon. He felt the city had a piece of land that was dying to be turned into a mitigation opportunity. Mr. Sokolove noted it was expensive to do, but his company would put the money out upfront. He stated his company was interested in entering into an arrangement on a partnership basis.

Mr. Sokolove reported he learned in the process, that the city needed a minimum of three (3) acre credits for its own needs, and felt the negotiated agreement they came up with was a fair one all the way around. He noted the city would get some mitigation it needed, and would share in the profit of the bank, such that, in a fairly conservative estimate, he believed the city would end up with the equivalent of about \$1.1 million dollars worth of credit and money from the bank at no cost to the city. Mr. Sokolove reported all of their projects are bonded and the city would be made the beneficiary of the bond.

Mr. Sokolove talked briefly about the city's SR6 property, noting they may have interest in that property, as well. He indicated if it proved to be a good site, which on its face appeared to be, they could look at expanding the existing agreement or create a new agreement and produce an umbrella bank, which meant they would have one agreement with the regulators that would take in more than one site.

Mr. Sokolove reported he had been working in the State of Washington since 1997, adding it was a difficult state to work with. He noted the good thing about it being difficult was it does hold to a very high standard. Mr. Sokolove indicated he got along very well with representatives from the Corps, state, and federal agencies.

Councilor Spahr asked what the difference was between an individual mitigation project and what they do as a bank. Mr. Sokolove reported, in the past, regulators encouraged on-site mitigation, which created situations where you had shopping center developers good at building shopping centers, but were not so good at building wetlands. He noted over the years the regulators started to realize there were probably better places in a watershed to build a single 100 acre site, to pick up all the needs and care for it, rather than a one acre site, a hundred different times all over the place. From the regulators standpoint, it also meant they had to keep going out every year to look at all the individual sites to make sure they hadn't failed.

Mr. Sokolove explained the utilization of a mitigation site, noting the first thing required in a project was to try to avoid impacting any wetlands. He stated once you get past the avoidance and minimization, you had to mitigate for the loss. Mr. Sokolove reported if there's a bank set up in the watershed, you have to use the watershed mitigation

June 14, 2010

bank that's available.

Mr. Sokolove noted, in the middle of the National Avenue site, there was a three acre mitigation that was done in the past that has since failed, the primary reason being, it was build in the middle of invasive species. He noted the right way to mitigate would be to take the whole site, properly buffer, design and build it, and be responsible for it. Councilor Spahr asked if the city would be able to use the three acres over again. Mr. Sokolove stated we absolutely did, in a sense.

Mr. Sokolove reported one of the regulated requirements they would take on would be the maintenance and monitoring of the site. He noted they have to enter into a lengthy contract with the regulators before they can get credits.

Mr. Sokolove stated the site would always remain the city's land and could be turned into passive park land with walking trails around it, or whatever the city may want to do. Councilor Pope asked if any of their other sites had ever been used for recreational purposes. Mr. Sokolove noted they had, but it would depend on the individual nature of the site. He reported on a site such as ours it was hard for him to imagine a whole range of things the city would be able to do, other than passive walking/hiking trails with different plant species.

Councilor Harris asked if the city would be protected if WCEI, LLC goes away after they go through the process. Mr. Sokolove stated it would, adding there would be a construction bond to ensure they build the site, and a second required maintenance and monitoring bond that remains through the life of the maintenance and monitoring period. He stated the regulators require them to have the bonds.

Councilor Lund asked if there wasn't a requirement for a third-party as a backup. Mr. Sokolove stated yes, and it could be the city if they wanted to enter into that, or an unrelated third-party. He noted, similar to a will, you had to name a beneficiary and a backup beneficiary. Mr. Sokolove reported, unlike a corporate entity, if he were to screw up a single project and his bond was pulled, no regulator would ever approve him to do another job. He stated they couldn't afford to not properly design, build, maintain or monitor the site.

Councilor Spahr moved the council authorize the city manager to execute the agreement to create a wetland bank on the city's National Avenue property.

The motion was seconded by Councilor Pope.

City Attorney Hillier stated he would make a note that the legal description would have to be attached to the agreement.

City Manager MacReynold asked Mr. Nacht to speak on the matter of the three credits needed to mitigate the Barnes property site. Mr. Nacht stated there were a number of small areas on the Barnes property that totaled about three acres of wetland development, wetland buffer development, and waters of the United States. He noted the city proposed to develop all the areas that were identified, the reason being, it kept the city under the half acre of wetland development; that kept it under the nationwide permit concept. Mr. Nacht reported there had never been a concept or proposal to fill 56 acres of the Barnes property. He noted that was never the intent, adding the Corps and the Washington State Department of Ecology had always said we would never get a permit to fill Airport Lake or Wetland A, which was the wigggle-ditch parallel to Louisiana Avenue. Mr. Nacht reported other areas on the Barnes property that were identified wetlands were included in the mitigation proposal, about three acres worth, and would be proposed to be developed under the scheme of development. He stated they had a conceptual develop of the property, but until they had an actual development proposal, and submit it as a permit application to the Corps and DOE, the city still had some speculation as to what would go where. Mr. Nacht felt, based on the prior development concept, all they needed was approximately three acres of mitigation to develop approximately 46 acres of the 56 acres of the Barnes property.

The motion carried unanimously.

June 14, 2010

13. **Selection of Two (2) Representatives for the Chehalis River Basin Sub Zone.** Mayor Ketchum reported the discussion would be whether the council wanted to pick two representatives that evening, or to interview the applicants prior to making their selection. Councilor Taylor felt they had four really good candidates.

Councilor Taylor moved to appoint Julie Balmelli-Powe and Susan Rosbach to the Chehalis River Basin Sub Zone.

The motion was seconded by Councilor Dawes.

Councilor Spahr stated he would like to consider Daniel Maughan, adding the two candidates that Councilor Taylor moved to appoint were both excellent; however, he felt Mr. Maughan had a background in the subject, and it seemed to him they needed someone with a degree and the knowledge behind them, not just the passion. Councilor Dawes stated he didn't want to dismiss the passion someone may have to serve on a committee in any way.

Councilor Taylor stated his motion was based on the fact that he had had the chance to work with the two he moved to appoint. He noted he had met Katherine Humphrey, but had never met Mr. Maughan.

Councilor Dawes stated it would be interesting to see if the county had someone in mind that had a similar degree as Mr. Maughan.

Councilor Harris suggested they take one appointment at a time. He stated he understood what Councilor Spahr was saying, but he would also like the council to consider Ms. Humphrey, whose background was agronomy and agricultural economics, where Mr. Maughan's science background had to do with magma and volcanic.

Councilor Harris felt it was important to get someone with some science background, adding he would like to have some discussion about it.

Councilor Taylor withdrew his motion as earlier stated.

Councilor Taylor moved to appoint Julie Balmelli-Powe to the Chehalis River Basin Sub Zone.

The motion was seconded by Councilor Dawes and carried unanimously.

After further discussion, the council decided to interview the remaining three applicants prior to their next regular meeting.

There being no further business to come before the council, the meeting adjourned a 7:36 p.m.

---

Mayor

Attest:

---

City Clerk

June 28, 2010

The Chehalis city council met in regular session on Monday, June 28, 2010, 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, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Pope was absent (excused). Staff present included: Tim Grochowski, Acting City Manager/Public Works Director; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Peggy Hammer, Human Resources Administrator; and Ben Smith, City Intern. Members of the news media included Paul Walker of KITI.

1. **Interview Applicants for Chehalis River Basin Sub Zone Appointment.** Prior to the regular meeting, the council interviewed three applicants, one of which would need to be appointed to the Chehalis River Basin Sub Zone, later in the meeting. The applicants include: Daniel Maughan, Susan Rosbach, and Katherine Humphrey.

2. **Family Reading Month – July 2010.** Mayor Ketchum presented Dr. James Miller with a proclamation declaring the month of July, as 'Family Reading Month' in the city of Chehalis.

3. **Governor's Smart Choice Award for Implementation of the Chehalis Renaissance Plan.** Mayor Ketchum reported, last Thursday at the AWC Conference, he and Councilors Spahr and Dawes, along with Chehalis Community Renaissance Team (CCRT) Chair Larry McGee, and Co-chair Allyn Roe, received a special award from Governor Christine Gregoire.

Chairman McGee reported there were only three places in the state that received an award for implementation. They included: Bellingham, Tacoma, and Chehalis. Chairman McGee noted the success of the plan was due to the number of people who were working hard on implementing it, adding the cooperation of many of the city staff was extraordinarily good.

Chairman McGee presented certificates to the council and various staff, while Co-chair Roe presented the council with the engraved vase they received from the Governor's office. Chairman McGee reported certificates were also received for Caryn Foley, Administrative Assistant to the City Manager, and Joanne Schwartz, former Economic Development Administrator.

Chairman McGee recognized Co-chair Roe, adding even with his day job he managed to spend a surprising amount of time on the project, and it was also great to be working with him. He also recognized Ms. Foley, adding the amount of work she had done, and her sincere interest in the project was extraordinary.

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

- a. Minutes of the regular meeting of June 14, 2010;
- b. Claim Vouchers No. 97046-97201 in the amount of \$978,044.78 dated June 15, 2010; and
- c. Authorize the acting city manager to execute the interlocal agreement between the City and Lewis County for the purpose of retaining a technical expert and other critical services relating to the current Federal Emergency Management Administration (FEMA) floodplain/floodway mapping project.

The motion was seconded by Councilor Taylor and carried unanimously.

5. **Staff Reports.**

a. **May Financial Report.** Acting City Manager Tim Grochowski reported Eva Lindgren was out ill, but he would be happy to pass on any questions they might have concerning the report.

Councilor Spahr stated he would like to start seeing a month-by-month comparison on the sales and use tax revenue, similar to the tourism tax revenue report that was given to the council prior to the meeting. Mayor Ketchum requested the sales and use tax revenues comparison sheet be provided to the council every month.



June 28, 2010

The council talked briefly about the increase in tourism revenue. Acting City Manager Grochowski believed it had something to do with the new Holiday Inn on Main Street. Councilor Dawes reminded the council that when he attended their one year anniversary, the manager expressed how happy they were with what they were experiencing, as far as the number of conferences and guests they were getting. He noted they were also very complementary on the city staff, with reference to the things they were bringing into town.

Acting City Manager Grochowski indicated the hotel was holding quite a few events and conferences. Councilor Dawes stated it was good to see those types of things happening and if they could continue to get a lot of the smaller groups coming in, it would ultimately make a big difference.

b. **Centralia City Manager Interviews/Reception.** Acting City Manager Grochowski reported the city of Centralia was holding a reception followed by interviews and questions, for the four finalists who were vying for the position of city manager. He stated the council was invited to attend, noting the reception started that evening at 6:00 p.m., and the interviews and questions would start at 7:00 p.m.

c. **City Hall Landscaping.** Acting City Manager Grochowski reported last week he met with the Renaissance Team and Patti Kaija from Kaija's, Inc. He noted Ms. Kaija volunteered her services to fill the planter boxes located in front and around city hall before City Manager MacReynold returned from Scotland. He noted Ms. Kaija and Chairman McGee were in the process of filling out a right-of-way permit to do the islands downtown with annuals, for now. Acting City Manager Grochowski reported they were also working with city staff on temporary water hookups.

Chairman McGee stated it was his job to find the money for the project, and was pleased to report he had received a phone call earlier that day from Dwayne Aberle, President of Security State Bank, stating he wanted to give some money to dress up the islands in the downtown area.

Acting City Manager Grochowski reported Airport Manager/ Co-chair Roe and his crew would be taking over the Arkansas Way roundabout and all of the islands in that area, adding the first thing to do would be to take care of all the weeds.

Councilor Dawes stated he spoke to City Manager MacReynold about the planters in front of city hall and wondered why they couldn't transplant the roses in there because out at 13<sup>th</sup> Street the weeds were getting higher than the roses, and suggested it was going to kill them. He indicated he was glad to see something going in there because it didn't look good the way it was.

## 6. **Council Reports.**

a. **Events Attended by Councilor Dawes.** Councilor Dawes reported he attended the ribbon cutting for the 2010 Community Farmers Market, adding it was great to see it going again. He also attended the Association of Washington Cities (AWC) Conference last week in Vancouver and was surprised at the number of attendees, noting he thought attendance might drop off a bit this year. Councilor Dawes reported they had a number of timely topics to review, which was good to see, and he was happy to see the city and the CCRT get the award for their work on the Renaissance Plan.

Councilor Dawes reported he would be out of town at the time of the next council meeting and asked to be excused.

b. **Flood Authority Update.** Councilor Taylor noted Bob Nacht sat in for him at the last Flood Authority meeting, so he didn't have anything to report. He asked if it was possible to have Julie Balmelli-Powe take his place on the Flood Authority since they had already appointed her to represent the city on the sub zone. Councilor Taylor reported Ms. Balmelli-Powe was able to attend all the meetings, and could give a lot more detailed reports every month. He thought she also attended the Chehalis River Basin Partnership meetings, as well.

June 28, 2010

City Attorney Bill Hillier stated he didn't see that there was a requirement for the city to be represented by an elected official. Councilor Taylor believed they were able to have an appointed designee attend the meeting and be able to vote. Lewis County Commissioner Bill Schulte reported each entity was allowed to have a primary and an alternate. He suggested the city send a letter to the Flood Authority designating a primary and alternate to represent the city. Mayor Ketchum directed staff to draft a letter for the council's consideration and approval at the next regular meeting to designate Julie Balmelli-Powe as the primary representative for the city and Councilor Taylor as the alternate.

c. **Meetings Attended by Councilor Spahr.** Councilor Spahr reported he also attended the AWC Conference last week. He noted one of the award winners for a project was the city of Hoquiam, who put together a sidewalk project which had city crews providing the labor and people paying for the materials. Councilor Spahr stated he often thought it would be kind of neat to do something similar for our community, even for drainage ditches and such.

Councilor Spahr reported on the traffic seminar he attended, having to do with photo cameras at stop lights. He stated the Legislature had concerns because they were afraid communities would try to make money off of them, but instead what they found was the cameras were actually pulling revenues down. Councilor Spahr reported because people knew they were there they were slowing down, and in some instances, some citations for speeding were significantly reduced if they were caught on camera, opposed to being pulled over by an officer.

Councilor Spahr also attended a healthcare workshop, noting the physician who presented the information said it was a good bill; but not a good bill; and hoped in the next 10 years they could make it a good bill; but in the meantime, we were going to get less care, it was going to cost us more, and premiums were going up. He also attended a Department of Ecology session and a session on the brain, which he found to be very interesting.

d. **Meetings Attended by Councilor Harris.** Councilor Harris reported he met with the Chehalis Business Association earlier in the month and everything looked great and on track for their Planes, Trains, and Automobiles event coming up on August 7.

Councilor Harris commented on Bellingham being one of the other Smart Choice Award winners, noting it was interesting that Tom Beckwith was a key player in what was happening in Bellingham, with regards to their reconstruction and downtown projects.

Councilor Harris reported he was unable to extend his lease with the mall for his personal business, but was working very hard to make sure his business relocates, in some fashion, within the city limits of Chehalis.

Councilor Harris asked if there were any classes or seminars noted at the AWC Conference on streamline sales tax. Councilors Dawes and Spahr both indicated it didn't even get mentioned.

7. **Appoint Second Representatives to the Chehalis River Basin Sub Zone.** Mayor Ketchum reported, prior to the meeting, the council interviewed three good applicants who applied to represent the city on the Chehalis River Basin Sub Zone. Mayor Ketchum opened the floor for discussion.

Councilor Taylor stated it was nice to get to hear from the applicants and to get their points of view on certain issues. He stated he appreciated having the chance to interview them.

Councilor Harris felt the council needed to articulate what they were looking for. He believed their intention from day one was to look for a holistic approach for the entire basin. Councilor Harris thought all three candidates said in their own way that their visions were not large enough yet to see exactly what the council was looking for. He noted water retention was good in every one of the contributors and understood that dredging was an issue and should still be on the table, even if it gets turned down. Councilor Harris stated there was also talk of channeling part of the river to be used only during flood situations. He noted he didn't hear a lot of perspective from any of the three, which was why he asked the question, if they had an unlimited checkbook, what would each of them do.

June 28, 2010

Councilor Harris suggested, whoever they select, the council needed to sit down with them to make sure they are on the same page and relay what the council needs them to say.

Councilor Spahr felt when talking about something as complex as flooding, you had to have the background and credentials to argue your point. He made mention of the fact that the Department of Ecology was a real fun group to work with, noting he himself had the passion to argue with them, but he didn't have the background. Councilor Spahr stated he liked what Mr. Maughan had to offer and would like the council to consider him for the appointment.

Councilor Dawes stated he appreciated the fact that knowledge on a subject was important, but was not always a prerequisite. He felt they also needed a little bit of passion because there were going to be enough people out there to give their expert opinions. Councilor Dawes reported they were very lucky to have four individuals that were willing to work on this type of situation because as everyone knows, it's been cussed, discussed and studied since the 1930's, and nothing's been done. He suggested any type of science that dealt with any part of it had probably been looked at in one way or another. Councilor Dawes felt they needed someone to represent the city's interest that understands the politics of the area; that can work with other folks; and can bring knowledge from past or personal experience.

Councilor Taylor stated he had the same concern with reference to the political issues, but felt knowledge was also extremely important. He noted he was looking at either Ms. Rosbach or Mr. Maughan. Councilor Taylor stated he liked Mr. Maughan for his knowledge, and felt he would have the ability to grasp everything he was going to have to learn and make decisions on; and he also liked Ms. Rosbach because of the political stuff they were going through and the decisions that would need to be made. He talked briefly about Mr. Maughan's experience with the Tribes, noting they were probably very positive. Councilor Taylor quickly explained to Mr. Maughan that the Tribe saw the idea of water retention as a bad thing. He did note, however, that Mark White stated one time that he would support water retention if the science proved it to be effective.

Councilor Taylor indicated he was torn between three people that would all be great on the committee. He noted the only reason he wouldn't vote for Ms. Humphrey was because her husband was recently appointed to represent the city of Centralia on the same committee.

Councilor Lund stated he thought everybody was great, but with reference to politics, he felt Ms. Rosbach had the most experience, since she had been dealing with politics since she was a kid. He believed they needed someone with common sense, not just someone who was well educated. Councilor Lund stated he liked Ms. Rosbach.

Councilor Dawes suggested, rather than putting a motion on the table, he would like to see them first take a vote to see if they had four votes for one of the candidates. Mayor Ketchum asked Commissioner Schulte if the city could have three appointees. Commissioner Schulte stated the committee could only have five total appointments; two representatives for Chehalis; two for Centralia; and one for the county.

Councilor Taylor asked if the county was accepting applications for their appointee. Commissioner Schulte indicated they only had six people submit applications, so the county was looking at the same list sent to both Centralia and Chehalis. He noted they would be picking from the two applicants left on the list. Commissioner Schulte noted the two names the commissioners were considering were Mr. Maughan and Ms. Rosbach.

Councilor Harris moved to appoint Daniel Maughan to represent the city of Chehalis on the Chehalis River Basin Sub Zone.

The motion was seconded by Councilor Spahr and carried 5-1. Councilor Lund voting against the motion and Mayor Ketchum abstained.

8. **Agreement for Flood Insurance Rate Map Review.** City Attorney Hillier stated, in the wake of the action by the county this morning in passing the interlocal agreement and graciously stepping up with \$50,000 in funding, City Manager MacReynold wanted to move forward with hiring a technical expert. He noted through a process they went through six different resumes on different companies and pinned it down to Robert Montgomery with Anchor

June 28, 2010

QEA, LLC. City Attorney Hillier reported a standard agreement was included in the agenda packet for the council's review and consideration.

Councilor Spahr moved that the council authorize the acting city manager to execute the agreement with Anchor QEA, LLC, in an amount not to exceed \$40,000 for the review of the FEMA Flood Insurance Rate Maps for the Chehalis River Basin.

The motion was seconded by Council Harris.

Commissioner Schulte thanked the council for taking the lead, adding the final outcome of the maps would have more of an impact on Chehalis than any body else in Lewis County. He noted the city had been more successful than the county in getting other agencies to donate funding, and they would continue to support the city in what ever way they could.

Commissioner Schulte noted the only thing he would ask, as noted in the interlocal agreement, would be that they sit down and discuss actions before they were taken. He stated he didn't disagree with the choice the city made; however, it was the first time any of the others heard about who the city selected. Commissioner Schulte stated he didn't want to delay the process, but it would be nice if the other paying participants had a say in who gets selected.

City Attorney Hillier stated it may have been an issue, but didn't believe it was. He reported there was a discussion before City Manager MacReynold left and he emailed the information out on Mr. Montgomery to all the stakeholders and asked for their comments. City Attorney Hillier thought the same message was sent to Commissioner Schulte, as well. Commissioner Schulte noted he received it, but he thought they were going to sit down and talk about it. He reported he did not hear anything from their attorney's office, adding Michael Golden would probably like to comment on that. Commissioner Schulte stated he just wanted to make sure they were not leaving anybody out of the selection process.

Councilor Dawes agreed, but it seemed to him that they were a little under the gun because at the time they thought they were going to be releasing the maps much sooner. Commissioner Schulte stated he understood they were under the gun and that City Manager MacReynold was going to be leaving, so rather than have a face-to-face meeting it was sent out by email.

Mayor Ketchum asked if anybody else responded to the email. City Attorney Hillier noted City Manager MacReynold was the one who called for the responses and gave staff the direction to move forward with it. Airport Manager Roe noted the email stated if there were any objections they were supposed to reply to the email. City Attorney Hillier suggested the group could probably sit down and have a face-to-face when City Manager MacReynold returns.

Commissioner Schulte noted he talked with civil deputy, Glenn Carter, whose understanding was the interlocal agreement stated they would sit down and have discussions on any decisions; however, it was noted at the point the decision was made to hire the firm, the interlocal was not yet signed.

The motion carried unanimously.

9. **Request to look at the City's Business License Ordinance.** Councilor Taylor brought up the issue of off-site auto sales that take place at local businesses, such as K-Mart. He explained, when out of town companies bring in their automobiles to sell, the paperwork gets processed at their home offices, which is where the sales tax goes. Councilor Taylor stated he was concerned about local businesses, and the loss of sales tax revenue to the city.

Councilor Dawes thought they were supposed to have a business license for Chehalis, which made the point of sale in Chehalis. Councilor Taylor noted the point of sale was in Chehalis; however, according to the Department of Revenue, the sales tax goes back to the company's home base on those types of sales.

June 28, 2010

Councilor Taylor stated, because there was no real benefit to the city, he would like to propose a moratorium or do something to not allow off-site sales to happen in Chehalis.

City Attorney Hillier noted there were a couple of ways to handle it. He noted they could amend the current business license ordinance, or they could look at doing a moratorium. City Attorney Hillier felt they would be better off served by further developing the business license ordinance to make sure the city benefits from it.

Mayor Ketchum asked if any of the council would be opposed to staff looking at it and bringing back something for their consideration. Councilor Harris thought they might be opening up a can of worms by denying someone from coming in to sell, but felt they could probably come up with some kind of language to deal with the issue.

Councilor Dawes thought it was interesting that they could conduct the sale here, yet the point of sale was considered to be from their home base. City Attorney Hillier noted, years back, the point of sale was the criteria for the sales tax delivery, and the city was getting the sales tax. He indicated the issue back then was they were competing with local business. Councilor Dawes and City Attorney Hillier agreed, the situation at WalMart had to do with the fact that it was a violation of the lease the Airport Board had with WalMart, which was why those off-site sales were discontinued back then. Councilor Dawes didn't think they could preclude businesses from coming in if they want to do what it takes to get a business license.

Councilor Taylor felt local business was hurting because of out of town companies coming in to do off-site sales. He believed competition was a good thing as long as the company comes in with the intention of staying for a long time. He noted one of his clients had an automobile dealership and he would need to reexamine himself on the matter.

Mayor Ketchum directed staff to look into the issue, noting if they continue to allow off-site sales, the sales tax needed to stay with the city and not go elsewhere.

Councilor Taylor asked about putting a hold on any new permits until they figure out what they are going to do. Acting City Manager Grochowski reported the administration had contacted the community development department to find out if there were any applications pending, and there were none. He noted all business license applications go through the development review committee and they had 28 days to make a decision on whether to approve an application, or not. Acting City Manager Grochowski indicated he would speak with the Bob Nacht when he returns to the office next week.

Councilor Lund thought competition was good and asked if it meant they weren't going to allow other businesses to come in if someone else had a business selling the same thing. Mayor Ketchum noted the issue was when businesses come here they need to make sure their sales directly benefit the city, rather than having the benefit going somewhere else.

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

---

Mayor

Attest:

---

City Clerk

July 12, 2010

The Chehalis city council met in regular session on Monday, July 12, 2010, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:07 p.m. with the following council members present: Bob Spahr, Daryl Lund, and Chad Taylor. Councilors Dawes, Harris, and Pope were absent (excused). Staff present included: Merlin MacReynold, City Manager; Mark Scheibmeir, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Peggy Hammer, Human Resources Administrator; Tim Grochowski, Public Works Director; and Ben Smith, City Intern. Members of the news media included Adam Pearson of *The Chronicle* and Paul Walker of KITI.

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

- a. Minutes of the regular meeting of June 28, 2010;
- b. Claim Vouchers No. 97202-97353 and 52010 in the amount of \$313,108.36 dated June 30, 2010; and Payroll Vouchers No. 33727-33839 and 1551-1618 in the amount of \$761,770.26 dated June 30, 2010;
- c. Approve letter to Chehalis River Basin Flood Authority designating Julie Balmelli-Powe as the city's primary representative and Councilor Taylor as the city's alternate representative; and
- d. Set date and time of July 26, 2010, at 6:05 p.m., for a public hearing on the proposed 2010 amendments to the city's development regulations.

The motion was seconded by Councilor Taylor and carried unanimously.

2. **Staff Reports.**

a. **Follow-up on Automobile Sales and Use Tax Issue.** City Manager MacReynold reported Eva Lindgren followed up on Councilor Taylor's request from the last meeting regarding sales and use tax on vehicles sold in the city of Chehalis. He reported Ms. Lindgren contacted the Department of Revenue and confirmed if a private individual sells their own vehicle the sales and use tax would follow to the address of the new location of the vehicle.

City Manager MacReynold reported the sales and use tax on all new and used vehicles sold at, or by auto dealerships that sell vehicles off-site, should be remitted to the locality of where the purchase was made.

City Manager MacReynold reported Ms. Lindgren also had Microflex follow-up with the dealership that was selling vehicles at Kmart a few weekends ago, to ensure they were complying with the proper reporting. Microflex reported back saying they had talked to the person responsible for the sales and use tax filings, adding they were fully aware of the rules relating to the proper sales and use tax reporting. Councilor Taylor stated that was the only thing he had a concern about.

City Manager MacReynold noted the council was also given a copy of Chehalis Municipal Code 5.04.050 – general provisions for business license requirements, just for their information.

Councilor Spahr stated it seemed odd that something that transfers by title wasn't covered under streamlined sales tax.

b. **2011 Budget Schedule.** City Manager MacReynold briefly talked about the 2011 budget preparation schedule, noting the dates for the departments and programs to present their budgets to the committee members was scheduled for September 14, 16, 17, and 20. He stated they were taking the same 'private sector' approach as last year, which was to build constraint budgets based on the revenues, and have the departments put their budgets together within the constraint budget.

Mayor Ketchum asked that the 2010 budget committee be contacted to see if they wanted to participate in the 2011 process. The 2010 committee members included Councilors Taylor, Dawes, and Harris.

July 12, 2010

c. **NW Chehalis Avenue Follow-up Public Meeting.** Ben Smith announced there would be a public meeting on Thursday, July 15, at 7:30 a.m., in the city hall basement meeting room, regarding the pilot project on Chehalis Avenue. He noted they would be reviewing the results of the recent survey regarding the temporary on-street parking configuration currently in place. Mr. Smith stated they would be gathering comments from the public and key stakeholders with regards to moving forward with the implementation of permanent on-street changes as directed by the Chehalis Renaissance Plan.

3. **Council Reports.**

a. **Parking Issues.** Councilor Lund reported he had received a complaint that the Community Farmers Market vendors were taking up most of the parking spaces in the 4-hour lot at the north end of the block. He felt by doing that they were taking parking away from the people who normally shop downtown, and wondered why they couldn't have the vendors park in the free lot up on Franklin Avenue, or behind the library.

City Manager MacReynold indicated he would look into the matter. He stated he wasn't sure who they were or how many there were, but noted if the market opened at noon and they stayed the entire time they were probably spending more than just four hours in the lot. Councilor Lund stated even if they're not there past the four hours they were still taking up parking spots for business people.

City Manager MacReynold stated the market manager had been very amenable to help when issues arise and would talk with her to see if they can take a different approach.

b. **Meetings Attended by Councilor Spahr.** Councilor Spahr reported he attended the Cowlitz-Lewis County Economic Development District Board meeting, noting they were currently working on some procedural amendments to their by-laws.

Councilor Spahr also attended the Board of Directors meeting at the Lewis County Economic Development Council. He reported they had some pretty interesting leads, but were not disclosing any names at this time. Councilor Spahr stated that on July 20, they would be interviewing through employment security for the Rib Eye Restaurant, which was going to reopen again and employ about 72 people. He felt it was a welcome sign for all of us.

c. **Events Attended by Mayor Ketchum.** Mayor Ketchum reported he attended the Lewis County Historical Museum Pie Social at Claquato, and again, bought some very expensive pies. He also attended a groundbreaking ceremony for the Seventh Day Adventist youth school up on the hill above Scheuber Road.

There being no further business to come before the council, the meeting adjourned at 6:17 p.m.

---

Mayor

Attest:

---

City Clerk

July 26, 2010

The Chehalis city council met in regular session on Monday, July 26, 2010, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:02 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Brian Kelly, Assistant City Attorney; Judy Schave, City Clerk; Bob Nacht, Community Development Director; Peggy Hammer, Human Resources Administrator; Eva Lindgren, Finance Manager; and Tim Grochowski, Public Works Director. Members of the news media included Adam Pearson of *The Chronicle* and Paul Walker of KITI.

1. **Public Hearing on Proposed 2010 Amendments to the City's Development Regulations.** Bob Nacht reviewed the amendments being proposed to the 2010 development regulations, which included the following:

- Section 2 - adds two sections to the references because of information relevant to issues in other sections. Mr. Nacht noted they were trying to get all the information into one place.
- Section 2, Design Standards – clarifies that when you extend a water or sewer line it must be extended to and through the property frontage and not just stop at the location where the connection was needed. Mr. Nacht noted it was long standing regulation, but was not clearly defined in the current regulations.
- Section 3, General Considerations – further clarifies that water and sewer must go through the extremes of the property being developed, and the public works director would be the one to deal with those issues. He noted elsewhere in the ordinance there were references to different organizational structures the city no longer had, and they were trying to clarify it into an existing one, which was the Development Review Committee (DRC) process.
- Section 4, Driveways – proposed drawing would replace existing drawing to identify some of the technical information necessary for driveways.
- Section 5, Street Lighting – proposed to adopt the historic street light standard that was initially proposed by the Lewis County Public Utility District for implementation on city streets around their building. Mr. Nacht noted the issue had gone before the historic preservation commission, who approved the historic street light standard for adoption in the downtown historic district.
- Section 6, Water Mains – the existing language in water main extensions provided the city council had to review and approve water main extensions. Mr. Nacht noted the DRC process was not set up when originally written. He felt there was no reason the technical aspects of a water main extension that complies with city requirements couldn't be done by the DRC.
- Section 7, Appeal Process – prior language had an appeal process different from the city's standard appeal process through the DRC. The proposal would eliminate all of the other appeal processes and make them the standard appeal process.
- Section 8, Layout of Lots – inserts information regarding mailboxes.
- Section 9, Applicability – inserted for the benefit of the Port of Chehalis (Port). Mr. Nacht reported an issue came up having to do with property owned by the Port that was not contained within the Industrial Development District (IDD), because it was acquired after the IDD was established. By changing the language it provided that any property owned by the Port and brought to the city could be treated the same as if it were Port property inside the IDD.
- Section 10, Flood Hazard Zone – proposal was brought to the city by a citizen petition having to do with creating flood hazard zones within the city that were not on the Federal Emergency Management Administration (FEMA) flood map, of the FEMA floodplain. Mr. Nacht reported city staff had no objection to the proposal, adding it was a benign issue. He noted the city already had the power to establish flood hazard zones outside the FEMA floodplain map.
- Section 11, Appendices Index – clears up a couple of the appendix chapters, as follows:
  - Chapter B, Sample Forms - puts all the applications and forms into one place
  - Chapter M, Wetland Project Mitigation Area - (National Avenue site) the city no longer wants to have that area available for the general public for wetland mitigation
  - Chapter S, Critical and Resource Areas - was superseded by the critical areas ordinance contained in the development regulations
- Section 12, Appendix Chapter 'B' – language in Appendix Chapter 'B' would be changed to make reference to the City of Chehalis website, and that application forms are available through the Community Development Department.



July 26, 2010

- Section 13, Appendix Chapter 'E' – the State has mandated that the newest editions of the International Building, Fire, Mechanical, Plumbing, etc. codes be adopted, which went into affect July 1. The city needs to adopt them in order to be able to enforce them.
- Section 13, Appendix Chapter 'E' - two Washington State Codes, 51.13 and 51.19, are no longer mandated by the State and need to be stricken from Appendix Chapter 'E.'

Mr. Nacht reported the appendices listed from 'I' through 'J' were optional, adding historically the city had adopted some of the appendices for their own benefit. He noted typically they were a little more lenient than the main body of the code. Mr. Nacht reported the proposed effective date of the ordinance would be the 1<sup>st</sup> day of September, 2010.

Mayor Ketchum closed the regular meeting at 6:13:27 p.m. and opened the public hearing. There being no public comment, Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:13:43 p.m.

Mr. Nacht stated he would bring an ordinance back for the council's consideration at the next regular meeting.

2. **Cascade Country Cook-off 2010.** Mayor Ketchum presented Jerry Boes and Maretta Berg a proclamation declaring August 14-15, 2010, as Cascade Country Cook-off 2010 in the city of Chehalis.

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

- a. Minutes of the regular meeting of July 12, 2010; and
- b. Claim Vouchers No. 97354-97517 in the amount of \$257,586.87 dated July 15, 2010.

The motion was seconded by Councilor Pope and carried unanimously.

4. **Staff Reports.**

a. **Second Quarter and June Financial Report.** Ms. Lindgren stated the quarterly report represented all of the funds the city maintained, and asked if the council had any questions about any particular fund.

Councilor Dawes noted, based on the drop in sales tax, the numbers presented in the quarterly report did not look as bad as they could have. He stated they weren't great by any stretch of the imagination, but given the situation we're facing and the downturn in the economy, the numbers were a little better than what he anticipated.

Mayor Ketchum thought the conservative approach taken by the budget committee last year was showing. Councilor Dawes suggested if they would have waited another couple of quarters to do some things, they might not be in as good of shape. Ms. Lindgren agreed.

Ms. Lindgren reviewed the general fund revenues, noting the bottom line looked very grim. She reported the biggest contributor of the negative balance was the proceeds of long-term debt, which was not considered regular operating revenue. Ms. Lindgren noted the total tax revenue was close to what was budgeted with only a 2.5 percent negative variance.

Councilor Harris calculated they would be about a quarter of a million dollars under what their budget was for 2010. Ms. Lindgren noted if everything was equal throughout the end of the year, with regards to sales tax, they would fall behind by about \$280,000.

Ms. Lindgren reported the positive variance in the non-departmental fund expenditures was the opposite end of the debt issuance for the interfund loan repayment. She noted they budgeted for the interfund loan, but still had not issued the debt.

July 26, 2010

Ms. Lindgren pointed out they had over budgeted for connection fees in all three of the enterprise funds. She noted she spoke with the public works director and they were going to do a budget amendment to reduce the connection fees to be more in line with what they were seeing. Councilor Dawes thought it was probably because they had that large connection last year and they decided to budget a number somewhere in between. Ms. Lindgren noted she was working more closely with public works this year on projecting the 2011 revenues.

Councilor Harris inquired as to what would be cut from the budget, if they reduce the revenue side. Ms. Lindgren reported they budgeted to come out ahead by about \$50,000 in the wastewater fund in 2010. She indicated because they were not paying things evenly throughout the year, and they had some large debt service that was skewing things, it would actually bring them closer to a balanced budget.

Ms. Lindgren reported, in terms of the water fund, they budgeted to build up the fund balance by over a half a million dollars. She stated even by cutting back significantly they would still be well beyond balancing the budget for the water fund in 2010.

Councilor Lund inquired as to how that would balance the budget when they planned on building the fund balance and were not doing it. Ms. Lindgren reported they had to reflect the reality. She noted even if they cut back on that particular revenue stream they were still building fund balance, just not as much. Councilor Lund indicated he wasn't arguing that part, adding he was arguing the fact that the budget was not coming in as it said it was going to. City Manager MacReynold stated their projections were just incorrect.

Councilor Pope inquired about the money borrowed from the utility funds for the remodel of the new city hall, wondering if had been paid back. Ms. Lindgren reported that was the interfund loan budgeted both in the general fund as money the city had to pay back, and in the water and wastewater funds as money they were expecting to get from the general fund.

Councilor Harris noted he was hearing from a lot of people who received property reassessments from the county, that even though their appraised values were dropping, their assessed values were climbing. He wondered if that could be a boom for the city in the end. Ms. Lindgren noted, as she understood it, the city was only entitled to a certain amount of money and the reassessments really wouldn't change what we receive. She reported if there was something new being built the city would receive an incremental tax increase for that, but otherwise, it was just spread around. Mayor Ketchum indicated the city would not receive any more than what the council approved in the budget.

City Manager MacReynold reported one of the things they were learning through the FEMA mapping issue was, if the maps turn out to be what they are proposing, it would change what people are paying for property tax. He noted those who are impacted by the change were going to pay a lot less and everybody else would be paying a lot more. City Manager MacReynold indicated staff would be briefing the council on that and other issues around the FEMA mapping in the near future. He reported there were a whole host of issues that revolved around property taxes that were very significant.

**b. Second Quarter Sales and Use Tax Report.** Ms. Lindgren reported the June payment was a little disappointing to say the least, adding it was right in line with 2005. She noted they were down 8.8 percent from 2009, as of June 30. Councilor Taylor inquired as to what might have attributed to the large drop in sales tax revenue during the month of April. City Manager MacReynold noted the city's sales tax revenues had always fluctuated from month-to-month. He stated the city had Microflex working for us, adding they were contacting people to make sure they were reporting correctly and that we're getting what we're supposed to be getting. City Manager MacReynold reported he was hearing from the county and Centralia that they were facing the same kind of situation.

Councilor Dawes thought he had seen something that indicated the county's situation was a little bit better, perhaps due to the streamlined sales tax. Ms. Lindgren noted she had the same thought, adding based on the numbers they were seeing, that was what it appeared to be. She noted the city really took steps to address our shortfalls as quickly as we could, but didn't know where the county was on that issue.

July 26, 2010

In response to Councilor Taylor's earlier question, Councilor Spahr noted in April federal income tax and property taxes were due, which probably didn't leave a lot of extra money for people to spend.

Councilor Taylor wondered if the county and Centralia saw the same 14 percent reduction. Ms. Lindgren stated she didn't know, but she could find out.

Councilor Harris suggested if they were to look back over the years they would see the same thing happening in May and June. He noted they started out in May about \$11,000 less than in 2005, and still went down by about the same percentage. Councilor Harris stated it would be interesting to see what happens over the next couple of months, adding he thought they were doing a pretty good job of staying on top of things, and not overreacting.

Councilor Lund wondered if they might need to start directing staff to cut back so they don't get caught out on a limb. He added if the sales and use tax continued to come in on the negative side they would need to start doing something. Mayor Ketchum suggested they direct the budget committee to analyze it to see what could be done for the rest of the year, adding he thought it would be a good charge for that committee. Councilor Lund stated he didn't want to wait for two months and asked the rest of the council for their input on the matter.

Councilor Harris first thanked Rick Sahlin and Tim Grochowski for the chip seal projects they were doing this year. He noted those were the types of things they were putting off, and in his opinion, staff was already watching their dimes a little tighter. Councilor Harris felt staff had held off on as many things as they could, for as long as they could. He noted if we were a larger community and he didn't see things going on he might be a little more skeptical, but for right now he didn't want to start jerking the reigns too hard until they see a little more of what was happening.

Councilor Pope stated the budget was a living document and it would continue to change regardless of what was done. He noted when they developed the 2010 budget they took a lot of steps to try and make sure it came as close to balancing as possible. Councilor Pope suggested they follow the Mayor's suggestion to let the budget committee take a look at it.

Councilor Taylor thought it was a good idea to have the budget committee look at it, but felt the real cuts and recommendations should come from the city manager. He admitted he wouldn't know by looking at the budget what the effects would be by cutting certain pieces out. Councilor Taylor asked if there was a prioritized list of things that could be cut should times get even harder.

Councilor Pope reported in the past they deferred doing things because of budget constraints, and in the long run it ended up costing the city more money. He felt they had to look at the bigger picture and consider how their decisions would impact the city two to three years from now. Councilor Taylor agreed.

Councilor Dawes reported anybody who served with him on the budget committee, as well as staff, knows they looked at the budget with about a sharp of a knife as they could. He noted there were many times when he questioned things that had come to the budget committee that were taken out because they had not been thought through or presented very well. Councilor Dawes thought by prioritizing and giving the departments an amount to operate with, it cut out a lot of the wish-list stuff. He understood and agreed with Councilor Lund, that we need to do what we can with what was available and continue to prioritize what needs to be done. Councilor Dawes also agreed it was going to cost a lot more money if they wait or hold off on things, rather than doing them at the time they are budgeted to be done. He stated the budget committee and staff had to work together to prioritize and make sure they maintain services to the citizens, and felt they had done a pretty fair job of that over the last few years.

Councilor Spahr noted he also appreciated what Councilor Lund had to say, but thought they were going to have to accept the 14 percent decrease and hope things get better in the future. He suggested they wait another month or two before they make any moves, but agreed it was something they needed to keep an eye on.

July 26, 2010

Councilor Harris noted when they received the budget last year the fat was pretty much already cut out, as Councilor Dawes stated. He indicated there was a lot of overtime reduction in the 2010 budget and thought it could end up damaging each department's budget. Councilor Taylor thought that would be good information for the budget committee to know, so when they develop the 2011 budget they don't try to balance it by reducing overtime. Mayor Ketchum agreed, noting they shouldn't balance a budget on an uncontrolled item. Councilor Harris requested a report on the overtime expenditures be provided to the council for their review.

Councilor Lund stated he appreciated everyone's comments.

c. **Community Rating System Classification Change**. Mr. Nacht reported he received official notice that the city went from a Class 6 to a Class 5 in the community rating system, which meant an additional five percent reduction in flood insurance premiums for those within the city who buy flood insurance. He noted the total reduction in premiums was now 25 percent. Mr. Nacht reported Bobbi Boone was instrumental in getting the reclassification accomplished, noting it involved a lot of hours, research, and proposals, some of which required ordinance changes that the council looked at in 2009. He stated they were doing a really good job with floodplain management.

#### 5. **Council Reports**.

a. **Meeting Attended by Councilor Spahr**. Councilor Spahr reported he recently attended a downtown business association meeting, adding they were busy working on the Planes, Trains, and Automobiles event taking place on August 7<sup>th</sup>. He noted there were a lot of other events going on that same weekend around town.

Councilor Spahr reported the people down along Chehalis Avenue were very pleased to have Ben Smith come down and talk with them about what the city was doing with that area, and taking their input. He noted communication was important and it really got noticed this time.

b. **Councilor Dawes Glad to be Home**. Councilor Dawes reported after a 4,985 mile trip to San Antonio and back through Las Vegas, it was very nice to be home where the weather is nice and cool.

c. **Report from Councilor Harris on Chehalis Basin Partnership**. Councilor Harris expressed his condolences to Just Wood Furniture and Cascade Tax Service, who lost their businesses in a fire over the weekend in Centralia. He also apologized for missing the last council meeting.

Councilor Harris reported at the last Chehalis Basin Partnership meeting they had a wonderful presentation on 'rain gardens,' adding he would like to talk with the public works department about them. He noted a rain garden was installed in the outside entry area of Centralia High School, which detailed what they were doing to recycle storm water. Councilor Harris noted they also discussed the different programs they are going to fund in the coming year, including one in Grays Harbor.

Councilor Harris reported he learned an interesting term which he thought they needed to start coining themselves, which was 'deepening and widening.' He reported the United States Army Corps of Engineers is talking about 'deepening and widening' restricted areas of the harbor at the mouth of the Chehalis River in Grays Harbor. Councilor Harris suggested from now on they remove the word 'dredging' from their requests and add the term 'deepening and widening.'

d. **Events Attended by the Mayor**. Mayor Ketchum reported he attended the groundbreaking ceremony for Centralia's new sports complex on July 16. On July 23, he attended Chehalis' first ever 'Music in the Park' event at Recreation Park. He noted they had great attendance by the people, but it was unfortunate that not too many showed up from the city council or city staff. Mayor Ketchum stated they still had a chance to redeem themselves, noting the next event was on Friday, July 30, starting at 6:15 at Recreation Park.

Mayor Ketchum reported he and City Manager MacReynold met with Representative Richard DeBolt to discuss what TransAlta could do for the city, noting they were looking to give money away to different communities. He stated they brought up the idea of the Children's Museum, fixes to the community pool, and upgrades to our

July 26, 2010

ballparks. Mayor Ketchum indicated City Manager MacReynold would be getting back to Representative DeBolt on the different ideas, adding he hoped they would consider sending some money to our community.

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

---

Mayor

Attest:

---

City Clerk

August 9, 2010

The Chehalis city council met in regular session on Monday, August 9, 2010, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:28 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Chad Taylor, and Dennis Dawes. Councilor Lund arrived at 6:02 p.m. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Tim Grochowski, Public Works Director; and Russ Cox, Engineering Tech III.

1. **Executive Session.** Mayor Ketchum 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 decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 5:55 p.m. and announced the council would take a seven minute recess and reopen the regular meeting at 6:02 p.m. Additional staff included: Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; and Peggy Hammer, Human Resources Administrator. Members of the news media included Adam Pearson of *The Chronicle* and Ron Hall of KITI.

2. **House of the Rising Sun.** Kris Darby (1452 SW William) wondered how the council could let two people rule the city to do what they want, when they want. She stated she was recently told that the laws weren't hard enough, and Keith Williams knew all the ins and outs. Ms. Darby felt the city needed to get smarter than Mr. Williams, adding the laws and the court were on their side. She suggested Mr. Williams couldn't possibly be able to outdo the city at every turn, and believed the city was not putting forth the effort because it would take too much effort. Ms. Darby asked what the council would do if the same thing was going on in their neighborhood, suggesting the problem would be fixed by now if that were the case. She thought after two-and-a-half years, it should be taken care of by now.

Mayor Ketchum reported he had spoke with Ms. Darby on the phone and told her that sometimes people in certain instances have a lot more rights than normal, and the city had to tread lightly. He noted the city had filed something against the House of the Rising Son. Mayor Ketchum stated Mr. Williams indicated on more than one occasion that he owned the Mayor and that he had him in his back pocket. He stated he had never met Mr. Williams and he was certainly not in his back pocket.

City Attorney Hillier indicated charges were pending on the case.

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

- a. Minutes of the regular meeting of July 26, 2010;
- b. Claim Vouchers No. 97518-97646 in the amount of \$257,666.75 dated July 30, 2010; and
- c. Accept the Newaukum Bridge No. 20 Waterline Replacement Project as complete and release retainage in the amount of \$14,209.48 to Pilchuck Diversified Services/DIV Pilchuck Contractors, Inc.

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Staff Reports.**

a. **Report on Chehalis Avenue Survey Parking Plan.** City Manager MacReynold reported, about ten months ago, the city began a pilot project on Chehalis Avenue to explore opportunities for traffic calming and enhancements. He stated one of the commitments the city made to the business and property owners was the city would survey them to see what their thoughts were after a certain time period.

City Manager MacReynold reported City Intern Ben Smith took the project on and recently completed the survey process. He noted Mr. Smith prepared a report and presented the findings to various businesses and property owners who attended a meeting held at city hall.

August 9, 2010

Mr. Smith presented copies of the survey results and analysis to the council, as well as a PowerPoint presentation. Mr. Smith reported, during the months of June and July, he worked under the direction of the administration and the Chehalis Community Renaissance Team (CCRT). He noted he performed a survey to assess the general overall sentiment towards the street changes made.

Mr. Smith stated the purpose of the survey was three-fold. The first purpose was to assess stakeholder sentiment towards the changes. He noted the specific changes were: angled parking in place of parallel parking, which increased parking by 11 additional stalls; potted trees placed on the street, to represent what trees planted in the ground would look like; and, painted bulb-outs around the trees, representing where a curbed-in bulb-out could eventually go.

Mr. Smith reported the second purpose of the survey was to really solidify a direction for the city to take for permanent changes. He noted the results would help to show what citizens felt was good and what was bad for the street, before the city spends a large amount of money on the changes.

Mr. Smith noted the third purpose of the survey was to generally garner stakeholder participation and to tap into the benefits associated with that.

Mr. Smith reported the survey included the stakeholders directly involved with the happenings of the street, including: residents, business owners and employees, property owners, patrons, delivery drivers, and county officials. He noted the survey showed 60 percent of the respondents were in favor of the changes; 46 percent felt the angled parking was the most beneficial change; 85 percent believed the angled parking made it easier to park on NW Chehalis Avenue; 76 percent felt the changes to NW Chehalis Avenue improved the look and feel of the street; and 77 percent agreed the additional parking improved access to local businesses. Mr. Smith noted there were additional questions in the survey that were tailored to the stakeholder group, which were shown in the formal report.

Mr. Smith reported pretty much all of the respondents expressed concerns towards the changes, but with the help of the administration and the CCRT they came up with some possible resolutions. For example:

- The angled parking was dangerous to exit and made Chehalis Avenue feel too narrow. Possible resolution - retain the angled parking, but widen the street and reduce the width of the sidewalks.
- Curbs were too low on Chehalis Avenue. Possible resolution - dig out Chehalis Avenue to reduce the height of the street.
- Firefighters cannot easily navigate big trucks around the corner at Park Street and Chehalis Avenue. Possible resolutions - reduce the size of the bulb-out at the Park/Chehalis intersection, make Park Street a one-way street, widen Chehalis Avenue, or remove parallel parking.

Mr. Smith reported part of his research was to see if there had been an increase in traffic collisions resulting from or attributed to the changes. He noted he worked with the police department and found a total of nine collisions since June 2007, four of which took place after the pilot project was implemented. Mr. Smith thought it was important to note, of the four incidents reported, only two were attributed to the parking changes. He didn't believe there was any over-riding data that showed more accidents had occurred because of the changes.

Mr. Smith briefly talked about the traffic counts on Chehalis Avenue conducted on two different two-day periods. He reported the first count was taken on a Tuesday and Wednesday in October 2009 shortly after the changes were made, and the second recordings were taken on a Tuesday and Wednesday in May 2010. Mr. Smith stated the graph showed people had not reduced or increased their traffic usage of Chehalis Avenue. He noted the traffic counts did not take into consideration any possible exterior things happening, adding there may have been a public event that may have increased traffic during a given time period. Mr. Smith still believed people were pretty much using the street as they had been before, which was a good thing. He reported, overall, the survey seemed to indicate the changes were looked at positively, which was a good sign for moving forward with more permanent changes to the street.

August 9, 2010

Councilor Pope stated the report was an interesting comparison, noting he had given CCRT Chair Larry McGee some pictures of his previous hometown where he grew up, where they had a similar situation and voted to do just what the city was planning to do here. He noted the study done in his hometown was also very favorable of the angle parking on one side and parallel on the other, as well as the bulb-outs and shrubs. Councilor Pope felt the changes made a significant difference in that community, and they were really going to change the appearance of our city.

Mayor Ketchum thanked Mr. Smith for all his work, adding he was sorry to be seeing him go.

b. **Update on Transportation Enhancement Grant.** Tim Grochowski reported the administration submitted an application for a \$90,860 transportation enhancement grant for Chehalis Avenue and were notified recently that we got it. He noted the grant would pay for the concrete bulb-outs, stop signs, new pavement markings, tree planting, park benches, and irrigation. Mr. Grochowski reported they received the full amount of the request, adding they made points by coming up with \$24,100 in soft match money. The soft match would include the city installing the stop signs and plants for the bulb-outs. Mr. Grochowski stated they also received support from the CCRT, who put together a PowerPoint presentation for the project in a very short period of time. He reported the enhancement grant would go to the Washington State Department of Transportation for finalization in November, and to construction in 2011.

Mr. Grochowski reported they would be meeting the following Thursday with the Transportation Improvement Board (TIB) to talk about a larger grant to tear up Chehalis Avenue and possibly shorten the sidewalks. He stated they were also looking at installing new antique street lighting and incorporating one-way streets in certain areas around Park Street and Chehalis Avenue. Mr. Grochowski noted the TIB grant would be awarded in November or December and would not go to construction until 2012. He reported they also asked the county for a letter of support for the TIB project.

Mr. Grochowski reported the city would get points by using the enhancement grant as a match towards the TIB grant, and additional points for the county's participation. He stated if the city were to receive an award for the TIB grant he would hold another public meeting to discuss the engineering and design of the project, adding if they go to smaller sidewalks it could eliminate some of the sidewalk cafes currently in the area. Mr. Grochowski noted he had talked to one of the representatives from Security State Bank, who let it be known they did not want to become an island, referring to the proposed one-way street reconfiguration.

Mr. Grochowski stated they were also talking to Lewis County about their proposed parking garage, its placement and other facilities. He noted the county would be responsible for some frontage improvements with their proposed projects, which meant the city could be receiving some money from them, as well.

City Manager MacReynold felt it was important to note that he had the advantage of volunteering to be on the selection committee. He reported the staff from the Cowlitz and Lewis County Economic Development District spoke very positive about our project, adding the city hardly had to say anything. City Manager MacReynold noted the committee supported the project due to its regional significance of being the county seat, and because it fit into an even bigger plan, the Chehalis Renaissance Plan. Mr. Grochowski noted former City Manager David Campbell was also part of the selection committee.

c. **2010 Budget Reduction Package.** City Manager MacReynold stated, based on the most recent sales and use tax numbers, he and the management team would be meeting over the next week or so to put together a budget reduction package for 2010. He noted it was going to be pretty significant and he would be briefing the council members individually, and at the next council meeting on the full extent. City Manager MacReynold noted they all hoped the sales tax would begin to turn around as the media keeps telling us the recession is over, but they couldn't wait any longer. He noted it was very serious and they were going to have to be pretty creative about changing how we do business in the city of Chehalis.

Councilor Lund wanted to know if they could get a consensus from the council to increase the chip seal budget, since they were going to be making changes to the budget anyway. He stated he agreed with Councilor Pope at the last meeting that they did not want that to get cut. City Manager MacReynold agreed.



August 9, 2010

Councilor Spahr suggested they wait to see what they come up with for reductions. He asked when the next numbers for sales tax would come in. City Manager MacReynold noted the August report for May was sent out in an email to the council the previous week. Councilor Spahr felt there were some real extenuating circumstances with April's revenues. He commented on the fact that they were currently sitting at 2005 numbers, adding if they were to look back they would see that the sales tax revenue went up with the real estate bubble, and suggested the city was a bubble, as well.

Councilor Taylor wondered if they looked at what the other jurisdictions were receiving, with reference to sale and use tax. City Manager MacReynold thought Eve Lindgren had taken a look at that, but was not aware of what she found. He noted she indicated the county was pretty much in the same situation as the city, and thought Centralia might be in a little different situation.

Councilor Spahr asked if the county was impacted by the streamlined sales tax. City Manager MacReynold thought the county actually did better with the streamlined sales tax, but it didn't really help them.

Councilor Harris stated larger populated communities would do better because they have a greater population and import more products from other areas. He suggested they might be receiving significant amounts of revenue that they were not receiving before.

Councilor Lund noted May's revenues were down by 11 percent and asked if anyone recalled what April's amount was down by. City Manager MacReynold thought it down by about 14 percent.

#### 5. **Council Reports.**

a. **Update from Councilor Spahr.** Councilor Spahr reported his daughter delivered a baby boy earlier that afternoon, and mother and baby were doing just fine.

b. **Events Attended by Councilor Dawes.** Councilor Dawes reported he had a chance to work down at the community farmers market the last couple of weeks, adding it was nice to see they were doing so well.

Councilor Dawes noted he and Mayor Ketchum worked at the Lewis County Historical Museum during last weekend's Trains, Planes, and Automobiles event. He believed they raised about \$700 from the pancake breakfast, but didn't know what they received in revenues during lunch. Councilor Dawes noted he had a chance to walk around different parts of the event and hoped everyone had a good time, adding the rain might have dampened things just a little bit.

c. **Meeting and Events Attended by the Mayor.** Mayor Ketchum reported he enjoyed another fun night at 'Music in the Park' at Recreation Park on July 30, and again last Friday at Washington Park in Centralia.

Mayor Ketchum attended the 'Valley View Health Center Week' ceremony earlier in the morning and presented them with a proclamation. He and Councilors Taylor and Harris attended a meeting with State Attorney General Rob McKenna, adding it was a really nice get together. Mayor Ketchum noted Attorney General McKenna talked about things that were happening and what he would like to see happen. Councilor Dawes wondered if they mentioned the streamlined sales tax issue to him. Mayor Ketchum noted they did, adding they told him they needed to work real hard to have the legislators suspend it until they figure it out. Councilor Harris stated he told them the Department of Revenue was hiding behind the Revised Code of Washington and Washington Administrative Code to keep from being forthright with all of us, and we were not being compensated properly.

Councilor Dawes stated it was too bad they weren't suspending it, adding it doesn't really affect the state's collection, even though it's down.

6. **Ordinance No. 858-B, First Reading – Updating Development Regulations for 2010.** Bob Nacht reported Ordinance No. 858-B was being presented on first reading. He noted it had been through the hearing process and the planning commission and there were no citizen comments on any of the proposed updates.

August 9, 2010

Councilor Harris moved to pass Ordinance No. 858-B on first 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 23, 2010

The Chehalis city council met in regular session on Monday, August 23, 2010, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:38 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Becky Fox, Court Administrator; Bob Nacht, Community Development Director; Tim Grochowski, Public Works Director; Dave Vasilauskas, Water Superintendent; and Russ Cox, Engineer Tech. III.

1. **Executive Session.** Mayor Ketchum 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 decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 6:14 p.m. and announced the council would take a three minute recess and reopen the regular meeting at 6:17 p.m. Additional staff included: Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; and Rick Sahlin, Street Superintendent. Members of the news media included Adam Pearson of *The Chronicle* and Paul Walker of KITI.

2. **Update on Scout Lodge Remodel Project.** Bill Vander Hoeff, a member of the Chehalis Rotary Club, updated the council on the status of the remodel project at the Scout Lodge. He provided photos of the various projects the club has done on the Scout Lodge, including: foundation rot repair work; a new 200 amp electrical system; new outlets; a new high efficiency heating system; and they were about three days short from completing the restroom remodel project. Mr. Vander Hoeff reported the community service project was done at no cost to the city, adding the Rotary Club had provided all the labor and materials necessary for all of the projects, with some assistance of some local contractors.

Mr. Vander Hoeff reported, at the city's insistence, handicap restrooms were installed starting from the foundation up. He thanked the city for allowing the Chehalis Rotary Club to work with them, and hoped they would be able to continue with the historical project.

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

- a. Minutes of the regular meeting of August 9, 2010; and
- b. Payroll Vouchers No. 33840-33944 and 1619-1688 in the amount of \$724,122.06 dated July 30, 2010.

The motion was seconded by Councilor Spahr and carried unanimously.

4. **Staff Reports.**

a. **July Financial Report.** Eva Lindgren reported the expected variance in the general fund revenues showed a negative \$1 million dollars, but if they were to remove the loan proceeds out of the receipts they would be at 53.9 percent, leaving a variance of \$365,000 rather than the million dollars plus. Ms. Lindgren talked briefly about the general fund expenditures, noting if they were to pull out the principal repayment on the interfund loan it would show a percentage usage of 56.8 percent. She stated the report showed 50.3 percent expended, which took into account the \$1.1 million budgeted for the interfund principal repayments.

Councilor Harris inquired about the request from the previous council meeting regarding overtime paid out by all departments. He noted they had made great reductions of overtime in the 2010 budget and wanted to know if staff was able to come up with any numbers yet. City Manager MacReynold indicated the council should have received an email with that information attached. Ms. Lindgren noted she would print out a hard copy and make sure it gets to the council. City Manager MacReynold indicated the departments were pretty much within their budgets, even with the current overtime paid out.

Councilor Spahr inquired about the interfund loan, wanting to know if it was for the new city hall, and if so, how it was reflected in the revenues. Ms. Lindgren indicated the interfund loan was for city hall and she had devoted a

August 23, 2010

single line item for the loan because the debt had to be treated as revenue in a governmental fund. She explained how the variance was calculated, adding the formula was used throughout the document in order to be consistent.

Councilor Spahr asked if the

money had been paid back to the utility yet. Ms. Lindgren stated it had not been paid back, adding they were working with a financial advisor on issuing that debt.

Councilor Dawes noted staff had been working with a financial advisor for some time and wanted to know when they would have some kind of answer. He felt they needed to deal with it and get it on some kind of schedule. Ms. Lindgren stated she had requested the advisor get the city a contract, so they can officially use the services.

b. **Community Rating System (CRS) Repetitive Loss Progress Report.** Bob Nacht reported, in order to maintain eligibility in the CRS program, there were a number of mandatory actions the city had to take over and above the credit point calculations that Bobbi Boone accomplishes each year. He noted one action was to submit a repetitive loss report, adding fortunately the city did not have any floods of any consequence last year. Mr. Nacht stated the information was being presented for the council's information, in order to remain eligible in the CRS program. He added a copy of the report had also been sent to the media, as required.

c. **Budget Reduction Briefing.** City Manager MacReynold reported the administration had been carefully monitoring the budgetary situation, especially the sales and use tax revenue. He noted over the last two months they had a significant reduction in that revenue source, and if they continued to do what they were currently doing they would only have about \$222,000 left in general fund reserves by the end of the year, which was an unacceptable level. City Manager MacReynold stated they needed to end the year with a minimum of \$500,000 in the general fund reserves.

City Manager MacReynold reported he and the management team had worked over the past few weeks to put together a proposal for council's consideration, noting over the past year the managers and employees had tightened everything up, but it continued to be a challenge. He felt in order to make any significant change they would need to start talking about positions.

City Manager MacReynold reported the proposal would further reduce the reductions already done for the year of \$158,000. He noted some of the reductions in the proposal included a reduction of medical benefit payments for non-represented employees, and the layoff of city employees.

City Manager MacReynold stated the focus was on how to maintain core services, which included: police, fire, parks and recreation programs, streets, water, wastewater, and facilities. He reported over the course of the past few weeks they had identified 16 possible positions that need to be reduced.

City Manager MacReynold reported the proposal included the layoff of five positions, and if the union agreed, they would reduce other positions within the city to half-time and three-quarter time. He indicated he had met with the union representatives and they were in the process of discussing those issues. City Manager MacReynold reported because of the sixty-day timeframe to notify employees about layoffs they planned to provide notices immediately. He talked briefly about bumping rights, noting anyone with seniority who receives a layoff notice will have the right to bump into another position, which was only going to complicate the situation.

City Manager MacReynold stated it was clearly not something they preferred to do, but they could not sit on their heels and end up with an ending fund balance that would jeopardize the city's situation in 2011.

Councilor Spahr asked if they had received the June sales and use tax revenue numbers. City Manager MacReynold noted Ms. Lindgren had received the numbers earlier that day, adding the report was not great, but it was a little better.

Councilor Pope wondered if reductions in certain areas would affect work that was required, and would it lead to having to pay overtime to get the work done. City Manager MacReynold reported that was something they would have to work out. He noted they couldn't cut a position and just have someone else do the work, adding that did

August 23, 2010

not meet the requirements of the union contract.

City Manager MacReynold reported the economic information they were receiving was not good. He indicated they were probably looking at two to five years before things start to turn around.

Mayor Ketchum stated the information given was not what they wanted to hear, but he knew that City Manager MacReynold and the managers and employees had worked very hard over the last year to try and find ways to cut items out of the budget. He reported the council appreciated all of their hard work, adding he wished there could be a different outcome. Mayor Ketchum stated the city ran on a very lean budget that had no fluff. He noted they had already taken various projects out of the budget last year which were probably going to end up costing two to three times more down the road.

Councilor Dawes felt the situation was not unique to our city, adding everybody was being affected by the dramatic economic downturn. He stated they had hoped for a shorter turnaround, but it didn't appear it was going to be that way. Councilor Dawes suggested there were several agencies across the state having very similar discussions that, unfortunately, were going to affect a lot of good people statewide.

Councilor Spahr stated he was an optimist and saw the negative 3.2 percent in sales and use tax revenue somewhat of a positive, adding he hoped it would continue to climb. He asked what actions, if any, the council could take that evening. City Manager MacReynold stated the council didn't need to take any specific action, adding the specifics would be outlined in the next budget amendment. He noted, with reference to action on his part, they needed to provide notices to the employees so they can begin to start sorting things out.

Councilor Harris felt they needed to prepare for the worst, and until people start moving money again, we would continue to struggle.

Councilor Lund stated Councilor Dawes was right, it was happening everywhere. He added his vendors were saying they were getting winter numbers during the summer when they were supposed to be making hay, but they were not.

City Manager MacReynold felt they were only adding to the situation, noting having to lay more employees off was not good for the community or the city; however, it was their job to keep the city viable.

Councilor Harris stated his business was now closed, which added four more unemployed people to the list.

d. **Graffiti Issues.** City Manager MacReynold reported there were some questions being asked about the recent expansion in graffiti around town. He noted Councilor Dawes had requested the administration bring the council up to speed on what authority the city had with reference to the issue.

Councilor Dawes reported he had received an email from an individual wanting to know if there was a way he could become part of the solution with reference to the graffiti around town. He noted some of the information in the email had to do with graffiti that had been there for quite some time.

Councilor Dawes also mentioned some graffiti he had seen on one of the more prominent streets, but was glad to report sometime over the weekend it had finally been painted over. He stated he knew there was only so much they could do without some type of ordinance to back it up, and wondered if they should look at giving the police and other involved departments something with a little arm twisting behind it.

Police Chief Glenn Schaffer stated it was definitely a problem, adding graffiti pops up all the time. He reported sometimes it's gang related, and sometimes it's people who want it to be gang related. Chief Schaffer reported they did not have a municipal ordinance or any sort of leverage to compel people to paint over graffiti on private property. He noted last year they tried a cooperative effort with the City of Centralia, but after handing out pamphlets and actually going door-to-door talking with residents they had zero take them up on the offer.

August 23, 2010

Chief Schaffer reported they still had a basis for providing gift cards for paint and supplies to help with the cost. He noted he recently received an email from Airport Manager Allyn Roe, who co-chairs the Chehalis Community Renaissance Team, saying they would be willing to put together some volunteers to help paint over graffiti.

Chief Schaffer suggested the resources were out there, it was more a matter of whether the owners of the private property would paint over it themselves, or allow the volunteers to do it. He noted they pushed the issue on the basis that the quicker they paint over it, the better the issue would be.

Chief Schaffer believed if those who are putting up the graffiti know it's just going to be painted over the next day, they probably won't waste their time painting it again. He stated the only suggestion he had, as Councilor Dawes mentioned, would be an ordinance, but he didn't particularly like the idea of having to enforce laws against people who had already been victimized.

Chief Schaffer reported he did some research and found that most jurisdictions use a nuisance ordinance, which essentially allows the city to send letters to inform residents and ask them to paint over the graffiti; if that didn't work, the city would have the right to go onto the property and do it themselves.

Councilor Pope asked what the consequences were to people who put up graffiti. Chief Schaffer indicated very little, adding the graffiti would be considered malicious mischief and the cost of repair was usually very little. He noted it was really just a low misdemeanor, but they do reports and log all graffiti crimes.

Councilor Dawes stated he had the same general thought and suggested an abatement process that would let people know it could be fixed at no cost to them, so they don't feel like they're being victimized again by the city. He didn't believe the victims were supporting gang activity, he just didn't think they understood the message it was sending out by leaving it up. Councilor Dawes noted he wanted to bring the issue to the council to think about and give the administration some direction one way or the other.

Councilor Lund felt education would help the most, and suggested putting something in the city newsletter. Chief Schaffer reported the information went out last year in the Chehalin and they have pamphlets available at the police department. He noted when they take the reports they educate the homeowners on how to take care of it.

Councilor Taylor asked if they still had the ability to put stuffers in the utility bills. City Manager MacReynold noted they did, adding they could also add it to the newsletter as a feature story on the city's new website.

Councilor Harris volunteered to work with the team to go around town to take care of it. Chief Schaffer noted he didn't believe there was a shortage of resources; all they were missing was permission and cooperation from the property owners to get it done, and thought that would be something a nuisance ordinance could do. Councilor Harris agreed.

Councilor Spahr stated he had concerns about the effectiveness of an ordinance with regards to graffiti, noting the city currently had an ordinance regarding the appearance of buildings in town, but they were not able to enforce it.

City Manager MacReynold believed education would be the first step, adding perhaps the needed to spend some considerable effort on educating people on the resources available.

Councilor Dawes stated there were a number of buildings in the community that could use a touch up, but unfortunately every community has graffiti issues, and with the economic downturn it was going to send a different message. He felt they had been pretty fortunate over the long run, but they needed to get ahead of it, or there were going to be more incidents.

Mayor Ketchum asked if the council would like staff to put together a proposed nuisance ordinance, adding he would like to see something. Councilor Dawes stated he didn't want anything that would penalize the victim a second time. Councilor Harris felt they should be able to write something up that would allow the city to get things

August 23, 2010

done rather quickly.

Councilor Taylor stated he would probably vote against a nuisance ordinance, adding he liked the suggestion of education. Councilor Dawes noted he would just like to see something out there in order to get a quick resolution, adding he wasn't looking for a hammer.

The consensus of the council was to start with the education process.

e. **Chehalis-Centralia Airport Operating Agreement.** City Manager MacReynold stated the city received a letter from Lewis County, asking if the city would be willing to amend their agreement to allow for the floating position we share with the county to be a three year term, rather than a two year term. He stated he made a commitment to the Commissioners and staff that he would bring it to the council for their consideration.

Councilor Spahr stated he had no problem with it, adding three years seemed adequate.

Mayor Ketchum stated he didn't want to give either entity another year of control over the board when things need to happen. Councilor Taylor agreed, adding he felt there were certain things the county would like to do with regards to the airport. He stated it was not something he would be in favor of.

Councilor Lund stated he was not in favor of a three year term either, adding things needed to happen out there, and believed things needed to change a little.

Councilor Dawes felt the city was an equal partner with the county and he wasn't necessarily opposed to a three-year term, unless there was something being done that he wasn't aware of. He suggested they think about appointing a council member to go to the board meetings, not as a member of the board, but to just sit and listen. He reported the county had one of their commissioners attending the board meetings just for that purpose.

City Attorney Hillier indicated the request was not generated by the city, nor was it generated by the airport board. He noted it came solely from the county.

Councilor Dawes reported the rotating person could be re-appointed, adding he himself went from the county rotating position right into the city rotating position as a rover, and later went on to a permanent position. Mayor Ketchum felt they seriously needed to consider not doing that anymore, suggesting they needed to find someone new each rotation.

Councilor Taylor stated he hoped the money generated from the airport would stay here to improve it, and not be used to improve other airports in the county. Councilor Dawes believed it had to stay here. Mayor Ketchum suggested the county was trying to find angles for it not to stay here.

Councilor Pope felt it should remain the same.

Councilor Harris didn't know why somebody would want to change something arbitrarily, adding he would rather leave things just the way they are.

Mayor Ketchum indicated a majority of the council felt things should remain the same with reference to the rotating position on the airport board.

f. **Street Work.** Tim Grochowski reported the county was planning to stripe city streets on Sunday, weather permitting. He noted the city would start crack-sealing National Avenue on Wednesday, also dependent on the weather.

August 23, 2010

5. **Council Reports.**

a. **Events Attended by Councilor Spahr.** Councilor Spahr reported he attended the opening of the SW Washington Fair on Tuesday, and on Saturday, he spent the entire day at the Cascade Country Cook-off at Stan Hedwall Park. He noted he was honored to be one of the judges of the hamburger tasting contest.

b. **Events Attended by Councilor Dawes.** Councilor Dawes reported he attended the ribbon cutting ceremony at the Valley View Health Center, adding it was a very nice ceremony. He also put in a couple shifts at the Lewis County Historical Museum fair booth. Councilor Dawes stated he and a number of the other councilors attended the ribbon cutting ceremony at the airport prior to the meeting. He noting it was really nice to see the airport board continuing with the thought process started many years ago, about doing whatever they can to make it something of interest to the entire community.

c. **Events Attended by Councilor Harris.** Councilor Harris stated he also attended the fair, adding it was great to interact with Centralia city council members, county commissioners, and other elected officials. He noted it was nice to be able to meet and greet people when nothing's at stake. Mayor Ketchum added they had great weather all week, and he too had a good time at the fair.

6. **Ordinance No. 858-B, Second Reading – Updating Development Regulations for 2010.** Bob Nacht reported they had been working on the updates since February, noting they held all the necessary public hearings, and the first reading of the ordinance took place at the prior regular meeting.

Councilor Dawes moved to pass Ordinance No. 858-B on second and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

7. **Resolution No. 12-2010, First Reading – Amending the 2011-2016 Six-Year Transportation Improvement Plan (STIP).** Mr. Grochowski stated at the last regular meeting he mentioned they had submitted a transportation enhancement grant for Chehalis Avenue, which the city was awarded. He noted in order to receive the grant funding the project had to be included on the 2011-2016 STIP.

Councilor Lund moved to adopt Resolution No. 12-2010 on first and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

8. **Executive Session.** Mayor Ketchum closed the regular meeting at 7:10 p.m. and announced the council would take a 10 minute recess before going into executive session pursuant to RCW 42.30.110(1)(i) – potential litigation for approximately thirty minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 7:50 p.m. and there being no further business to come before the council the meeting immediately adjourned.

---

Mayor

Attest:

---

City Clerk



August 30, 2010

The Chehalis city council met in special session on Monday, August 30, 2010, in the Chehalis city hall. Mayor Ketchum called the special meeting to order at 5:03 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Bob Nacht, Community Development Director. Others present included: Airport Board Members Dan Foster, Frank DeVaul, Jerry Zabriskie, Ken Sabin, John Spears, and Robert Schroeter; Allyn Roe, Airport Manager; Ladonna Neiser, Administrative Assistant; Commissioner Ron Averill; Attorney J. Vander Stoep; and Bob Montgomery, Hydrologist/Engineer. Attorney Don Marcy participated telephonically.

1. **Airport Levee Discussion.** City Manager MacReynold reported, with regards to the Federal Emergency Management Administration (FEMA) mapping issue, the partners had been looking at a wide range of possibilities on how to approach the issue of the proposed floodway maps. He noted, in discussion over the past few weeks, one thing that came up was the idea of applying for a permit to raise the airport levee to meet the 100 year flood level. City Manager MacReynold reported the Chehalis City Council met last week to talk about the feasibility of requesting the Airport Board to consider applying for a permit to raise the levee, and doing it as soon as possible. He noted the council felt it was clearly a possibility and asked that a meeting be set up to discuss it with the Airport Board.

J. Vander Stoep reported the current preliminary maps indicated the airport would continue to be in the floodway, which would do tremendous harm to the development of the city and airport. He talked briefly about the current proposed Twin City Corps Levee Plan, which included 11 miles of levee around the airport. Mr. Vander Stoep indicated the hydraulic model showed if they had retention in the upper basin they would only need to improve the current airport levee.

Mr. Vander Stoep stated the question before the Airport Board would be, should they promptly take the necessary steps to file a permit with the city and vest their right to complete the levee at a later time? He noted under Washington State law, if the land owners had a permit, the rules for building would apply at the time the permit was submitted. He felt it made sense to spend a little now to at least preserve the option in the event the FEMA maps get changed.

Attorney Don Marcy stated he concurred with the concept of moving forward to try to vest the right to raise the airport levee above the anticipated 100 year flood level. He indicated if they could get the application prepared and submitted prior to the time the new regulations become effective, they would certainly have a good argument that they would be vested to the current rules and regulations. He noted, at such time, the airport could go ahead and raise the levee to provide protection for a fair amount of property, thereby protecting a fair amount of economic development opportunities for the community. Mr. Marcy stated they were looking at every possible option to try and keep the property out of the floodway. He felt it was a viable option that should be considered.

City Attorney Hillier stated the airport property had always been part of the floodplain, which allowed it to be developed under certain regulations; however, if it became part of the floodway it would prevent any commercial development without significant expense beyond what most developers would want to spend. He noted it would also have an impact on the aeronautical side because it would thwart the reconstruction of existing buildings unless they met certain required criteria, which was the risk the airport was currently facing.

Councilor Dawes stated he was glad City Attorney Hillier brought that issue up because unless they had significantly changed the airport's development plan, any aviation related use and development would seriously be impacted if the property were to be included in the floodway.

City Manager MacReynold felt they could have the information the Airport Board would need for submitting a permit application in a fairly short period of time. He noted Bob Montgomery indicated he could do the modeling and hydrology in about four weeks, which was around the same time RB Engineering had identified.

Airport Board Members noted concern about modifying the current levee, noting it might bring a change of ownership that would end up being a tremendous cost. Board members also wanted to know more about the elements of risk involved with the process. Mr. Marcy reported if FEMA were to try and take a hard-line stance and oppose the

August 30, 2010

community's effort to raise the levee there would be a couple of legal arguments they could make in order to try to defeat the vested rights claimed. He noted the legal argument would revolve around the fact that they would try to characterize it as a life/safety issue, or they may try to raise some sort of federal pre-emption type argument.

Mr. Marcy thought FEMA should be supportive because by increasing the levee it would protect a lot of property from future floodwater claims directed by the National Flood Insurance Program. He noted the vesting point would be at the time the application was filed, adding they would need to file the application prior to the FEMA maps being finalized in order to be vested to the current maps and their provisions.

Bob Schroeter inquired about the release of the FEMA maps, adding he thought they anticipated on releasing them sometime in the coming month.

Mr. Marcy talked briefly about the preliminary maps, noting regulations provide that local governments do not have to adopt revisions to their flood regulatory program until six months after they receive a letter of final determination, which would not be issued until the maps were finalized. When asked if the preliminary maps would be issued on or before September 22, Mr. Marcy indicated FEMA said they would be issued on the 24<sup>th</sup>, but it could be pushed back to October 15.

In response to a question from the Airport Board regarding making the levee higher, Mr. Vander Stoep stated, in order for FEMA to certify one of their levees it had to be three feet higher than what they consider to be the 100 year flood. Bob Nacht reported the topographic information he had on file indicated the current levee would be about five feet higher for the most part, noting some of the north-end of the dike had already been added to by the Corps from their repair project. He noted the primary issue with the certification of a levee would be the attempt to remove the airport property from the regulatory floodway, adding it wouldn't necessarily protect it from the 100 year flood level.

The issue of costs was briefly discussed; however, there were no cost estimates at this time.

Airport Manager Allyn Roe inquired as to what would be required in addition to RB Engineering's proposal. Mr. Nacht reported in order to file for a permit under the city's current regulations there would have to be an application for an earthmoving permit, and once the permit was submitted for the filling activity it would then trigger the State Environmental Policy Act (SEPA). He noted in order to get through the SEPA process they would need a hydraulic analysis of what would happen to the floodplain; and a civil plan on what the structural integrity of the levee would be.

Mr. Schroeter asked if the project would count as an in-kind match for the purpose of whatever comes about by the Corps. Mr. Vander Stoep stated he didn't believe they knew that yet, but would not assume it would. He noted there were still a lot of questions that needed to be answered, but felt it only made sense to preserve their right to do the project by filing a permit.

It was asked how long the permit would be good for. Mr. Nacht reported the current regulations provided that a permit issued by the city would be good for either 90 or 180 days. He noted the permit would not expire as long as they continued to do work on the project every 90 or 180 days, depending on the permit type.

Ken Sabin asked if the project would keep FEMA from making any decisions until they complete the work. Mr. Hillier noted the permit would only preserve the right for FEMA to come back and revise their map, to take the airport out of the floodway.

Councilor Harris stated if a permit was not requested they would almost certainly be at the mercy of the FEMA flood maps once they are issued. He felt it was better to have a foot in the door, rather than risk losing all the potential financial generation they had over there.

Mr. Montgomery reported he and Mr. Marcy had met with FEMA and their contactors earlier, noting they talked about a lot of different issues. He characterized FEMA's stance as, they were in the middle of their process and they were going to issue the maps. Mr. Montgomery felt FEMA didn't want to stop the process at this time, and

August 30, 2010

indicted after the maps were issued they could talk about parts of the mapping model that were not correct and appealable. He noted FEMA recommended the communities get together and file a letter of revision to modify the floodways, which meant we would have to work with Centralia and Lewis County to work out where the floodways would be.

Mr. Marcy felt the meeting with FEMA was very cordial, adding they were definitely interested in trying to provide the additional information that Mr. Montgomery needed to further analyze what was going on there. He stated it became apparent to him that they were very focused on getting the preliminary maps issued, and they definitely believed the city or communities thought the floodway was wrong, and recommended we collectively ask for a letter of map revision after the maps are released. Mr. Marcy noted they were very skeptical of our ability to file an appeal that would challenge their floodway determination. He reported they clearly made some choices in figuring out what the map would look like in the area around Chehalis and the airport. Mr. Marcy stated there were clearly alternative ways of doing things, adding they ran a model taking out all the storage they had built into the model around the airport, and it didn't seem to have any negative impact based on what he saw. He felt it was a positive meeting and FEMA was interested in working with us, but they had a schedule they were moving toward and the only way they could derail them from that was to play on things they should really re-do at this point, or get some assistance from the federal delegation.

Mr. Montgomery noted FEMA did say a couple of times during their meeting that there hadn't been a successful appeal of a floodway determination. He felt they needed to sit down and look at the floodways more carefully and perhaps see where they could be modified, not just in Chehalis, but downstream as well.

Commissioner Ron Averill thought it was a good idea to move ahead and pursue options.

Mr. Sabin asked if they would go to FEMA to ask them to take the airport out of the floodway before they do the project. It was noted they would first need to submit an application for permit; however, Mr. Hillier indicated, as of August 24, Mt. Vernon received a letter of map revision based upon a permit, vesting some levees around their city.

Councilor Pope stated, as a councilman, he had concerns about the future of our city and how we were going to generate revenue to support the things that needed to be done in the city. He noted it was already proven that the development done had been very rewarding to the city, with reference to revenue. He asked what the Airport Board needed from the council.

City Manager MacReynold reported based on Council's direction it was very clear it needed to be a viable option to consider.

Mayor Ketchum stated the council felt very strongly that the Airport Board needed to start the permit process in order to have their rights afforded to them, in case they need to develop anything further.

Mr. Schroeter asked if the council would be willing to do a resolution to that affect at their next regular city council meeting. He noted the Airport Board's next meeting was scheduled for September 15.

Councilor Lund didn't think they could wait that long

City Attorney Hillier felt timing was important, but obviously there was the financial aspect to it. He noted Mr. Nacht estimated it was going to cost about \$35,000 to get the permitting process started without the hydrology aspect of it. City Attorney Hillier indicated the city didn't have the money, and asked if the Airport Board was in the position to be able to put the money out to pay for the cost of getting the permit in place.

Mr. Schroeter suggested the city make a formal recommendation to the Airport Board at their next meeting on September 15.

City Manager MacReynold suggested a letter from the city council giving clear direction on the issue.

August 30, 2010

Councilor Dawes felt they were very clear on what they would like to see done, adding it was important not only to the city, but to the airport. He talked briefly about preserving their rights, so they could at least explore it down the road.

Mr. Vander Stoep suggested the big issue wasn't about allowing new development, but rather, preserving what was already there. He stated if anything happened to any of the buildings that end up in the floodway that would cause them to spend 51 percent of the value of that property to repair it they would not be able to do it. Mr. Nacht stated he would rather see a permit come in as an attempt to protect the airport operation, as opposed to creating an opportunity for new development.

City Manager MacReynold pointed out the key was to get vested as quickly as they could, which was a decision the Airport Board would have to make. He stated he would prepare a letter outlining the direction of the council that each of them would sign.

There being no further business to come before the council, the special meeting adjourned at 6:02 p.m.

---

Mayor

Attest:

---

City Clerk

September 13, 2010

The Chehalis city council met in regular session on Monday, September 13, 2010, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:02 p.m. with the following council members present: Terry Harris, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Pope was absent (excused). Staff present included: Merlin MacReynold, City Manager; Brian Kelly, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Bob Nacht, Community Development Director; Peggy Hammer, Human Resources Administrator; Tim Grochowski, Public Works Director; Rick Sahlin, Street Superintendent; and Barb Lovelady, Fire Department Administrative Assistant. Members of the news media included Adam Pearson of *The Chronicle* and Ron Hall of KITI.

1. **Briefing from Department of Transportation (DOT) on Various Projects.** DOT Regional Engineer Bart Gernhart and Area Engineer Colin Newell, and Lewis County Commissioner Ron Averill briefed the council on the current I-5 widening projects in Lewis and Thurston Counties, which included: I-5, Rush Road to 13<sup>th</sup> Street; I-5, Mellen Street to Blakeslee Junction; I-5, Blakeslee Junction to Grand Mound; the Grand Mound Interchange; and I-5, Grand Mound to Maytown. The briefing also included information on the upcoming projects in Lewis County.

Mr. Gernhart reported the Grand Mound to Maytown project was on schedule and would be finished by the end of the year. He noted the Blakeslee Junction to Grand Mound project would include three general-purpose lanes in each direction, and was anticipated to be finished sometime in the next year. Mr. Gernhart talked briefly about the Grand Mound Interchange project, noting Senator Dan Swecker helped to get funding appropriated to rebuild the Interchange in its entirety.

Mr. Gernhart provided several drawings, including those for the Mellen Street to Blakeslee Junction project. He reported the proposed project would help address the weaving and congestion issues between the Mellen Street and Harrison Avenue interchanges. Mr. Gernhart explained the traffic flow of the new proposed couplet system, adding the scope of work would include: collector-distributor roads along either side of I-5, which would include two new one-lane bridges on either side of the existing Skookumchuck River Bridge; the relocation of interstate ramps; and a new I-5 overcrossing south of the current Mellen Street interchange. He noted the anticipated construction start date was in 2012.

Mr. Gernhart reported on the Louisiana Avenue to Airport Road series of projects, noting Lewis County would pave and re-build the sub-structure on the existing portion of Airport Road. He reported Senator Swecker left \$2.5 million in the budget for flood control, which would be used to connect Louisiana Avenue to Airport Road. Mr. Gernhart stated they hoped to have the project out to construction in 2012, but it could be as late as 2013. He noted they were really trying to merge it into the same construction start time as the Mellen Street project, adding they could get better bids if they have them all going out at once.

Commissioner Averill reported the city of Centralia requested that they not have Airport Road connected to Louisiana Avenue until the Mellen Street Project was finished. He noted the project had always been designed so that when they complete the Mellen Street project, they would then finish the connection between Airport Road and Louisiana Avenue. Commissioner Averill reported the county would upgrade Airport Road to base, in order to handle the additional traffic. He noted they also had a Transportation Improvement Board grant to finish the trail coming out of Centralia over to the levee.

Mr. Gernhart talked briefly about the Long Road Dike project, noting it would tie into the existing Long Road Dike in an effort to increase access to the hospital during a major flood event via Mellen Street. He noted the plan was to extend the Long Road Dike to the south to tie into the future ramps in 2012, adding it was a relatively inexpensive project.

Commissioner Averill reported access to the hospital from Centralia would continue to be at the current underpass, but instead of traffic going in both directions they would have two one-way lanes going west, and eastbound traffic coming out of the hospital would have to go south a quarter-mile on the new couplet in order to get back over to the east side of I-5. Commissioner Averill stated the connection to the Long Road Dike was needed to keep Salzer and Coal Creek from flowing into the area of the underpass. Mr. Gernhart also brought up the issue of China Creek, noting they weren't really sure exactly when China Creek would go over its top if they didn't have the Chehalis

September 13, 2010

River backing up, or coming over the interstate.

Councilor Harris noted previously there was some discussion about widening the underpass at Mellen Street by taking out the two hollows and creating two east and west bound lanes of traffic. Mr. Gernhart indicated that was the original plan, but they were not doing that now. He noted the soils under the overpass at Mellen Street were a little more porous than what they thought, which would make the project more difficult and much more expensive.

Mr. Gernhart reported the various projects would put roughly 300,000 yards of fill into the floodplain. He provided a map showing the different increases in flood water due to the new fill, using 2007 flood data. Mr. Gernhart noted in their modeling, if they were to do nothing, areas in Chehalis on both sides of I-5 would get about an eighth-inch rise in floodwater. He reported once they connect the Long Road dike to the interstate, the east side of I-5 in Chehalis would continue to see the eighth-inch rise; however, the west side of I-5 would increase to a one-inch rise.

Commissioner Averill stated, in 1997, a Chehalis River Basin Flood Zone District was formed, which operated for about three years. He noted one of the projects that came out of the committee was to try to protect the Miracle Mile by putting in a berm on the Centralia-Alpha Road; however, that project died along with the committee.

Commissioner Averill reported if they looked at the United States Army Corps of Engineer's (Corps) Twin Cities Project, they do recognize the contribution that Salzer Creek makes to flooding in the area. He stated their plan was to run a dike parallel to Kresky Avenue until it reached just north of the Lewis County Mall. Commissioner Averill noted if the Chehalis River was already backed-up the water couldn't get into the river and it would just continue to backup, which puts the businesses on the east side of I-5 out of business. He added it cost the county \$66,000 just to remove the garbage out of Yardbirds after the 2007 flood.

Commissioner Averill believed the new project was better, adding they estimated they could hold back three days of water behind a berm in the Salzer Valley, which would reduce the contribution of the Salzer to the flooding, giving them instead a one inch drop down south. He felt it wouldn't completely correct the problem, but it would go a long way to help. Commissioner Averill reported they were able to get some federal money through Mr. Gernhart to hire a consultant to study the projects feasibility and viability, and if it proved to be as viable as they thought it would, they may use it as mitigation for the rise. He believed it would give them the first real project to control water since they started studying it in the 1930s.

Councilor Dawes asked if they were going to need to get the Corp's blessing to do the project. Commissioner Averill stated he proposed that question, noting the Corps would not do it because they had the Twin Cities Project. He reported if the county and DOT do the project as mitigation, a different department within the Corps would be involved in the approval process, adding it would take a maximum of six months to get approval from them.

Councilor Taylor asked Commissioner Averill if that type of project had to pass the cost benefit ratio. Commissioner Averill stated it would not, because the county would be building it. Mr. Gernhart noted the project was going to save DOT about \$2 million dollars, which would allow them to contribute several million dollars elsewhere.

Councilor Spahr stated he remembered the project back in the 1990s a little differently, adding there was going to be a floodgate down by the fairgrounds and they would allow Salzer Creek to flood to a certain point before pumping it into the Chehalis River Basin.

Commissioner Averill reported the Corps would be holding a meeting on September 23, at the Centralia Middle School, from 5:00 p.m. to 8:00 p.m., to discuss design, and perhaps then they would know how they plan to handle Salzer Creek.

2. **Initiatives Filed to Privatize Liquor Sales – Statewide November 2 Ballot** Margie Engle (3107 Impala Drive S.E. Lacey, WA) provided the council with some information pertaining to two initiatives that would appear on the November 2 Ballot: I-1100 and I-1105. She noted if passed, both I-1100 and I-1105 would put our communities at risk, threaten jobs and small businesses, and threaten our local budget.

September 13, 2010

Ms. Engle reported there were currently 315 hard liquor retail stores in our State, adding if the initiatives pass there could be as many as 5,000 retailers, which was three times the number of liquor outlets per capita currently in California. She talked briefly about compliance issues; the number of family wage jobs that would be lost; and the harm it would do to local businesses, such as: Widgeon Hill Winery; Heymann Winery, Dick's Brewery, etc.

Ms. Engle felt the city could not afford to lose the substantial revenue liquor sales generated for the city, noting Chehalis stood to lose around \$90,000 per year, while Washington State stood to lose up to \$730 million. She urged the council to stand together and pass a resolution to oppose I-1100 and I-1105.

Councilor Dawes reported he remembered when the issue was first talked about a couple of years ago, noting one of the legislators indicated if it ever passed they would just add tax to make up the money. He felt the 'yes' side probably had something similar, and asked Ms. Engle if anyone had any information on what taxing laws it would fall under, or if it would be treated any different. Ms. Engle stated there were some statistics; however, she was not the correct person to ask and offered to provide a name and phone number of a union representative for Councilor Dawes to call. She noted it was her understanding that the tax was already instilled in the bottles and the law would have to be changed in order to change the taxation.

Councilor Spahr asked if the numbers Ms. Engle provided were accurate with what the city was reporting. City Manager MacReynold indicated he had asked Finance Manager Eve Lindgren to analyze it, adding the tax portion of it was about \$35,000, but the sharing of the profits was not that easy to figure. He felt they should know more in the next couple of days. Councilor Spahr suggested they find out that information before November. City Manager MacReynold agreed.

**3. Questions Concerning Layoff at the Fire Department and Budget.** Kevin Reynolds (1915 S.E. Maple Drive, Chehalis) stated over the last several years he had watched as members of the Chehalis City Council made decisions that had led the city to financial despair, and the economy had not helped. He felt it was not entirely the council's fault, adding a disconnect between city departments and the council had been created, which he believed restricted constructive ideas, and had most certainly limited the city's options for financial reprieve.

Mr. Reynolds stated, as far as he can tell, the council were all acting in their own best interest, standing on a re-election platform of no new taxes while ignoring the citizens request for services. He reported he was mainly speaking of the recent EMS levy that passed at 80 percent.

Mr. Reynolds asked the following questions of the council.

- What serves the citizens best, you and your families having an insurance plan, or keeping a firefighter or police officer employed?
- Why was the council not taking the full amount of the EMS Levy? He noted it was voter approved; it would preserve current staffing levels; past practice showed it had been done before and it was legal; it was also more cost effective for the city because of cash outs, overtime, and other consequences of the planned layoff of a firefighter.
- Had the city done anything to modify the rules of the tourism tax in order to preserve services that bring in business and tourism, as opposed to buying signs and creating catch phrases?
- Why were temporary and seasonal employees still working? Does their work influence the ISO rating? Mr. Reynolds stated he spoke specifically to that because it directly affected city businesses.
- Was it the council's plan to renovate Chehalis Avenue only to qualify for another grant so they can demolish all of that work and renovate it again? Mr. Reynolds noted it was a question he had been asked by a couple of people on the street.

Mr. Reynolds stated he wanted to make the council aware that Local #2510 Firefighters had made a concerted effort to reduce healthcare costs and to negotiate their contract to keep their bottom firefighter employed, but their efforts had not been effective. He asked the council what they had planned to prevent the one firefighter from being laid off, and what they planned to do to prevent other layoffs in the future.

September 13, 2010

Mr. Reynolds offered to answer any questions the council might have. He indicated he was speaking for himself as a citizen and would like to have answers to his questions at a future meeting.

4. **Health and Wellness Week Proclamation.** Mayor Ketchum presented a proclamation to Maretta Berg and Chris Thomas declaring September 18, 2010, as 'Health and Wellness Day' in the city of Chehalis.

5. **Update on Fisheries Study.** Centralia City Councilor Edna Fund reported she was nominated at the flood authority meeting by Councilor Taylor to represent both Chehalis and Centralia on the \$900,000 Fisheries Study. She noted they received and reviewed several studies from interested applicants, and selected a company by the name of Anchor to do the study. Ms. Fund reported Anchor was currently negotiating with Vince Panesko, CR Pacific, and Weyerhaeuser to obtain access to the river from their properties.

Ms. Fund noted there were concerns about timing, adding they were in communication with the Governor's Office to alert them that this was not exactly the study they had in mind. She stated they were counseling the Governor's Office before the bill was signed, that it was an impossible study to do in 12 months. Ms. Fund indicated they received the money in July and the study had to be done by June 15, 2011. She noted they were working on it, and thanked Councilor Taylor for his confidence in her to represent the city. Ms. Fund stated she would keep the council updated as things progress.

6. **Update on Flood Authority Issues.** Julie Balmelli-Powe thanked Councilor Taylor and the council for appointing her to represent the city on the Flood Authority, and for having faith in her to represent the city's interest on the Sub-zone District Committee. Ms. Balmelli-Powe reported the zone district meetings were held at the Veterans Memorial Museum from 9:30 a.m. to 11:30 a.m., the same day as the flood authority meetings. She stated she appreciated City Manager MacReynold attending the meetings, adding there was a lot of city information that he could answer to.

Ms. Balmelli-Powe reported they had not made any huge decisions yet, adding they were just getting into discussions on advisory committees and such. She indicated the next few months were going to be pretty critical in forming the multi-county flood zone district.

Ms. Balmelli-Powe reported the Chehalis Basin Flood Zone had met three times and were currently getting their by-laws in place. She stated they had selected Jason Humphry as their Chair, and she was selected as vice-chair.

Ms. Balmelli-Powe noted there were a few issues that had been brought up, one being the Conservation Service (CS) approach to maybe building smaller water retention structures. She noted they were encouraging the Lewis County Commissioners to sign and move forward with a letter that needed to be sent out in order to proceed with it. Ms. Balmelli-Powe reported they also had a discussion on the Highway 6 resurfacing project, adding the project raised the highway about three inches. She noted Highway 6 was one of the problems in that area for flooding, especially for the residents of Riverside Road, and they were hoping to get the Commissioners to talk to the State about addressing that problem.

Ms. Balmelli-Powe talked briefly about the basin-wide General Investigation (GI) that was coming up for discussion at the flood authority meeting on Thursday. She reported the Corps had said they could not incorporate water retention into the Twin Cities Project and instructed them that the only way they could look at it was if they signed the basin-wide GI. Ms. Balmelli-Powe stated she was hoping to get a little input from the council on what their feelings were regarding that issue. She noted the GI was the same 14 year, \$24 million dollar study that would look at restoration, as well as flood protection. Ms. Balmelli-Powe stated she didn't see any rush to sign the GI.

Councilor Taylor felt the consensus of many people was the GI was too much, too long, and it wouldn't solve anything. He stated he would object to signing the GI. Mayor Ketchum and Councilor Lund stated they would go along with Councilor Taylor's recommendation. Councilor Harris noted it had always been a bone of contention at the Chehalis Basin Partnership meetings for exactly the same reasons. He noted there hadn't been much support of it, and he wasn't a fan of it himself.



September 13, 2010

Councilor Dawes stated if the money spent on studies since 1930 was used for a solution, they wouldn't even be talking about it now. He indicated he didn't trust the Corps, adding they were only going to do what they were ordered to do. Councilor Harris agreed. Councilor Dawes felt all of the side issues they were dealing with were a tremendous waste of everybody's time and money. He believed if they could get representatives from all the various interests at one meeting to oversee it, perhaps they could make some logic of it, or at least drown out all the noise makers and progress along.

Councilor Harris reported the Chehalis River Basin Partnership was the group that originally spearheaded it, and decided to not become the flood authority because they were not primarily discussing flood issues. He noted, because of all the little sub-groups, there was no real opportunity to control what was going on.

Ms. Balmelli-Powe agreed with Councilor Harris, noting she had the opportunity to sit on several of the different sub-committees. She also agreed that it would be ideal to have everyone in the same room, but the issue was there were too many personal agendas.

Councilor Harris made a comment about what Commissioner Averill stated earlier regarding the Centralia-Alpha Road, noting from the very beginning they were saying, "look at water retention." He suggested they should be looking at the smaller lead-ins that feed into the area. Ms. Balmelli-Powe stated in order to deal with those issues they were going to need federal money; however, the small projects were not going to get them any federal money. She felt the only way they were going to get the help they needed was if they get the federal government involved, and the only way they would get involved was if it had to do with protecting I-5.

Councilor Harris suggested there were already studies completed and mountains of information out there about every part of the Chehalis River Basin and all anyone would have to do was compile the information, but nobody was willing to do it.

Councilor Dawes thanked Ms. Balmelli-Powe for her willingness to represent the city, adding he appreciated her time and efforts. Ms. Balmelli-Powe thanked the council for their trust. She stressed that the council needed to send a letter of support to the commissioners regarding the National Resource Conservation Service approach, to encourage them to move forward on that to see if it was a possibility.

Councilor Taylor also thanked Ms. Balmelli-Powe for representing the city, adding he hoped she felt comfortable enough to make the kind of decisions the council knew she would make to represent them. He encouraged her to have no fear when making decisions, adding the council had all the confidence in the world that she would represent the city as well as any one of them would. Councilor Taylor stated he also appreciated the report they received from Dan Maughan, adding it was really helpful.

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

- a. Minutes of the regular meeting of August 23, 2010;
- b. Claim Vouchers No. 97647-97791 and 72010 in the amount of \$133,745.16 dated August 13, 2010; Claim Vouchers No. 97792-97913 in the amount of \$113,070.09 dated August 31, 2010; and Payroll Vouchers No. 33945-34048 and 1689-1758 in the amount of \$718,143.17 dated August 31, 2010; and
- c. Accept the Coal Creek Wing Wall Project as complete and authorize payment of \$41,653.92 to Hamilton Rocking & Contracting, Inc., and release retainage in the amount of \$2,024 after all statutory requirements were met.

The motion was seconded by Councilor Lund and carried unanimously.

8. **Staff Reports.**

September 13, 2010

a. **Update on Amended 2011 Budget Development Timeline.** City Manager MacReynold reported they were looking at compressing the proposed timeline for the 2011 budget process because of recent challenges they were facing. He noted he had a discussion with the council budget committee about the consideration of shortening the number of reports the administration gives to the full council, and they supported it. City Manager MacReynold reported the question had come up before asking why they couldn't just go from the proposed budget to the formal hearings before the full council, eliminating the work sessions. He proposed that they do that this year to see how it works.

Mayor Ketchum stated he had full and complete faith in the budget committee, adding he would accept the proposal.

b. **Puget Sound Energy - Notification of Upcoming Project on State Avenue.** Tim Grochowski provided the council with information on the State Avenue Natural Gas Line Replacement Project, which they received from Puget Sound Energy. He reported they would be upgrading their 4-inch gas line that ran along NW State Street from NW Prindle Street to NW Sitka Street to an 8-inch line. Mr. Grochowski indicated they anticipated the project to be complete by the end of the year. He noted information about the project would be posted on the city's website.

Councilor Dawes inquired as to what side of State Street the gas line was located on. Mr. Grochowski believed the current line ran along the right-hand side of the street and the new line would go down the left-hand side.

c. **Upcoming Meetings.** City Manager MacReynold reminded the Councilor about the Fire District #6 meeting on Tuesday, September 14, at 7:00 p.m. to discuss merger. He added the Chiefs had also put together some information on forming a stakeholders group.

City Manager MacReynold reported on Wednesday, September 15, at 5:30 p.m., the Airport Board would be meeting to discussing the council's proposal, with reference to the permit application to raise the levee.

## 9. **Council Reports.**

a. **Events and Meetings Attended by Councilor Spahr.** Councilor Spahr reported he attended the Lewis County Economic Development Council Committee meeting, adding they had a lot of things going on, but they just had to get something to pop. He noted one the members indicated things seemed to be getting better and they were seeing jobs coming in on the horizon, and it wasn't as bad as it was looking. He hoped they were right, adding they would just have to wait and see.

Councilor Spahr reported he also met the new city manager for the city of Centralia, noting he was a nice guy and felt he would do very well over there.

b. **Meetings and Events Attended by Mayor Ketchum.** Mayor Ketchum reported he attended the following meetings and events:

- August 27, 28 and 29 – worked from opening to close at the Chehalis Garlic Fest and Craft Show at the SW Washington Fairgrounds
- September 3 – attended the monthly Mayors meeting
- September 7 – attended the Chehalis Business Association Social at the Lewis County Historical Museum
- September 13 – met with representatives from Congressman Brian Baird's Office and Senator Patty Murray's Office to discuss the FEMA mapping issue and ask for a letter of support requesting FEMA to stop the release of the maps coming out in two weeks

c. **Events Attended by Councilor Dawes.** Councilor Dawes reported he also helped out at the Garlic Fest, noting he put in a couple of shifts. He reported the attendance was up slightly over last year.

September 13, 2010

10. **Comments on Item No. 2 - Initiatives Filed to Privatize Liquor Sales – Statewide November 2 Ballot.** Councilor Taylor inquired about the specific services the city provided in order to receive liquor tax and profits. Councilor Dawes believed years ago the money was brought in that way to get folks to support the idea of the State monopolizing and controlling the liquor industry in our state.

Councilor Taylor felt the presentation seemed like a union representative coming to preach about saving union jobs, which he was all in favor of saving jobs. He noted the part that bothered him was the city taking tax dollars for something that we're not providing a direct service for, adding he understood other services were paid for out of the general fund using that money.

Councilor Taylor noted he worked with companies like Dick's Brewery who thought privatizing liquor was a good idea, and others felt it was a way to bring people into their stores to sell product. He noted he liked the idea of privatizing liquor sales and he would not be in support of any resolution.

Councilor Spahr thought they should be able to calculate how much the city stood to lose if the initiatives should pass, but what they couldn't calculate was how much they might gain on the other side. Councilor Dawes suggested the State probably already had a plan should the initiatives pass, so everyone would still get their dime. Councilor Spahr indicated he would like to see the numbers. He stated when they eliminated the gambling tax it was suggested the city would be run over with casinos, and that didn't happen.

Councilor Harris stated the thing that concerned him was when they asked for the numbers and Ms. Engle responded by saying she could give them the number to the union representative.

Councilor Lund felt the State Liquor Stores were a pain to deal with, and if someone had liquor in a store where you could just go in and buy it, he would be happy.

Councilor Harris reported the Liquor Control Board was one of the state agencies that didn't have to take furloughs because they were their own revenue stream. Councilor Taylor stated you would think the Governor would support the initiatives because it would help solve her budget deficit.

There being no further business to come before the council the meeting adjourned at 7:22 p.m.

---

Mayor

Attest:

---

City Clerk

September 27, 2010

The Chehalis city council met in regular session on Monday, September 27, 2010, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:20 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Dennis Dawes. Councilor Taylor was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; and Judy Schave, City Clerk.

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 45 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum announced the council would take a five minute recess at 6:01 p.m. before reopening the regular meeting at 6:06 p.m. Additional staff included: Glenn Schaffer, Police Chief; Larry Allen, Assistant Fire Chief/Fire Marshal; Eva Lindgren, Finance Manager; Bob Nacht, Community Development Director; Andy Sennes, Property Manager; and Judi Smith, Public Works Office Manager. Members of the news media included Paul Walker from KITL.

2. **Emergency Medical Services (EMS) Levy.** Kevin Reynolds (1915 SE Maple Drive, Chehalis) thanked City Manager MacReynold for responding to his questions from the last council meeting. He noted he didn't necessary agree with all of the responses; however, he appreciated the fact that City Manager MacReynold took the time to get back to him.

Mr. Reynolds stated, as a citizen, he was curious as to the council's resistance to raising the EMS levy. He felt the city should raise the amount collected on the levy to a reasonable amount to provide for the current 13 fire fighters. Mr. Reynolds reported he went through all of the literature that was handed out prior to the election and concluded they sold the levy on the fact that it would maintain the current level of service. He noted the literature stated several times they were only taking .36 cents for the past calendar year, and mentioned just as many times the cap on the levy was .50 cents per thousand.

Mr. Reynolds reported the Chehalis EMS levy collection rates from 2004 to 2010 ranged from .36 cents to a little over .48 cents. He felt the variation reflected the needs of the department and the citizens. Mr. Reynolds believed with the current call volumes and stress level being put on services citywide, it would only make sense to increase the amount of the budget to whatever was necessary to meet the needs. He reported in reviewing minutes from past council meetings in 2009, there were a couple of quotes by the council that supported the need to budget what was necessary, and as a citizen and taxpayer, he felt the council should budget as much city services as they could get, especially police and EMS.

Mr. Reynolds stated it had become apparent to him that there was a disconnect between the department and what the city council needed to know. He invited the council to come down to visit them either through their chief, or City Manager MacReynold. Mr. Reynolds stated they would be happy to show the council the numbers, what they do every day, and how it impacts the citizens.

Councilor Pope stated he appreciated Mr. Reynolds making his presentation in such a professional and understandable manner.

Councilor Spahr stated he appreciated Mr. Reynolds passion and commitment, as well. He explained the council could not raise the levy for 2010 and they were just beginning the budget process for 2011, and any increase would take affect in 2011. Mr. Reynolds stated that was understood, adding because the council was not going to be having as many meetings this year to discuss the budget, he felt it was paramount to inform people before the budget was finalized.

Councilor Dawes responded to what Mr. Reynolds quoted him as saying in previous year minutes, noting, as a member of the budget committee, when giving input he was not only looking at next year's budget, but was also looking down the road. He stated fire equipment was very expensive and fortunately they only had to replace it every few years. Councilor Dawes indicated his position on the budget committee was to try to figure out how much was needed each year, adding if they take too much too soon and need something down the road, they might not have

September 27, 2010

anything left.

Councilor Dawes stated, while it would be nice to just look at one department, there were other departments within the city that also do important work for various services the city provides. He believed our country and our city had been hit with something that it hasn't been faced with since the great depression.

Councilor Dawes stated he too appreciated the fact that Mr. Reynolds was willing to come up and discuss it, adding he was well aware of what their intention and desire was and the budget committee would take that into consideration.

3. **Introductions.** Mayor Ketchum introduced Boy Scout Ethan Lund from Troop #373. Mr. Lund stated he was attending the council meeting to earn his 'Citizenship in the Community' merit badge.

4. **Employee Service Award.** Mayor Ketchum presented an award to Property Manager Andy Sennes for 25 years of service to the city. Bob Nacht talked briefly about the projects and partnerships Mr. Sennes had been involved with over the last 25 years. Councilor Dawes noted he had the pleasure of working with Mr. Sennes for 19 years as a fellow staff member, adding Mr. Sennes was truly missed by the staff and the people he worked with. He stated Mr. Sennes had tremendous organizational skills and the ability to get things done.

5. **Proclamations.**

a. **Domestic Violence Awareness Month – October 2010.** Mayor Ketchum presented Emily Marecle, Domestic Violence Program Manager from Human Response Network, a proclamation declaring the month of October as "Domestic Violence Awareness Month" in the city of Chehalis.

b. **Fire Prevention Week – October 3-9, 2010.** Mayor Ketchum presented Larry Allen with a proclamation declaring October 3-9, 2010, as "Fire Prevention Week" in the city of Chehalis.

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

- a. Minutes of the special meeting of August 30, 2010, and the regular meeting of September 13, 2010; and
- b. Claim Vouchers No. 97914-98046 and 82010 in the amount of \$428,414.61 dated September 15, 2010.

The motion was seconded by Councilor Spahr and carried unanimously.

7. **Staff Reports.**

a. **August Financial Report.** Eva Lindgren gave a brief update on the August financial report, noting she highlighted the more significant variances of the revenues and expenditures. She offered to answer any questions the council might have.

Councilor Harris inquired about the net budget income in both the water and wastewater funds, noting they were both coming up short in revenue. Ms. Lindgren noted the wastewater fees, sewer connections and miscellaneous fees were close to what they expected to receive in the wastewater fund. She indicated the bottom line total revenue variance from the expected revenue was being driven by the fact that the city had not yet issued the debt to repay the interfund loans.

Ms. Lindgren reported, with reference to the water fund, they did not have a great estimate on connection fees and did not expect them to come in at what was budgeted for 2010. She noted she had discussed the issue with the public works director, adding he and his staff had been more involved in generating the estimates for 2011.

September 27, 2010

Councilor Harris stated the reason he brought it up was because the city was hurting financially. He felt it wouldn't do any good to reduce workforce in the revenue earning departments; however, the current numbers in the utilities were a little scary, considering they were self-generating. Councilor Harris reported he would hate to think they would have to raise revenues or reduce staff in those areas. He noted the funds that always seemed stable were not as stable as he would like to see them.

Ms. Lindgren reported the city had not instituted any of the proposed rate increases, adding the council had been very reluctant to do so for obvious reasons. She reported they also had some very large debt service with the wastewater fund, which was drawing down the fund balance. Ms. Lindgren noted by budgeting for the interfund principal repayment it made the fund look okay for the year; however, the debt had not yet been issued.

City Manager MacReynold stated the city had no choice but to build the new wastewater treatment plant. He stated it was expensive, but long-term it was an investment for the city.

Councilor Dawes stated when they do the budget committee formulation he hoped they would come out with a timeline to start paying back the interfund loan between the two enterprise funds and the general fund.

Councilor Lund felt just because the utility funds had money coming in didn't mean they could spend all they want, and suggested they take a look at what they're spending money on. Mayor Ketchum noted Councilor Lund had a good point.

b. **Update on Website Design Project.** City Manager MacReynold reported the website project was funded through the tourism fund, adding it was a tool in modern communication with how we promote our city and provide information for our citizens.

Judy Schave reported in May 2010 the council awarded the website re-design project to Aha Consulting, Inc., and estimated the cost to be around \$15,350. She noted the cost of the project would end up being closer to \$15,100. Ms. Schave reported a team of city staff was put together to work with Aha Consulting President Brian Gilday to design the new website, which included a one-day design workshop and one-day training session. She reported, in mid-June, the team started adding real content to the site, such as: department information, forms, links, photos, etc.

Ms. Schave walked the council through the content of the new site, which included the new city logo and tagline, department information, and information for residents, visitors, and business. She noted the middle navigation bar included several items, such as: agendas and minutes for city council meetings and various city board and commission meetings; a calendar for upcoming events and meetings; documents; forms; job announcements; a quick link to parks & recreation; and the Renaissance. Ms. Schave noted the home page and each of the department micro-sites could have up to five "headline" stories and ten "Key Topics" each. The new site also included an area for current weather, news and press releases, and a listing of the most recent upcoming community events and/or city meetings.

Councilor Dawes stated in the process of talking about a new website they discussed giving residents the ability to go on-line to get forms and to provide services, such as on-line payments. He asked if the site would be set up in a secure way for residents to charge their utility bill to their VISA card, or such. Ms. Schave noted they had a drop-down link under "Residents" for on-line 'utility type' payments; however, until they had a vendor in place to take utility payments, that option would not be available. Councilor Dawes stated he just wanted to see the city get to a point of when they expend money into a project that they get the most usefulness out of it. He noted he was hoping that would be where we were at, or where we were going. Ms. Schave noted it was certainly where they were headed. She pointed out that municipal court's micro-site had a link to the 'Official Payments' site for visitors to make on-line payments for court fines, and such. It was noted parks and recreation used the same site to take on-line payments for recreation programs. Ms. Schave stated it was their intent to make the site more user friendly for residents and visitors, and to offer options like on-line payments and auto-forms.

Ms. Schave reported staff was also in the process of making new banners for the home page, and for each department. Councilor Dawes suggested they rotate the banner on the homepage for the various events and/or seasonally. She stated Deputy Police Chief Randy Kaut was actually the one working on the banners, noting he was

September 27, 2010

very good at it.

c. **Neighborhood Meeting – October 18, 2010.** City Manager MacReynold reported, based on the number of concerns and complaints the city had received with reference to American Behavioral Health Systems, staff would be hosting a neighborhood meeting on October 18 to give citizens and city staff an opportunity to raise their concerns. He noted the meeting would take place in the city hall basement meeting room sometime after 5 p.m., and the director from the Spokane facility and the Chehalis facility would be at the meeting. City Manager MacReynold noted a flyer would be mailed out to invite all of the residents and property owners in the area of the facility to the meeting.

Councilor Dawes asked if the council could be given information on the concerns and types of complaints, since he had not received any calls, personally. He added the only time he'd seen the individuals was when they were out walking in a group, to go to the park and back.

#### 8. **Council Reports.**

a. **Meetings and Events Attended by Councilor Dawes.** Councilor Dawes reported he attended a meeting with the District 6 Commissioners on the 14<sup>th</sup>; noting Mayor Ketchum and Councilor Spahr were also in attendance. He stated they gave direction to the chiefs to look to see where things could possibly go.

Councilor Dawes reported he and Mayor Ketchum also attended the 4<sup>th</sup> Annual Tour DaVita Bike Ride held at Stan Hedwall Park, adding it was quite an event and very well organized. He stated the event was put on by DaVida, the company that provides kidney dialysis up at the hospital site. Councilor Dawes reported they were a nationwide company and each year they picked a state to hold their event in, and this year it just happened to be Washington.

Councilor Dawes reported on September 22, at the invitation of the Chehalis Rotary, he and Mayor Ketchum stopped in to see the restroom project at the Scout Lodge. He indicated it was a very nice project and very well done.

b. **Update on Meetings Attended by Councilor Harris.** Councilor Harris reported the Chehalis Basin Partnership met the previous Friday, and Dan Davidson from the Department of Ecology presented information on reclaiming water, water rights, and usage.

Councilor Harris reported the flood authority requested the basin partnership be at their October 7 meeting, noting there seemed to be some communication that needed to be clarified with reference to flooding and projects the partnership had going on. He noted it basically had to do with the general investigation study. Councilor Harris stated even though there were a lot of challenges, the United States Army Corps of Engineers (Corps) was set to move on the levees.

Councilor Harris reported he also attended the Chehalis Business Association meeting, and talked briefly about a few of their upcoming events.

Councilor Harris reported the Department of Revenue sent out information about the streamlined sales tax mitigation and, according to the report, the city should have received eight litigation payments by now with losses as much as \$400,000 a year. He reported it was pretty amazing to see how much they were paying out to the cities and counties that had lost revenue, adding the dollars didn't add up anywhere near what the mitigation should be. Councilor Harris reported the information provided stated, "The department, at the advice of the Mitigation Advisory Committee, implements a \$25 threshold on mitigation payments. Any jurisdiction with a net loss less than \$25 would not receive a payment." He indicated he found it hard to believe they were watching it down to the \$25 limit with as much as we are all hurting and as little as they are paying out in mitigation.

c. **Chehalis Foundation.** Councilor Pope reported the Chehalis Foundation agreed to assist with plaques for all the buildings on the Chehalis walking tour. He noted the plaques would include the city logo and information about each of the buildings.

September 27, 2010

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

- September 14 – attended the Fire District 6 meeting
- September 15 – attended the Chehalis-Centralia Airport Board meeting
- September 16 – attended Business After Hours at the Lewis County Historical Museum
- September 17 – attended Constitutional Day at Washington Park in downtown Centralia
- September 17 – attended the ARTrails opening event at the Centralia Train Depot
- September 20 – attended the DaVida dinner at Stan Hedwall Park
- September 22 – stopped in at the Scout Lodge to see the new restrooms project by the Chehalis Rotary
- September 23 – attended the Corps project presentation at the Centralia Middle School

Mayor Ketchum reported on the Corps meeting, noting he believed the report they received was the same report they received back in January, adding he didn't know what they had accomplished since then. He stated the Corps wouldn't give any answers, and the information provided suggested the following:

- the levees they plan to build were not 100-year levees
- the levees may fix the freeway in Chehalis, but there were two other areas along I-5 that would still flood
- Kresky Avenue and National Avenue would flood worse
- Mellen Street would also flood worse, and shut down access to the hospital

Mayor Ketchum reported they had people at the meeting to give the demonstration, but no representatives in authority to answer any of the questions. He stated it was very frustrating and when a couple of people became aggressive, the meeting got very tense. Mayor Ketchum felt the next two meetings were probably going to be a lot worse since those were the people the Corps would be pushing the water onto.

9. **Lodging Tax Advisory Committee (LTAC) Recommendation – Special Request for Funding.** Councilor Harris reported the Lodging Tax Advisory Committee held a special meeting to re-direct some money that was to go to the Spring Home Tour, which had been cancelled. He introduced Lynn Ford from the Visiting Nurses Foundation to talk about the new project.

Ms. Ford reported the neighborhood they were working with decided to cancel the Spring Home Tour and do their own Christmas Tour this year.

Ms. Ford reported, in talking with Debbie Knapp at the Lewis County Historical Museum, she found out about the 100<sup>th</sup> anniversary for women's right to vote in Washington State. This prompted her and Ms. Knapp to look at doing something to recognize the 100<sup>th</sup> anniversary here in Lewis County.

Ms. Ford reported the project would involve a traveling exhibit from the Washington State Nursing Centennial Consortium from November 1 to December 15 at the Lewis County Historical Museum. She noted, in 1910 the same Washington State legislature that gave women the right to vote also approved the Nurses Practice Act that gave legally recognized graduates of nursing schools recognition as "Registered Nurses."

Ms. Ford noted she spoke with the Veterans Memorial Museum who traditionally targeted women in the military, and they would have some displays set up, as well. She noted the Veterans Memorial Museum would be partnering with them and giving a reduced rate the same weekend.

Ms. Ford noted other events on November 20 and 21 would include:

- a Pink Tea with a keynote speaker, tentatively at the Washington Hotel or the Lewis County Historical Museum
- a skit on the McKinley Stump called "Failure is Impossible"
- Sunday Brunch on the Steam Train
- a showing at the Chehalis Theater called "Iron Jawed Angels"



September 27, 2010

Ms. Ford reported they were hoping to receive \$2,500 from the hotel/motel tax money to promote the event.

Councilor Harris moved that the council approve the recommendation of the LTAC for the Visiting Nurses Foundation and Lewis County Historical Museum to use the \$2,500 that was to be used for the Spring Home Tour to be used for the Women's Suffrage Event.

The motion was seconded by Councilor Pope and carried unanimously.

Councilor Harris thanked the LTAC for always taking time out of their busy schedule to get together.

10. **Ordinance No. 859-B – First and Final Reading – Amending Ordinance No. 841-B.** Becky Fox reported when they passed Ordinance No. 841-B in December 2008 there was a Scribner's error in Section 240 of Title 7.04 that was repealed. She noted Ordinance No. 859-B would amend 841-B to include Section 240 of Title 7.

Councilor Dawes moved that the council suspend the rules requiring two readings of an ordinance.

The motion was seconded by Councilor Spahr and carried unanimously.

Councilor Dawes moved to pass Ordinance No. 859-B on first and final reading.

The motion was seconded by Councilor Spahr and carried unanimously.

11. **Update on Federal Emergency Management Administration (FEMA) Maps.** Mayor Ketchum reported, in response to a letter sent to Senator Patty Murray's Office regarding support to hold off on the release of the FEMA maps and to continue to put pressure on FEMA to provide information the city needed, the city received a phone call from Sean Murphy apologizing for his actions and attitude at the meeting held the previous week to discuss the matter. Mayor Ketchum reported through the rumor mill he had heard Senator Murray's Office had agreed to send the letter of support. He noted they also sent a letter to *The Chronicle*, but to date they had not printed it.

There being no further business to come before the council, the meeting adjourned a 7:29 p.m.

---

Mayor

Attest:

---

City Clerk

October 11, 2010

The Chehalis city council met in regular session on Monday, October 11, 2010, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:49 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. 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)(i) – potential litigation for approximately 15 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session and announced the council would take a two minute recess at 6:05 p.m. before reopening the regular meeting at 6:07 p.m. Additional staff included: Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Bob Nacht, Community Development Director; and Tim Grochowski, Public Works Director. Members of the news media included Rachel Thomson from *The Chronicle*, and Paul Walker from KITI.

2. **Emergency Medical Services (EMS) Levy.** Adam Myer (2070 SW Salsbury, Chehalis), Vice-President of IAFF Local 2510, reported when the city approached the public for support of the EMS levy in 2009, *The Chronicle* quoted City Manager MacReynold as saying, “the whole city had seen cuts as much as 30 percent over the past year, but the fire department could see layoffs in 2010 on top of the furlough days they had already taken if the EMS levy does not pass.” Mr. Myer stated the message they were asked to deliver in gathering support for the levy was that the measure would continue the levy for six more years and tax .50 cents per \$1,000 of assessed property value.

Mr. Myer reported the EMS tax was not an increase to the citizens, adding they voted overwhelmingly to maintain a level for service that was already there. He noted in 2008, the department fielded 1,228 EMS calls compared to 712 in 1998. Mr. Myer suggested the cuts to the department staffing would impact who was available to respond, and without the levy, the department would have to cut up to \$200,000 and money could not be funneled from the other struggling city departments to support it. He stated, according to the 2010 budget, not having the levy would equal one to two firefighter positions in the department.

Mr. Myer stated the public heard the message, adding the byline in *The Chronicle* reported, “Status Quo: Measure Would Maintain Level of Service and Tax Revenue Already in Place.” He felt the full utilization of the EMS levy in the manner the public overwhelmingly supported at .50 cents per \$1,000 would provide the funding to prevent a layoff in the department.

Mr. Myer reported, in 1993, the council had a Fire Service Master Plan prepared for the city. He noted the intent was to provide the city with an approach to identify the most appropriate level and best method of providing service. Mr. Myer stated at the time of the study, the call volume was 689 EMS calls. He indicated the Plan projected an increase in calls due to the number of elderly care facilities and the aging population of Chehalis. Mr. Myer reported, in 2009, there were 1,338 calls for medical aid, which was up 110 over the prior year. He stated the Plan recommended an immediate hiring of two additional personnel, and an eventual third funded by the EMS levy. Mr. Myer reported in 1996 the EMS levy passed and two firefighters were added bringing the staffing level to 13. He noted the plan also indicated the department was too “top heavy,” and recommended the elimination of a Chiefs position.

Mr. Myer reported the staffing recommendations were based on the call volume at the time. He noted call volumes had literally doubled with the addition of Wal-Mart, Home Depot, the enlarged Lewis County jail, the Vintage retirement apartments, Woodland Estates, multiple adult family care homes, the increasing student population in our schools, frequent large scale sports tournaments, the dialysis center, American Behavioral Health Services, and the expansion of Green Hill. Mr. Myer suggested the large scale operations that had moved into our city constituted an impact on services much greater than that of a residential home. He stated with the current staffing level of 13 firefighters they were able to maintain the city’s current ISO rating of 5, while surrounding areas were going to a 7, or even 9.

Mr. Myer reported the Chehalis firefighters were asking the council to not eliminate the thirteenth firefighter position. He invited the council to enter into a dialogue with Local 2510 to seek additional efficiencies and funding, whether meeting by committee or the whole council, they were seeking a more proactive partnership based on the

October 11, 2010

transparent understanding of the problems and potential solutions.

Mr. Myer stated, with all due respect to Councilor Dawes statement at the last meeting regarding budgeting for equipment, the firefighters were the ones who maintained and operated it and knew the score where replacement was concerned. He asked that the council utilize the Chehalis firefighters when analyzing the best ways to deliver fire and EMS services to the citizens of Chehalis.

3. **Emergency Services and Layoffs.** Kevin Reynolds (1915 SE Maple Drive, Chehalis) reported he planned to attend four to six council meetings to address the city council and administration about how they were running the city. He believed over the course of the meetings he could inform and educate, through thoughtful insight and communication, the ideas he had with regards to the operation of the city.

Mr. Reynolds reported, unfortunately, the situation in our city had changed more rapidly than he had predicted. He stated he would like to address the issue surrounding layoffs, particularly in emergency services. He stated he received some feedback from people that his words and comments may be discounted, and that some people would assume him biased because of his employment with the fire department. He indicated, in reality that was true; however, his employment gave him insight into certain aspects of operations of the city that others might not have. Mr. Reynolds started, despite his employment and a request from City Manager MacReynold to not speak to the city council; it was his right to speak. He added his opinion was just as relevant as any other citizen.

Mr. Reynolds reported at the prior meeting, Councilor Dawes stated the following: "Should the budget committee decide to increase the levy they would likely consider putting the money aside not to maintain employment of a fireman who was losing his job, but to replace aging equipment and fire apparatus for the Chehalis fire department." Mr. Reynolds stated he personally didn't want a fire department filled with expensive equipment with no trained professionals around to respond in it. He noted actions spoke louder than words, and despite Councilor Dawes statement of concern for the equipment, his comments did not earn him a lot of credibility in his eyes based on his past actions. Mr. Reynolds felt the budget committee raided the fire department's apparatus fund to help balance the general fund budget, and noted the following facts: the library project accounting debacle started the city's massive budget deficit; and, the budget committee helped balance the budget with monies from the fire department apparatus replacement fund. He noted Councilor Dawes previously stated it was reasonable to use the available levy money to replenish the raided fund at the expense of a fireman's job. Mr. Reynolds concluded that Councilor Dawes placed more importance on the temporary plants around the library, than responding to a citizen's cry for help.

Mr. Reynolds reported, while losing one fireman would certainly not destroy the integrity of the Chehalis fire department, or keep them from responding, it would certainly affect how they respond to calls and their capabilities during an emergency. He noted the National Fire Protection Association outlined requirements for manpower to operate safely during structure fires. Mr. Reynolds stated having one less firefighter in a small department could drastically affect the outcome of a potential rescue, as the risk increases. He felt cutting areas that affect safety was a regressive way of operating a city, and the first step to driving people and businesses away.

Mr. Reynolds suggested citizens had paid their fees and now they were going to get less service because the city council was irresponsible with the money. He stated he was personally outraged, adding the levy was sold to preserve current services and prevent any type of cut. Mr. Reynolds suggested some cities were using the economy to layoff firefighters even though they could fund them, while others had genuine fiscal problems. He encouraged the council to question its manager to find out which was going on in Chehalis. Mr. Reynolds stated he was paying for a service that the council was now taking away, and it would not go unnoticed. He understood tough decisions had to be made, tax revenues were down, and other departments were facing the same tough situation. Mr. Reynolds felt the council still had a chance to correct its course, and suggested other budget cuts such as the swimming pool, which was certainly hemorrhaging the city's money. He understood the council had some tough decisions, and hoped they would make the right ones.

4. **2010 Planning Association of Washington/American Planning Association - Planning Award Plaque Presentation.** Richard Hart, Co-Chair of the Planning Awards Committee, presented the city with the 2010 Joint Planning "Citizen Involvement" Award for its Chehalis Renaissance Plan. He noted over the last 26 years, the

October 11, 2010

two joint organizations had recognized outstanding planning, and economic development and citizen participation projects throughout the state. Mr. Hart reported the committee received nine submissions specifically in the category of 'citizen involvement' and Chehalis came out as the winner. He noted a couple of quotes that came from the jury that reviewed the projects:

- The Chehalis Renaissance project was a very sophisticated and expansive outreach effort that included a multitude of methods for obtaining citizen involvement
- The results defined the product, which was already seeing extensive use and implementation

Mr. Hart thought the council should be congratulated for their continued efforts of engaging its citizens in the future of the community, especially during these times of difficult economic situations.

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

- a. Minutes of the regular meeting of September 27, 2010; and
- b. Claim Vouchers No. 98047-98178 in the amount of \$144,206.44 dated September 30, 2010; and Payroll Vouchers No. 34049-34147 and 1759-1829 in the amount of \$754,473.49 dated September 30, 2010.

The motion was seconded by Councilor Spahr and carried unanimously.

6. **Staff Reports.**

a. **Neighborhood Meeting with American Behavioral Health Systems.** City Manager MacReynold reminded the council about the upcoming neighborhood meeting on Monday, October 18, 2010, at 5:30 p.m. in the city hall basement meeting room. He noted representatives from American Behavioral Health Systems would be in attendance to address concerns and complaints the city had received since the facility opened in August 2009.

b. **New Reporter for The Chronicle.** Mayor Ketchum introduced and welcomed Rachel Thomson, the new reporter from *The Chronicle*.

7. **Special Reports.**

a. **Update on Flood Meetings.** Julie Balmelli-Powe updated the council on the recent United States Army Corps of Engineers (Corps) public meeting, noting the only change since January was they added numbers to their maps. She stated the Corps was guessing that the levees would raise the water outside the airport levee about six to eight inches, and that 30 percent of the levees would not hold out the water of the 2007 flood. Ms. Balmelli-Powe stated the other revelation of the Corps plan was they had underestimated the cost to modify the Skookumchuck Dam to help alleviate the increase of water on the opposite side of the levee and were unsure if they would be able to include it in their levee plan. She noted original estimate was \$10 million and now they were guessing closer to \$50 million.

Mayor Ketchum indicated he didn't understand the estimate because the Corps hadn't even talked to the owners of the dam to be able to study it. Ms. Balmelli-Powe felt they pulled the number out of the blue; adding it was probably based on what they felt it would cost just to engineer it. She added Mayor Ketchum was also correct in the fact that they had not submitted any plan to TransAlta.

Mayor Ketchum stated the only question the Corp really answered during their meeting was the one Ms. Balmelli-Powe's asked that had to do with whether the levee would be certified as a 100-year levee. He noted the Corps indicated it would not be. Ms. Balmelli-Powe reported the state said they would not move forward with the levee plan unless they built the levees to handle the 2007 flood; otherwise, those who live behind the levee would not be able to get flood insurance.

October 11, 2010

Ms. Balmelli-Powe reported the recently formed Chehalis Basin Subzone District was being dissolved, noting they found a glitch in the process having to do with creating a new subzone without first dissolving what existed. She stated the Lewis County Commissioners intended on closing the subzone and would open it as its own individual zone. Ms. Balmelli-Powe stated she hoped the council would consider her to represent the city in the future, should that position arise again.

Ms. Balmelli-Powe talked briefly about the flood zone district planning meetings with the FCS Consultants, noting they had scheduled three public meetings in October. She reported the county commissioners no longer wanted to be in charge and were trying to decide how many supervisors they want to have on the committee. In addition, they were also trying to change some legislation to work out a few technicalities.

Ms. Balmelli-Powe reported on the basin-wide general investigation (GI), noting it needed to be signed in order to look at water retention. She added they last predicted the GI would cost \$24 million and take 14 years to complete. Ms. Balmelli-Powe stated there was a meeting last Thursday to try to decide whether they wanted to go forward with a dual-purpose plan, or a single-purpose echo-system/restoration, which would not include flood structures. She felt the dual purpose approach would be diluted down amongst all the other studies and would be even slower than the Twin Cities Levee project. Ms. Balmelli-Powe asked if the council had any input or support for the dual-purpose plan.

Mayor Ketchum asked what the 14-year plan would tell them. Ms. Balmelli-Powe reported it was a combination of looking equally at echo-system restoration and flood mitigation. She added, the 14 years was just to get through the feasibility phase.

Councilor Pope stated in the 31 years he had been here they had done nothing but spend money. He felt they would never see anything happen because the Corps was never going to do anything, adding they were wasting our time, efforts and money. Ms. Balmelli-Powe stated the past proved Councilor Pope to be right; however, she still held a small glimmer of hope that something might get done.

Councilor Dawes felt they should go back to the original plan he had, which was to take all the studies done off the shelf and line the banks of the Chehalis River from the headwaters down to the ocean. He suggested in 15 to 20 years there were going to be new regulations to follow that would just clog the process all the more. Ms. Balmelli-Powe indicated the Corps information had to be updated every five years, and if it took 20 years to study it, they would have to update it at least four times.

Ms. Balmelli-Powe stated, in her opinion, the city should say no to the GI study.

Mayor Ketchum stated he did not want to support another 14 year/\$24 million dollar project. Councilor Harris noted the \$24 million was today's dollars and wondered what the actual dollar amount would be by the end of the 14<sup>th</sup> year. He also noted concern about the end product. Councilor Harris stated he shared Councilor Popes concerns, but felt they had to try to do something. He indicated he would look to Ms. Balmelli-Powe for her guidance about the study.

Ms. Balmelli-Powe reported the one carrot the Corps offered was, if they signed the dual-purpose GI, in three-and-a-half years they would be able to tell us whether they could consider water retention going forward, or not.

Councilor Dawes stated based on what he heard he would not want to see the city sign on to anything that would encumber any more money for a best case scenario described as 'a glimmer of hope.' He noted he would rather take his chances that some more forward thinking, proactive people get on board.

Councilor Harris stated as soon as another flood comes that creates water coming from a different direction they were going to have to start all over anyway.

The consensus of the council was to say no to the GI study.

October 11, 2010

City Manager MacReynold reported he had the opportunity to go to the flood meetings and watch Ms. Balmelli-Powe represent the city. He stated it was not an easy task, but she does an excellent job, adding she does her research, pays attention and speaks up.

8. **Council Reports.**

a. **Meeting Update from Councilor Spahr.** Councilor Spahr reported he attended the Chamber Forum earlier that day and listened to a presentation from proponents of Initiative No. 1082. He noted it was an interesting discussion, but felt both sides needed to be looked at.

b. **Rose Beds Cleaned.** Councilor Dawes reported he noticed the rose beds had been cleaned out down at 13<sup>th</sup> Street and S. Market Boulevard, adding they looked very good. He stated he didn't know the group who had done the work, but he appreciated it and asked that it be passed along that they did a good job.

c. **.09 Committee Meeting Update.** Councilor Lund reported, at the .09 committee meeting on Friday, the Mayor from Centralia stated he had heard at the Mayor's meeting there were four or five cities filing for bankruptcy. Mayor Ketchum stated he attended the same meeting and believed PeEll was the only one filing for bankruptcy.

Councilor Lund reported Chehalis had applied for \$80,000 of the .09 monies for a new restroom facility over at the steam train. He noted the city was granted the \$80,000 as long as we performed; however, the association involved with the project did not perform and we lost the money. Councilor Lund understood they had the plans drawn up, but apparently the association couldn't get a loan to cover their share of the project. He indicated the city could re-apply next year.

d. **Meetings and Events Attended by Mayor Ketchum.** Mayor Ketchum reported he attended the mayor's meeting on October 1, noting the discussion was about the county's budget. On October 4 he attended a Sister City Committee meeting; adding a group of 12 would be leaving for Inasa, Japan, on November 3 to celebrate the 20<sup>th</sup> anniversary of the sister city program.

There being no further business to come before the council, the meeting adjourned a 6:46 p.m.

---

Mayor

Attest:

---

City Clerk

October 25, 2010

The Chehalis city council met in regular session on Monday, October 25, 2010, 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, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Tim Grochowski, Public Works Director; Russ Cox, Engineer Technician III; 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)(i) – potential litigation and RCW 42.30.140(4)(a) – collective bargaining for approximately one hour and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session and announced the council would take a five minute recess before reopening the regular meeting at 6:13 p.m. Additional staff included: Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; and Eva Lindgren, Finance Manager. Members of the news media included Rachel Thomson from *The Chronicle*.

2. **Support for Chehalis Fire Department.** Malia Gislason (440 N Market Boulevard #308, Chehalis) stated she had always been partial to the fire department, noting their importance regarding medical emergencies. She felt the city had a great group of firefighters and not enough people gave them the kudos they deserved.

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

- a. Minutes of the regular meeting of October 11, 2010; and
- b. Claim Vouchers No. 98179-98318 and 92010 in the amount of \$346,650.91 dated October 15, 2010.

The motion was seconded by Councilor Spahr and carried unanimously.

4. **Staff Reports.**

a. **Quarterly and September Financial Reports.** Eva Lindgren spoke briefly on the monthly financial report for September, as well as the third quarter report.

Ms. Lindgren focused on the quarterly report, noting it included the final adjusted numbers to create the beginning fund balances for each fund. She reported the actual fund balance for the general fund was higher than what was budgeted for by about \$100,000, adding once the interest allocations were entered the number dropped slightly from \$1.155 to \$1.138 million. Ms. Lindgren reported, in 2009, they did not budget for the retro pay. She noted by leaving the beginning fund balance a little lower than what was anticipated, it ended up being a wash for the retro pay paid out in 2010.

Councilor Lund inquired as to when they would be paying back the interfund loan to the utility funds for the purchase of the city hall building. City Manager MacReynold reported it would be paid in 2011. He stated they were going to try to create a situation using the revenue from the National Avenue wetland credits the city would start receiving in 2011, rather than coming to the council with a recommendation to go out for bonding or loan. City Manager MacReynold stated the city was projecting to receive between \$1 and \$1.2 million dollars from the wetland credits, which was about what the city owed on the building. He noted if everything worked out the city would have a general fund budget with no debt sometime next year.

Councilor Lund inquired about the water connection fees, noting they budgeted \$200,000 and had only taken in \$45,000. He wondered why the budget wasn't ran like a business, and asked how they were going to make up the \$155,000 in two months. City Manager MacReynold stated the enterprise funds were ran like a business, adding they had to charge enough to pay for the loans and cover expenses. He explained they would not be making up the entire difference by the end of the year. Ms. Lindgren noted they had discussed the issue in a previous meeting, adding her projections were based on erroneous assumptions. She reported she worked very closely with Tim Grochowski and

October 25, 2010

his staff on coming up with much more realistic estimates for 2011. Ms. Lindgren stated the variance would be addressed in the next budget amendment.

b. **Quarterly Sales and Use Tax Report.** Ms. Lindgren talked briefly about sales and use tax, noting the October report was down by 24.6 percent compared to October 2009. Councilor Dawes recalled an inflated payment in October 2009, which accounted for a large amount of use tax that was remitted back to the city. Ms. Lindgren stated that was correct, noting a similar situation happened in March of 2010. She hoped it would start to swing in the opposite direction before the end of the year, but there was no guarantee that it would.

Ms. Lindgren reported they budgeted \$3.3 million in sales and use tax, which was on target for 2005 and 2009. Councilor Taylor asked if the shortfall had already been accounted for in the layoffs and other measures taken; and if Ms. Lindgren considered the decrease in sales tax revenue throughout the rest of the year. Ms. Lindgren indicated she had, adding her projection through the end of the year for sales and use tax was now \$3 million. She noted, as of October, they were at a negative 9.8 percent, which was right in the ballpark.

c. **Chehalis Renaissance Funding.** City Manager MacReynold reported Chehalis Community Renaissance Team Chair, Larry McGee, had received some feedback that the city was spending a lot of money on the Renaissance projects. He felt it would be helpful for the council to have a worksheet showing the sources of funding for each project. City Manager MacReynold stated it was impressive, the amount of funds the Renaissance group was accessing from other agencies and funding sources.

## 5. **Council Reports.**

a. **Update from Councilor Spahr.** Councilor Spahr reported he attended the cross-town football game on Friday evening, adding the Chehalis Bearcats were victorious over the Centralia Tigers. He noted Assistant Fire Chief/Fire Marshal Larry Allen was in a wager with the city of Centralia and ended up getting a pie in the face.

b. **Update on Chehalis Foundation.** Councilor Pope reported the Chehalis Foundation funded the development of "The Chehalis Story" to a DVD. He noted copies could be purchased from Bob Spahr in about two weeks, adding the proceeds would go to the Chehalis Foundation to continue to help fund local projects. Councilor Spahr briefly talked about the production, noting there was a lot of history and some real interesting stuff in the DVD.

c. **Update from Councilor Dawes.** Councilor Dawes reported, on October 18, he and most of the other councilors attended the neighborhood meeting regarding the American Behavioral Health Systems (ABHS) facility. He stated he was hopefully optimistic that things would get better. Councilor Dawes noted he had a chance to walk by the facility a few times since the meeting and saw a lot of the windows now had their blinds closed and he didn't see anyone out and about.

Councilor Dawes reported the Lewis County Historical Museum had their annual dinner coming up on November 14 at Kit Carson, adding they would be electing new officers sometime during the dinner/meeting.

d. **Meetings and Events Attended by Mayor Ketchum.** Mayor Ketchum noted he attended the following meetings and events:

- October 12 – attended Fire District #6 meeting, along with Councilors Dawes and Spahr
- October 18 – attended the neighborhood meeting with ABHS
- October 21 – attended the Industrial Commission luncheon
- October 22 – attended the safety city ribbon cutting ceremony

Mayor Ketchum reported he would not be at the next council meeting on November 8, because he would be in Japan.

e. **Update from Councilor Lund.** Councilor Lund reported he also attended the neighborhood meeting with ABHS. He also attended the Chehalis Community Farmers Market dinner, and a barbeque for Pope's Kids Place.



October 25, 2010

f. **Update from Councilor Harris** Councilor Harris thanked the Chehalis Business Association for putting up the Halloween decorations in the downtown area, as well as the landscaping in the planters.

Councilor Harris felt the ABHS meeting was very productive, adding he had been by the facility everyday and changes were visible.

Councilor Harris reported he sat in on the 2011 Budget review with Councilors Dawes and Taylor, adding it was very painful.

Councilor Harris noted he had the pleasure of refereeing a soccer game over on the new field at Tiger stadium in Centralia, adding he liked the pitch of the field and it was a nice facility.

There being no further business to come before the council, the meeting adjourned a 6:36 p.m.

---

Mayor Pro-tem

Attest:

---

City Clerk

November 8, 2010

The Chehalis city council met in regular session on Monday, November 8, 2010, in the Chehalis city hall. Mayor Pro-tem Dawes called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, 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; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Bob Nacht, Community Development Director; and Peggy Hammer, Human Resources Administrator. Members of the news media included Rachel Thomson from *The Chronicle* and Paul Walker from KITI.

1. **Celebrating Women's Right to Vote in Washington State**. Mayor Pro-tem Dawes presented a proclamation to Lewis County Historical Museum Director Debbie Knapp, in celebration of the 100-year anniversary of women's right to vote in Washington State.

2. **Employee Service Award**. Mayor Pro-tem Dawes presented City Clerk Judy Schave a certificate of appreciation for 25 years of service with the city.

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

- a. Minutes of the regular meeting of October 25, 2010; and
- b. Claim Vouchers No. 98319-98427 in the amount of \$171,379.31 dated October 29, 2010; and Payroll Vouchers No. 34148-34227 and 1830-1900 in the amount of \$704,074.26 dated October 29, 2010.

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Staff Reports**.

a. **Resignation Letter Received from Public Works Director**. City Manager MacReynold reported he received a letter of resignation from Public Works Director Tim Grochowski with an effective date of January 24, 2011. He noted Mr. Grochowski's contributions to the city were very significant.

Mayor Pro-tem Dawes asked if they planned to start the replacement process before Mr. Grochowski retires. City Manager MacReynold indicated they did.

5. **Council Reports**.

a. **Update from Councilor Harris**. Councilor Harris announced the arrival of his new granddaughter born Friday, November 5, 2010. He added everyone was doing well.

Councilor Harris congratulated both the W.F. West girls' soccer team for winning their division, and the Centralia girls' soccer team who were headed to the playoffs. He extended his apologies to one of the forwards on the Centralia team who tore her ACL during one of the games he refereed.

b. **Update from Councilor Spahr**. Councilor Spahr talked briefly about "The Chehalis Story" project, which he had been working on for about three years. He noted it was a movie filmed in 1952 that gave a little snapshot of what life was like in Chehalis at that time.

Councilor Spahr stated he believed it was filmed by a gentleman who was traveling through town, and did it as a Chamber of Commerce project. He noted his dad received the film about 40 years ago and he always thought it was something that should be in the hands of the people of Chehalis. Councilor Spahr reported they were able to digitalize the film and put it onto DVD. He noted all the proceeds from the sale of the DVDs would go to the Chehalis Foundation for projects in Chehalis.

November 8, 2010

Councilor Spahr stated he was pleasantly surprised at how people were taking to the DVD, adding they had already sold about 200. He reported there were several locations around town where people could pick it up for a donation of \$20.

c. **Update from Councilor Taylor.** Councilor Taylor asked if City Manager MacReynold could give an update on the releasing of the Federal Emergency Management Administration (FEMA) maps.

City Manager MacReynold stated the city was informed, unofficially, that the FEMA maps would be released on November 11 or 12. He noted they would be meeting with FEMA tomorrow to see about pulling areas out of the floodway, adding there was still a question as to whether FEMA would be willing to do that.

Councilor Taylor asked if the release was earlier than what they intended. City Manager MacReynold reported they were going to release the maps in March, and then it got moved to July, then to September, and so on. He noted the city started requesting information about five months ago and, as of last week, FEMA claimed they had given it all to us; however, Engineer Bob Montgomery informed the city he still didn't have everything. City Manager MacReynold stated they weren't sure why FEMA couldn't get us the information, when, in fact, they had it to do the modeling to develop the floodway and floodplain. He reported he spoke with Mr. Montgomery about an hour ago, and he believed he may now have all the information we were requesting.

Mayor Pro-tem Dawes reported the city received a long letter from FEMA stating they would make sure we got everything we needed prior to Election Day; however, that didn't happen and two days after the election the city received notice that they were going to release the maps.

d. **Update from Mayor Pro-tem Dawes.** Mayor Pro-tem Dawes reported he attended the Association of Washington Cities (AWC) regional meeting in Kelso, Washington, on October 26. He noted AWC's legislative priorities for this year included:

- Delay the rule-making on state mandates that come down with no funding, with the expectation for cities to pay for it
- Flexibility with the real estate excise tax as to what it can be used for
- New tools to help cities thrive and recover
- Suspend personnel costs
- Maintain a beachhead in the state-shared revenues

Mayor Pro-tem Dawes reported just hours before the regional meeting an executive order was signed to simplify state sales tax. He asked AWC what it meant, but they didn't know, adding it was suggested it might mean a uniform tax countywide.

Mayor Pro-tem Dawes stated they also brought up the issue of streamlined sales tax, adding a committee/group (JLARK) was doing a study on what affect streamlined sales tax has had.

Mayor Pro-tem Dawes reported on October 27, he and Mayor Ketchum, Councilor Spahr and City Manager MacReynold attended a planning committee meeting with Fire District 6. He added the next step in the process was to appoint a member of the council to represent the city on the Regional Fire Planning Committee.

Mayor Pro-tem Dawes reported he showed up at Via Mercato, Inc., for a ribbon cutting ceremony, but apparently they thought it was going to rain, so they cancelled it. He stated he was disappointed that he didn't receive any kind of memo, or something stating it had been cancelled.

6. **Lodging Tax Advisory Committee (LTAC) Recommendations for 2011 Tourism Funds.** Councilor Harris, chair of the LTAC, briefly explained what the lodging tax was and what it could be used for. He reported there were regulations that determined its use and guidelines as to how to build a committee to make recommendations for its use.

November 8, 2010

Councilor Harris stated they had a wonderful committee comprised of: Natalie Ketchum, Best Western Park Place Inn & Suites; Satpal "Paul" Sohal, Chehalis Inn; Rick Burchett, Chehalis-Centralia Railroad and Museum; and Lee Grimes, Veterans Memorial Museum. He noted they were a hardworking committee and didn't have any difficulties asking the tough questions. Councilor Harris thanked City Manager MacReynold for attending their last meeting, and Caryn Foley for putting together the packets and the minutes from the meeting.

Councilor Harris thanked all 13 applicants that showed up to give presentations.

Mayor Pro-tem Dawes asked the council if they wanted to continue to receive the full packet of information on the requests made to the committee. He noted he was able to find the information he needed by reading the minutes from the meeting, and was satisfied with what the committee was doing. The majority of the council didn't feel it was necessary, but that packets should still be made available to those who would like to continue to receive it, such as Councilor Lund.

Councilor Harris talked briefly about a few of the requests in general. He reported they received a request from Jim Thomas asking for funding to host the proposed regional tournament in 2013. Councilor Harris noted Mr. Thomas had to show the regional headquarters of Babe Ruth Baseball by April 2011 that he had the financial resources to hold the tournaments. He indicated \$10,000 would be held in reserves in 2011 and \$10,000 in 2012, for use in 2013. Councilor Harris stated the committee was very supportive, adding they felt the tournament would generate at least that much funding, and possibly some additional funding that could be kicked back to the local Babe Ruth organizations.

Councilor Harris reported they received a request from the Centralia-Chehalis Chamber of Commerce and Dale Pullin, Sports Capital NW, who put together a 'scouting' program for higher level youth athletes in a five-state, two Canadian province area, to be brought to our area for scouts to view. He noted the program was not unanimously supported by the committee, adding it seemed it was more like a pass-through situation to supplement funding for a full-time marketing person to promote the Lewis County Sports Complex and Event Center. Councilor Harris indicated Mr. Pullin was not a 501(c)(3) and was contracting with the Chamber who was asking the city for the funding.

Councilor Harris talked about another funding request by the Chamber, which was to support the production of a "mobile" application for phones that would list information about Chehalis, such as: food, dining, shopping, etc. He noted the committee unanimously supported the request.

Councilor Taylor inquired about ARTrails, asking if they provided any kind of information to show how many people they brought in, or what they did to put money back into the fund. Councilor Harris stated it was difficult for the individual artists to track, but the committee received information that about 1,000 people attended the event this year. He noted there was a concern by the committee of only having three artists located in Chehalis, while the vast majority was located in Centralia. Councilor Harris indicated what ARTrails had requested was quite reduced, based on past performance. He added a couple of years ago they were going to build a large database and do some other things, but were not able to demonstrate they had accomplished any of that. Councilor Harris noted it was difficult for the committee to even come up with the \$2,500, but they were willing to continue to support it at the reduced rate.

Councilor Taylor reported local hotels were reporting the biggest bang they were seeing was coming from the Garlic Fest & Craft Show. Councilor Harris stated that was why they were recommending full funding for both the Garlic Fest and the Cascade Country Cook Off.

Councilor Pope stated, in the past, he had problems approving funding for ARTrails. He reported one thing they asked them to do was to take a look at the vacant storefronts in downtown Chehalis and help to coordinate artists who would be interested in having their work displayed. Councilor Pope noted that project had not gotten off the ground yet, but thought it would be interesting to see if it could happen in conjunction with the Renaissance. Mayor Pro-tem Dawes suggested having the opening event in one of the vacant buildings. Councilor Harris noted ARTrails had used the train station in Centralia to be their hub in past years.

November 8, 2010

Councilor Lund asked if a person or organization had to be a 501(c)(3) to receive funding. Councilor Harris indicated no, they did not. He added a not-for-profit was pretty much required, but there were circumstances where as long as the committee believed the event would provide for heads-in-beds, and not gifting of public funds, it was okay. Councilor Harris reported the State Auditors Office was a little vague on how they deal with things, adding they've had ruling reversals year after year on things where they would allow funding one year and not the next.

Councilor Lund suggested they think a little differently about the recommendations. He noted he had heard from others that our ballfields were hideous and tournaments wouldn't come here because of the shape they were in. Councilor Lund felt our kids were important to our community and if they don't have things for them to do, they end up in trouble. He stated the Chehalis Foundation was doing things for the kids, like the kiddy spray pool, and wondered why the city wasn't taking care of its baseball fields. Councilor Lund asked the council to think outside the box and maybe spend some of the money toward the ballfields, because the tournaments do put a lot of heads-in-beds. He suggested they talk to the Chehalis Foundation about fixing up the parks and ballfields. Councilor Lund felt they should reconsider the recommendations and start taking care of the city first before worrying about everybody else.

Councilor Harris stated he understood Councilor Lund's sentiment. He noted only recently had the auditor's office allowed tourism funds to be used for capital projects. Councilor Harris reported, based on the projections of what they were going to draw in next year, they would have a balance of \$68,080 at the end of 2011. He stated he would like to be able to do some work on the ballfields, but \$68,000 wouldn't even be a drop in the bucket to turf one of the fields. Councilor Harris reported we were spoiled in this country because we had to have artificial fields with painted lines on them; but unfortunately, that would take a lot more money than what the city had available. He noted he would be glad to work on any kind of project that would help do that for our ballfields, even if it was one at a time.

Councilor Lund stated there were a lot of other things they could do to improve the fields besides turf, such as having the fields drained, and making sure the base distances were at the right distance apart.

Councilor Spahr stated the hotel/motel owners recommended a few years ago that we go to the maximum on the tax. He felt the committee members had thoughtfully went through the process and awarded the money to those whom they thought had the best payback.

Councilor Spahr moved that the council approve the recommendations of the LTAC for use of lodging tax funds for 2011, and the council reappoint the memberships of Rick Burchett, Lee Grimes, Natalie Ketchum, and Paul Sohal to the LTAC.

Councilor Pope seconded the motion

Councilor Spahr stated he totally concurred with Councilor Lund that they needed to work on the ballfields. He stated he too would be willing to work with him to get something going in that general direction.

Mayor Pro-tem Dawes stated he also agreed with Councilor Lund, but he wanted to make sure they supported the ones who bring the support back to the city. He stated he needed to follow up on a conversation he had with Mr. Pullin, noting their plan was to get so many events that they would need all the fields in both towns to do it, and once they got some of the fields addressed in Centralia, they would be coming over here. It was his understanding that it would get done. Mayor Pro-tem Dawes stated he would have to find some time to chat with Mr. Pullin again, to see if that was still the plan.

Councilor Lund asked how they were going to pay for the upgrades. He felt they had an opportunity to plan ahead and put a little money aside for the future.

Councilor Lund moved to amend the motion to take back 25 percent across the board from the 2011 recommendations, and put it into a separate fund for infrastructure and improvements to our ballfields.

The motion was seconded by Councilor Taylor, but was defeated 4 to 2 with Councilor's Harris, Pope, Spahr and Mayor Pro-tem Dawes voting against the motion.

November 8, 2010

The main motion passed 5 to 1 with Councilor Lund voting against the motion.

Councilor Pope asked City Manager MacReynold to include a discussion on the ballfields at their next workshop. He noted there was movement to do something with the field behind Olympic School to convert it into a soccer field, and to later add a baseball or softball field. Councilor Pope reported they do have some diagrams and a committee working with the Renaissance team on that project. He noted, in conjunction with the fields, there would also be a walking path that Woodland Estate residents would be able to use and hoped they would be a positive participant in the plan.

Councilor Pope suggested they take an overall look at our facilities, adding there should be some planning to look at not only the lodging tax for funds, but other taxes, as well. He stated when they've gone to the public for our kids, they have always responded.

City Manager MacReynold reported there was approximately \$50,000 being held aside, and if there was an alternative approach as Councilor Lund suggested of having the Chehalis Foundation look at it as a resource, they could go back and submit a proposal to the LTAC for consideration of funding. He noted the door wasn't closed if there was a real interest in it.

**7. Expansion of National Avenue Mitigation Bank.** City Attorney Hillier reported the city recently entered into a mitigation bank development agreement with Womble, Carlyle (WCEI). He stated WCEI had since determined there was another property owner with four pieces of property next to the city's property, which added up to approximately 30 more acres that WCEI was very interested in. City Attorney Hillier believed it would enhance not only the ability to sell the credits for our 66 acres, but would enhance the return value of the credits.

City Attorney Hillier reported part of the drainage that goes through the city's 66 acres was included in the 33 acres owned by Kevin Klumper (K&K Property). He noted TransAlta had some property in the drainage basin that WCEI was real interested in, as well, that may enhance the ability to sell credits. City Attorney Hillier stated WCEI also liked the looks of our SR6 property, which was the surplus the city had from what we purchased for the poplar tree plantation. He stated WCEI was convinced the value of the credits off the National Avenue property would increase, and our ability to recoup our investment through the process would take about two years.

City Attorney Hillier reported all the property owners and stakeholders in the amendment agreed that Chehalis would take their dollars out first before any other party received any money. He stated he couldn't speak to whether the SR6 property would be included in that because there were a couple of hurdles to jump over, adding there had to be some dirt removed from the property before it would become subject to the enhancement process.

City Attorney Hillier reported the restated agreement would allow them to insert property, or take out property as needed. He noted the documents were drawn up to give the city the flexibility to include or to not include the SR6 and TransAlta property. He stated by adding the Klumper property it would certainly enhance our ability to complete the project on National Avenue, and it clearly enhanced the value of each credit. City Attorney Hillier didn't feel there was any downside to it and recommended the council allow the city manager to execute the agreements.

Councilor Taylor asked if the city's return on the credits had changed, noting at one time it was \$1.2 million. City Attorney Hillier reported there was absolutely no question the number would be going up. He didn't know the exact number yet, because the value per credit wouldn't be determined until after the development was completed.

Mayor Pro-tem Dawes inquired about the sharing of the costs involved. City Attorney Hillier reported the city would not pay any costs of the actual development, adding the city owned the property today and would continue to own the property.

Councilor Lund stated things were tough right now and nobody was building. He asked if they knew what a credit would be worth in five years. City Attorney Hillier reported WCEI indicated they already had a market for the credits, which he thought was the State of Washington Department of Transportation. He stated the credits may be worth more in five years, but didn't know what that dollar figure would be. City Attorney Hillier reported in the next two

November 8, 2010

years, WCEI was predicting at least \$2 million to the city.

Councilor Lund asked what they would do if they used up all of the credits now and needed more in the future. City Attorney Hillier reported they had two pools of credits, the first being the National Avenue property, which the city was reserving three credits; and the SR6 property, which would be four or five years down the road. Councilor Lund asked if the three credits would satisfy the need for the Barnes Property. Bob Nacht stated under the current scenario it would, adding what the city needed now was a developer interested in doing that. Councilor Lund suggested the council think about what they're going to do when the land is all gone, especially in five or ten years if they need to do something. He suggested they were locking themselves in with one company with everything they had, not knowing if they were going to perform, or not. He noted the council had gotten zinged before dealing with people they trusted, and thought it would be wise to wait and see how WCEI does on the first project.

City Attorney Hillier stated the council could certainly hold out the SR6 property.

Councilor Spahr asked if there was a time limit in the agreement for performance. City Attorney Hillier stated they projected to take their prospectus to the Environmental Protection Agency the first week in November.

Mr. Nacht stated there was a lot of discussion going on between all the parties, adding the whole issue was culminating into a win-win situation for everybody, and encouraged the council to support it. He reported, as for the future, any credits available through the process would be available to any local developer, adding he didn't believe they were all pre-sold, and even if they were, there were other wetland banks in the vicinity that are available to local developers. Mr. Nacht felt if the city held on to some of the credits it would be a loss in revenue, and a cost to the city later on to make them credits.

Councilor Spahr stated he appreciated what Councilor Lund had to say, but he could also appreciate entering into an agreement today because once WCEI was gone, they're gone. He felt the opportunity was knocking and they should answer the door, adding the SR6 property had value as a whole, but probably not so much by itself.

Councilor Pope stated he had no problem with the National Avenue property, but believed the SR6 property had some potential value for other things. He indicated he had some objections to including the SR6 property at this time.

Councilor Harris stated he had some trepidation about including the SR6 property, as well. He suggested the property might be worth a little more down the road, and whether they could get WCEI to do the same thing later was of question. Councilor Harris talked briefly about the FEMA maps, adding who knows how good it would be once those come out.

Councilor Taylor asked if the SR6 property would still be of value to WCEI later on if they withheld for now. City Attorney Hillier stated the real enhancement of value was the addition of the Klumper property to the National Avenue site. He added they still don't know what the value of the SR6 property would be to the whole wetland project, adding WCEI was the one to show an interest. City Attorney Hillier stated they didn't have to include it, but the agreement would still need to be restated to include the Klumper property. Councilor Taylor asked if it would hurt the city to take the SR6 property out. City Attorney Hillier didn't feel that it would.

Councilor Harris asked if it would preclude them from doing anything in the future if they took it out. Mr. Nacht stated not necessarily, but the issue would be whether WCEI had any interest in doing it at a later date.

Mayor Pro-tem Dawes asked if the new FEMA maps would change the process in any way. Mr. Nacht stated it would not change the process; however, it could change the use of the property.

Mayor Pro-tem Dawes asked if they choose to include the SR6 property, could they request to hold credits for potential use by the city. City Attorney Hillier stated they had not discussed that concept, but if the council so desired, they could approach WCEI to see if we could negotiate something.

November 8, 2010

Mayor Pro-tem Dawes talked briefly about whether WCEI would be willing to come back at a later time and do a mitigation bank on the SR6 property. Councilor Lund was sure there were other people who would want to do it, adding the Port of Chehalis was currently doing one. He wondered why the Port couldn't work jointly with the city in the future to do it themselves.

Councilor Spahr inquired about the location of the SR6 property. Mr. Nacht stated it was the 56 acres coming back towards town from Highway 603, located on the west and south side of the duck pond.

Councilor Harris asked if WCEI could estimate how many credits were on the SR6 property. Mr. Nacht noted the property did not have a value to credits as it currently existed. He noted the current elevation of the property was too high and in order for it to become a mitigation bank there would have to be an action to remove dirt from the property before it would be of any value to WCEI. Mr. Nacht noted the property was considered a regulatory floodway and the city couldn't do anything with it.

Councilor Pope stated he agreed with Councilor Lund, they don't know what the future holds, and if they used up the three credits from the National Avenue property the city or a developer would have to pay for a mitigation bank somewhere else. He suggested they try to get another three or four credits secured.

Councilor Lund stated he didn't mean he wanted three or four credits; he thought they needed to keep all of the SR6 property, because as the years go by the ratio per acre for mitigation was going to go up.

Councilor Pope moved that the council approve and authorize the execution of the amended and restated mitigation bank development agreement and the amendments to the mitigation bank development agreement, with the exception of the SR6 property.

The motion was seconded by Councilor Lund.

Councilor Harris stated, in the interest of expedition, he would like to see if they could get some response from staff and WCEI as to what the SR6 property could be worth in credits down the road. He noted he didn't want to close the door on the SR6 property.

Mayor Pro-tem Dawes didn't feel the motion would close the door to anything on SR6. He believed staff would try to find out the best potential use and benefit for the property. Councilor Harris felt staff had already told them what they thought was best.

City Manager MacReynold noted staff's recommendation was based on a recommendation from a developer who would benefit from the project. He noted these were the difficult decisions the council was elected to make, and felt the council was making a very wise decision, based on the fact that they were looking to the future.

Councilor Spahr stated if in two weeks staff comes back to them and they change their minds, they could put in an option for three to five credits on the SR6 property to be available in five years if we need them.

Mayor Pro-tem Dawes stated he felt comfortable supporting the motion as it was, for the simple reason it was something they needed to get moving on now and would prove to be the quickest turnaround for the city. He noted the SR6 property was still going to be there and the city would have total control over it to use as they see fit when the time comes.

Councilor Pope called for the question. The motion carried unanimously.

8. **Appoint Council Representative to Regional Fire Planning Committee.** City Manager MacReynold reported they had been in on-going discussions for about three to four years with Fire District 6 on the possibility of merging or consolidating with them. He stated recently their discussion had been expanded to include Riverside Fire Authority, and most recently, Fire District 5.



November 8, 2010

Chief Kelvin Johnson stated they had made some great steps on their working relationship with Fire District 6, as well as the other fire districts in the area. He stated there was no doubt in his mind after being in the fire service for the last 32 years that business was changing. Chief Johnson felt it was only wise and prudent to go ahead and have discussions with one another, and with our other neighboring departments to see what possibilities were out there to provide the level of service the citizens have come to expect. He noted there was information attached to the agenda that had been shared during their last couple of open public meetings, and they were now at the point where they want to formulate a specific planning committee to really get down to the nuts and bolts and come back with some type of recommendation, hopefully within the next 12 months.

Chief Johnson asked that the council appoint one of their members to join them on the planning committee.

Councilor Spahr felt the process was going to take a lot of time and work. He stated he would like to see Mayor Pro-tem Dawes appointed to the committee to represent them, if he would take it.

Mayor Pro-tem Dawes stated he would be willing to do it.

Councilor Taylor also nominated Mayor Ketchum, stating he had a chance to speak with the mayor and he asked that his name be put in the bucket for consideration. He felt either one would represent them well.

Councilor Spahr moved to appoint Mayor Pro-tem Dawes to the Regional Fire Planning Committee.

The motion was seconded by Councilor Pope and carried 4 to 2 with Councilors Lund and Taylor voting against the motion.

There being no further business to come before the council, the meeting adjourned a 7:36 p.m.

---

Mayor

Attest:

---

City Clerk

November 22, 2010

The Chehalis city council met in regular session on Monday, November 22, 2010, 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, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Mark Scheibmeir, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Bob Nacht, Community Development Director; Eva Lindgren, Finance Manager, Peggy Hammer, Human Resources Administrator; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Dave Vasilauskas, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Judith Smith, Public Works Office Manager; and Andy Sennes, Property Manager. Members of the news media included Rachel Thomson from *The Chronicle*.

1. **Santa Parade and Holiday Events.** Jim Valley, Executive Director of the Centralia-Chehalis Chamber, reported on the 61<sup>st</sup> Annual Santa Parade taking place on Saturday, December 4, at 11:00 a.m. in downtown Chehalis. He announced they had 58 entries for the parade, including Seattle Seahawks mascot, "Blitz" as their special guest. Mr. Valley invited the councilors to participate in the judging of the parade, if any of them were available.

Mr. Valley reported the Chamber would be open on the Friday after Thanksgiving handing out "Shopping Survival Kits" that would include coupons and gift cards from local business members, to hopefully entice people to shop local. He also talked briefly about the 'Santa Drop' at I-5 Toyota on Sunday, November 28, at noon.

2. **SR-6 Property.** Robert (Bob) Sokolove of Womble Carlyle Ecology Innovations, LLC (WCEI), reported he appeared before the council a number of months ago to discuss the National Avenue mitigation bank site, adding he understood there had been some discussion before the council at the previous meeting with regards to the SR-6 site.

Mr. Sokolove reported there had been a lot of effort with regard to what had taken place on the National Avenue site, including: the archeological review; a complete surveying effort; initial design work; and a preliminary plan for the site, which was submitted to the United States Army Corps of Engineers and the Department of Ecology.

Mr. Sokolove stated on November 12 a letter was sent to various members of the council and to the city manager regarding the critical opportunity the city had with the SR-6 site, adding he wanted to clear up any misconceptions. He estimated a mitigation bank on the SR-6 site would produce a large accelerated amount of revenue to be shared between all the parties involved, noting in his opinion, the SR-6 site alone represented about \$1.4 to \$2 million dollars for the city. Mr. Sokolove stated because the SR-6 property sat very high it wouldn't ordinarily be considered for a mitigation bank site; however, the Washington State Department of Transportation (WSDOT) needed to take out about 500,000 cubic yards of dirt to offset a floodplain fill they created with one of their projects and was interested in the SR-6 site for their mitigation.

Mr. Sokolove felt the opportunity before the council would not come up again, and economically it wasn't something any of them could come back and do at a later date. He reported they already had end-users interested in buying the credits, and were shooting for their first sale of the credits in the summer of 2011. Mr. Sokolove asked the council to reconsider their position on the SR-6 property.

Councilor Spahr asked how deep the hole would be that WSDOT would dig out on the SR-6 site. Mr. Sokolove indicated it would go down to the water-table; however, at the end of the day it would look like a restored wetland. He noted it was very possible they would create a forested wetland system on the SR-6 site, in order to make it look more natural.

Councilor Spahr wondered what would prevent the land from filling back in with dirt during future flooding events. Mr. Sokolove stated they were required to design their sites so they maintain healthy wetland systems.

Councilor Pope stated as the city continues to develop it was going to need credits and wondered if any would be set aside for that purpose. Mr. Sokolove reported they could work out any kind of arrangement, adding the city could have the credits or the money. Councilor Pope asked how soon the money would be forthcoming. Mr. Sokolove stated he couldn't guarantee, but they were shooting for the summer of 2011. He indicated they would get

November 22, 2010

30 percent of the credits the instant they get bank approval and start the construction, adding their goal was to have as much inventory as possible on day one.

Councilor Pope inquired about bonding. Mr. Sokolove stated they were required to have a construction bond on all of their projects, both with the regulators and the land owners. He noted they were also required to have a post-construction (maintenance and monitoring) bond.

Councilor Pope stated that if they decide to include the SR-6 site he didn't want there to be any costs to the city, adding the taxpayers could not spend money on speculation. Mr. Sokolove reported the city would have no financial risk, adding the only contribution from the city would be the land itself and even then, at the end of the day, the city would still own it.

Councilor Pope also suggested to Mr. Sokolove that when dealing with other parties they should keep their focus between themselves and not go outside to try to influence the council in any way.

Councilor Dawes stated he too would like to see some credits reserved, should the city decide to proceed. He stated he was a little concerned about the Federal Emergency Management Administration (FEMA) maps that were recently released, wondering how the credits might play into that. Mr. Sokolove indicated what they were doing would not affect the wetland floodplain issue in any way.

Councilor Taylor reported the council's concern from the previous meeting had to do with getting themselves into a position where they wouldn't have enough credits for future growth. He asked Mr. Sokolove if they would need to make the decision on credits versus dollars that evening with regards to the SR-6 site. Mr. Sokolove strongly recommended that the council not make any decisions until they put some thought into it. Councilor Taylor believed the split was already set in the original agreement and it was not something they had to worry about. Mr. Sokolove stated that was correct, adding now it was just a question of whether the city would want credits or currency.

Councilor Taylor asked if there was a difference between a land bank and what the Port of Chehalis had created. Mr. Sokolove explained the difference would be that the Port did not go through the full wetland mitigation banking approval process. He noted under the new federal rule that came out in April 2008, there is an entire review analysis process that one has to go through now. Mr. Sokolove reported they were setting the highest bar for themselves so the credits would meet any potential end-user needs.

Councilor Harris inquired about the number of credits being set aside on the National Avenue site, and asked how many credits they expected to gain on the SR-6 site. Mr. Sokolove noted three credits had been set aside for the city on the National Avenue site; however, they wouldn't know about the SR-6 site until they do the design work and get regulatory approval. He stated the SR-6 site was 69 acres and estimated the viable number would be about 40 credits. Mr. Sokolove reported credits were currently selling for about \$200,000 each, adding there was a hardy amount of money in swamps these days.

Councilor Harris stated it would be interesting to see how the rest of the basin partners felt about us removing 500,000 cubic yards of fill. Councilor Taylor suggested they would love us.

Councilor Lund asked if the credits would increase once the plants grow larger on the site. Mr. Sokolove stated they would agree from the beginning to enter into a mitigation bank instrument, which was the contract between them and the regulators. He noted at the time of bank approval they are granted a certain number of credits for the project and that number never changes. Mr. Sokolove stated the only thing that could change would be how many credits get released at each milestone, which was also set in the agreement from the beginning.

Councilor Spahr asked what kind of time Mr. Sokolove was talking about, with reference to WSDOT. Mr. Sokolove stated as soon as possible would be helpful, adding he felt uneasy about telling WSDOT to continue unless the city agrees to include the SR-6 site.

Councilor Taylor moved to reinstate the SR-6 site as part of the mitigation bank development.

November 22, 2010

The motion was seconded by Councilor Harris.

Councilor Dawes stated he would like to get staff's perspective to make sure he understood where they were coming from. City Manager MacReynold reported he thought the council had a good discussion during the previous meeting and they gave clear direction. He noted, with the additional information provided, the council could decide to take a different approach, adding those were tough decisions they were elected to make. City Manager MacReynold felt the administration's position had not changed. He indicated he did have some reservations and concerns about it, but added it was certainly an opportunity. City Manager MacReynold stated the council could approve it that evening, or ask to have it brought back at the next meeting.

Mayor Ketchum thought it should come back to them so they could discuss the issue of how many credits the city would need to keep. Councilor Dawes understood the motion to be that staff would bring something back for their approval. City Manager MacReynold felt the motion was meant to approve the prior amendment. Councilor Taylor indicated he just wanted to put back in whatever they took out at the previous meeting.

Councilor Harris withdrew his second, in order to clarify what the motion was.

Mr. Sokolove stated all they had to say was they were granting the opportunity to amend the existing contract for the option to include the SR-6 site. He noted at that point he and City Attorney Hillier would go back and negotiate the terms of the new contract.

Councilor Spahr restated the motion to move to direct staff to renegotiate the SR-6 site.

The motion was seconded by Councilor Pope and carried unanimously.

3. **Employee Service Award.** Mayor Ketchum presented Water Superintendent Dave Vasilauskas with a certificate of appreciation for 20 years of service with the city.

4. **Presentation of Sister City Gifts.** Mayor Ketchum reported 14 people went to Inasa, Japan, to celebrate the 20<sup>th</sup> anniversary of the sister city program. He asked members of the group to talk briefly about their experience and to present the gifts received from the Mayor of Hamamatsu. The gifts included a shadow box with dried chrysanthemums and two colorful coats, one for a small child and one for an adult.

Sue Bellevue, Chair of the Sister City Committee, introduced her husband Gordon Bellevue, who stated they had a blast experiencing the culture of Japan. He reported they stayed with host families for about a week and visited various sites, including a sake factory, a tofu factory, and a Suzuki factory.

Lee McCrite stated it was a great trip, adding by staying with the host families they really got to see how they live. She noted they met some wonderful people and hoped some of them would be able to come over here soon.

Karen Monroe reported they first got involved with the sister city program in 2004, adding they had such a good time hosting visitors that they decided to host an exchange student the following year, which ended up being the sister of one of their guests. She stated they had the pleasure of getting to know her, adding she became very good friends with many kids at W.F. High School and the Chehalis Middle School. Ms. Monroe reported this was the first chance for them to go to Japan and they were glad to be able to stay with the family of their exchange student, who they now consider family, as well. She noted the seeds that were planted through the program were incredible, and the experiences they had were too numerous to mention.

Ms. Bellevue stated they were very fortunate to celebrate the 20<sup>th</sup> anniversary of the sister city program and would love to be standing in front of the podium 20 years from now to say they'd made it to 40 years. She reported things were different in Japan with the way they had changed their city governments, and the program would have to change in order to survive. Ms. Bellevue felt it was important to find a way to move the program forward and didn't get the feeling that they were ready to give it up either. She thanked the city council for their support for the program.

November 22, 2010

Mayor Ketchum reported if a delegation comes from Inasa next year, it would probably be the last week of March or the first week of April.

5. **Public Hearing on the 2011 Proposed Budget and Revenue Sources**. City Manager MacReynold reported the public hearing was part of the annual process for the council to consider the future year's budget.

Eva Lindgren talked briefly about the tax levies, noting under the direction of the council, there were no tax increases programmed in. She noted there was a slight increase over the current year budget for the property tax levy in both the general and emergency medical services (EMS), which was driven by new construction and increases to the utility value. Ms. Lindgren stated she had been in touch with Lewis County on a regular basis with regards to property tax collections, adding they were still on track for 2010.

Ms. Lindgren reported sales and use taxes were coming in close to the \$3 million they were now projecting. She noted they were going to call the 2011 sales and use tax revenues at the same level.

City Manager MacReynold first thanked the department managers and their support staff for putting their budgets together, adding it was not an easy process. He also thanked the budget advisory committee, Councilors Dawes, Harris and Taylor, for their commitment and time. City Manager MacReynold gave a brief overview of the budget, highlighting some of the 2010 accomplishments, which included:

- Maintained the fiscal viability of the city during the continued major economic downturn
- Completed the Chehalis Avenue pilot project and analysis
- Closed out the Chamber Way project
- Continued progress on the Louisiana Avenue project in cooperation with Lewis County, WSDOT, and Centralia
- Developed a historical walking tour
- Implemented new wayfinding signs throughout the city with the new city logo
- Developed and implemented a new city website
- Continued active participation in the flood control effort through the flood authority
- Provided leadership and efforts concerning the FEMA mapping
- Police department going paperless for all of their police reports
- Continued discussions with Fire District 6 partners concerning regional fire service
- Continued active recreation programs
- Established a chip and crack seal program
- Completed a draft water service plan

City Manager MacReynold listed some of the 2011 goals, which included:

- Continue to maintain the city's fiscal viability
- Increase street repairs throughout the city
- Institute credit card use and electronic payments citywide
- Continue to work towards the development of the Barnes property
- Continue cooperation in regional flood control efforts
- Continue to cooperatively explore how to improve downtown aesthetics and infrastructure
- Actively participate in regional fire service planning, now expanding to include Riverside Fire Authority
- Continue to seek funding for city parks and recreation
- Continue efforts to expand youth programs
- Participate actively in Lewis County's campus project

City Manager MacReynold stated there really wasn't much to say about the individual budgets, other than everything was lower. He noted the 2011 revenues would be down about 8.8 percent from 2010, and 2011 expenditures were projected to be 11.58 percent less than the current year. City Manager MacReynold stated the utility funds were doing all right, due to continuing to defer capital projects. He noted they were going to have to bring some recommended proposed rate increases in 2012, because they couldn't continue the current situation. City

November 22, 2010

Manager MacReynold indicated if they do make money on the SR-6 property, it would certainly help out the sewer fund.

Mayor Ketchum closed the regular meeting at 7:15:32 p.m. and opened the public hearing on the proposed 2011 budget and revenue sources. There being no public comments, Mayor Ketchum closed the public hearing at 7:16 p.m. and reopened the regular meeting.

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

- a. Minutes of the regular meeting of November 8, 2010; and
- b. Claim Vouchers No. 98428-98566 and 102010 in the amount of \$187,915.70 dated November 15, 2010.

The motion was seconded by Councilor Taylor and carried unanimously.

7. **Staff Reports.**

a. **October Financial Report.** Ms. Lindgren reported the property tax revenues from Lewis County were remitted to the city the first week of November, and as indicated earlier, they were on track for 2010 collections. She noted some of the information she would be presenting would tie into the budget amendment that the council would look at later in the meeting. Ms. Lindgren stated one of the key items was the sales and use tax revenues, which would be reduced from \$3.3 to \$3 million. She also talked about the proceeds for long-term debt, noting the budget amendment would remove that revenue since they would not be issuing the debt in 2010.

Ms. Lindgren reported \$1.13 million in the non-departmental fund was for the repayment of the interfund loans to the water and wastewater funds; however, since they were not doing it in 2010, the budget amendment would remove it. She noted, since they were not issuing the debt, the budget amendment would also remove the interfund principal repayment in both water and wastewater.

Ms. Lindgren reported the overestimation of water connection fees and miscellaneous fees was addressed in the budget amendment, as well, to reflect of what they were actually seeing.

b. **Update on Transportation Improvement Board (TIB) Grant Award.** Tim Grochowski reported the city applied for a TIB grant for Chehalis Avenue to tear up the street and put it back together in 2012. He indicated the city did not receive the award; however, the city did receive a transportation enhancement grant to do 'top' street improvements. Mr. Grochowski noted Toledo received some TIB money, as well as Morton, Mossyrock, and Pe Ell.

8. **Council Reports.**

a. **Update from Councilor Spahr.** Councilor Spahr reported he attended the Lewis County Economic Development Council (EDC) meeting, adding there were some real interesting things going on in the industrial arena and hoped they would be getting some good news out of that body in the next few months. He indicated the EDC was struggling with their budget situation just like everybody else, trying to figure out how they can survive next year.

b. **Update from Councilor Taylor.** Councilor Taylor reported one of the issues that came up during the neighborhood meeting with American Behavior Health Systems (ABHS) was the bus stop located on SE Washington Avenue. He noted he took the issue to the Twin Transit Board to see if they could move or relocate the bus stop. Councilor Taylor noted they came up with two options: the first would be to relocate the bus stop to SE Adams, which would involve construction and right-of-way issues; and the other option was to make it a Do Not Service area. He noted the board had concerns about the second option because of the elderly people who do ride the bus in that area. Councilor Taylor reported the neighbors were now going to different bus stops because they felt threatened at the one in front of ABHS. He noted the transit board didn't want to do anything without understanding what the city wants to do first.

November 22, 2010

Councilor Taylor reported he spoke with a couple of the neighbors who felt the problems had not been handled, adding even though the blinds are required to be shut the residents of the facility still open them to look out. He noted they still had an issue with debris, and apparently there was a car stolen by one of the residents from the facility.

Councilor Taylor asked what the council would like to do with regard to the bus stop, and wondered if they should try to set up another meeting to see if the problems were being handled by ABHS.

Mayor Ketchum noted if they move the bus stop they would have to move it to where the elderly can still get access to it. Councilor Dawes suggested putting it down closer to Providence Place. He also inquired about the second issue, wanting to know if the neighbors took the administrator up on his offer to call him if they had any problems. Councilor Taylor noted they were having issues getting ABHS staff to respond, so they called the administrator and he called back a couple of days later and showed up on their doorstep at 6:00 p.m. wanting to address the issue.

City Manager MacReynold reported they were committed to do a follow-up meeting with the neighbors and ABHS in January, noting with the holiday season upon them it might be difficult to pull something together sooner. He reported the Police Chief had regular communications with the Department of Corrections (DOC), and they were seriously monitoring and looking into the facility. City Manager MacReynold noted he used to see a lot of large groups walking by, but that had completely stopped. Councilor Taylor agreed. City Manager MacReynold felt some of the residents who live across the street would continue to feel that nothing was being done, but from what he was hearing there had been a big change. He stated if the council would like staff to try to put a meeting together sooner than January, they certainly could do that. Councilor Taylor agreed that an accelerated meeting was probably not the right way to go with the holidays coming up.

Councilor Harris felt the attraction for those hanging out at the bus stop was that it was a shelter, and suggested removing the shelter aspect of it. Mayor Ketchum asked if Councilor Harris liked the idea of moving the bus stop down in front of Providence Place. Councilor Harris stated he didn't have any objections. Councilor Dawes thought they should check with Providence Place to make sure they don't have any concerns with it, adding it might just take the problem down there.

Councilor Taylor stated he would take the suggestion back to the board.

Tim Grochowski indicated the city really didn't want the buses up on Adams, simply to protect the streets. He thought Councilor Dawes had a good suggestion of moving it down between 2<sup>nd</sup> and 3<sup>rd</sup> Streets.

c. **Update from Councilor Dawes.** Councilor Dawes reported he and Councilor Lund attended the Lewis County Historical Museum annual dinner, adding it was a nice affair.

Councilor Dawes reported on the fire service consolidation discussions, noting the committee determined that once they start having meetings, rather than having four or five different voices giving their interpretation of what came out of the meeting, they would have a public information officer appointed to provide information to the press and public. He noted copies of the release should come out the day after the meeting.

Councilor Dawes reported one of the issues discussed by the fire services committee was deal breakers. He noted he didn't feel comfortable speaking on behalf of the council on one issue, so he was bringing it back to them for their consideration. Councilor Dawes stated one of the potential paths to follow down was annexation. He noted if there was no real interest by any of the parties involved, there was no use taking the time to investigate it.

Councilor Spahr explained the difference between annexation and merger was, with annexation the city wouldn't have a position on the board.

November 22, 2010

After a brief discussion, the consensus of the council was to not consider annexation. Councilor Dawes stated he would take that back to the committee, adding his feeling was the other committee members were not interested in annexation either.

d. **Update from Councilor Harris.** Councilor Harris reported they received a letter from the DOC, who were looking for a 60 acre site to build a new 'reception facility.' He noted they were currently using the Shelton facility, which was a 35 acre site and highly self-sustaining. Councilor Harris thought it was something the city should look into and suggested getting some more information from DOC to find out what it's all about.

Councilor Harris noted he was looking at the jobs that would be created in the area, adding they were planning on locating somewhere in Western Washington with I-5 being a necessary component.

Councilor Harris requested the Mayor talk with the City Manager about getting some more information about it.

Councilor Taylor noted the jobs were nice, but there were a lot of other things that come to the community that could be negative. Councilor Harris agreed, noting with the good comes some bad, which was one of the things they need to research. Councilor Taylor stated he would also like to know what the Police and Fire departments think about the idea.

Councilor Dawes stated they needed to remember that the city had taken a stance many time against locating adult facilities in our area.

Councilor Harris stated fiscally, and for the health and safety of the community, there were a lot of things they need to look at.

Councilor Harris reported he attended a Chehalis River Basin Partnership meeting on Friday. He noted J. Vander Stoep gave a brief presentation as to what the General Investigation study was concerning, trying to make sure they combine water retention facilities into the study. Councilor Harris noted fortunately for Mr. Vander Stoep, the Committee Chair (Centralia Councilor) Bonnie Canaday, did a good job of reining in a couple of people rather vigorously to keep the attacks down.

9. **Ordinance No. 860-B, First Reading – Revision of Sewer Rates for Lewis County Water & Sewer District #4 (LCSD#4) and Napavine for 2011.** Patrick Wiltzius reported on the annual calculation of monthly rates for treatment for LCSD #4 and Napavine, noting the rates had nothing to do with debt service. He indicated the rates would be going down from \$10,454 to \$8,482 for Napavine; and \$6,230 down to \$5,064 for LCSD#4, which was about an 18 to 19 percent drop.

Mr. Wiltzius reported over time they saw some pretty high swings, and the rates primarily went down this year because expenditures were down substantially due to budget cuts. He added their flow rates as a percentage actually decreased a little this year.

Councilor Spahr moved that the council pass Ordinance No. 860-B amending sewer rates for the City of Napavine and LCSD#4 on first reading.

The motion was seconded by Councilor Lund and carried unanimously.

10. **Ordinance No. 861-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2011, and Ordinance No. 862-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2011.** City Manager MacReynold reported, as was stated earlier, they were not requesting any additional increases in either the regular or EMS levies.

Councilor Spahr asked what a one percent increase in property tax would amount to for the city. Ms. Lindgren reported about \$12,000 to \$14,000.



November 22, 2010

Councilor Spahr moved to pass Ordinance Nos. 861-B and 862-B on first readings.

Councilor Taylor seconded the motion.

Mayor Ketchum also thanked the budget committee for the work they did this year.

Councilor Dawes stated next year they would probably be forced to raise property tax because the firemen's pension fund was getting severely depleted. He stated he was concerned about the future, but by law they were not going to have any choice about it. Councilor Dawes noted the issue had to do with pre-LEOFF firefighters that were hired before the formation of the LEOFF 1 plan.

The motion carried unanimously.

11. **Ordinance No. 863-B, First Reading – Adopting the 2011 Budget.** City Manager MacReynold reported they were looking at a significantly reduced budget over the last two years, adding they had gone through a series of layoffs in 2009 and 2010. He noted these were tough times and they were being forced to make difficult decisions.

Councilor Dawes asked that a change be made to the council's budget to reflect the correct years for their goals and accomplishments.

Councilor Dawes moved that the council pass Ordinance No. 863-B on first reading.

The motion was seconded by Councilor Taylor and carried unanimously.

12. **Ordinance No. 864-B, First Reading – Amending the 2010 Budget.** Ms. Lindgren stated the agenda report spelled out the key changes, but pointed out that the lengthening recession really had adversely affected the pressure put on both the police department and court system. She reported the budget amendment also reflected the fact that they had to layoff employees.

Councilor Spahr moved to pass Ordinance No. 864-B on first 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 8:03 p.m.

---

Mayor

Attest:

---

City Clerk

December 13, 2010

The Chehalis city council met in regular session on Monday, December 13, 2010, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:16 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Tim Grochowski, Public Works Director; Dave Vasilauskas, Water Superintendent; and Russ Cox, Engineering Technician III.

1. **Executive Session.** Mayor Ketchum announced the council would convene into executive session pursuant to RCW 42.30.110(1)(i) – potential litigation for approximately 45 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 6:03 p.m. and announced the council would take a three minute recess before reopening the regular meeting at 6:06 p.m. Additional staff included: Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Bob Nacht, Community Development Director; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Becky Fox, Court Administrator; Patrick Wiltzius, Wastewater Superintendent; Judith Smith, Public Works Office Manager; and Rich Trotter, Property Maintenance Tech II. Members of the news media included Rachel Thomson from *The Chronicle*, and Paul Walker from KITI.

2. **Santa Parade.** Jim Valley, Executive Director of the Centralia-Chehalis Chamber of Commerce, reported they had a great turnout and a record number of entrants into the parade this year. He thanked Councilor Dawes for the great job he did announcing the parade, and Mayor Ketchum for participating in the judging the parade floats. Mr. Valley thanked the city for a rousing success, adding he thought next year could be even better.

3. **Employee Service Award.** Mayor Ketchum presented Water Superintendent Dave Vasilauskas with a certificate of appreciation for 20 years of service with the city.

4. **Continue Public Hearing on the 2011 Proposed Budget and Revenue Sources.** Mayor Ketchum closed the regular meeting at 6:09:25 p.m. and re-opened the public hearing on the 2011 proposed budget. There being no public comment, Mayor Ketchum closed the public hearing and re-opened the regular meeting at 6:09:42 p.m.

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

- a. Minutes of the regular meeting of November 22, 2010;
- b. Claim Vouchers No. 98567-98675 in the amount of \$82,871.36 dated November 30, 2010; Claim Vouchers No. 98676-98677 in the amount of \$681.03 dated November 30, 2010; Payroll Vouchers No. 34228-34303 and 1901-1968 in the amount of \$657,473.13 dated November 30, 2010; and
- c. Authorize City Manager to execute interlocal agreement between the City and Lewis County to provide catch basin cleaning.

The motion was seconded by Councilor Pope and carried unanimously.

6. **Staff Reports.**

a. **Second Council Meeting in December.** City Manager MacReynold suggested if there was no administrative need for a second meeting in December that the council consider cancelling it. The consensus of the council was to cancel the second regular city council meeting in December.

b. **Update on SR-6 Site as Potential Mitigation Bank.** City Manager MacReynold stated at the prior council meeting there was discussion on amending the agreement with Womble Carlyle Ecology Innovations, LLC (WCEI), to include the SR-6 property as a mitigation bank site. He reported, unfortunately, the archeological review on the site produced archeological evidence; therefore, the Washington State Department of Transportation stated their non-interest in the site. City Manager MacReynold noted WCEI was also no longer interested in proceeding with the

December 13, 2010

SR-6 site and would only be focusing on the National Avenue site.

## 7. **Council Reports.**

a. **Update from Councilor Spahr.** Councilor Spahr reported he and Councilor Lund attended the Lewis County Economic Development Council (EDC) annual retreat on Friday, December 10. He noted they presented their 2011 budget, adding they would be revisiting it in March to make sure they were still on track. Councilor Spahr reported they also discussed several projects they had going, including one with Richie Brothers and another with a plastic manufacturing company. He stated the city would be a real beneficiary of Richie Brothers once they get going because of the amount of heads-in-beds they would bring in. Councilor Spahr indicated he asked the EDC to provide a written summary of their projects on a quarterly basis, so he could share them with the staff and council.

b. **Update from Councilor Taylor.** Councilor Taylor asked the council to try to come up with some solutions for the bus stop at 500 SE Washington Avenue in front of the American Behavioral Health Systems (ABHS) facility. He noted the Twin Transit Board decided not to make any decisions until the council had a chance to weigh in on where, or if they want to continue to provide service on Washington Avenue. Councilor Taylor reminded the council that the bus stop had become a nuisance rather than a benefit for the people who get on the bus at that location.

Councilor Spahr asked if they knew how many riders were picked up at that location. Councilor Taylor reported they had three elderly people they were serving on a daily basis; however, they were no longer catching the bus at that location. He noted he spoke to one person who reported they were afraid of the people hanging out around that particular bus stop.

Mayor Ketchum brought up the possibility of moving it one block north. Councilor Taylor stated they wanted to make sure they weren't just moving the problem. He suggested they might be able to come up with something after their meeting with ABHS in January.

Councilor Harris noted it might not be a bad idea to just remove the shelter aspect of it and keep it as a bus stop, adding he felt it was the shelter itself that was drawing the people in. Councilor Taylor stated the shelters were nice for the riders, so they don't have to stand out in the weather while waiting for the bus. He noted riders still had the option of flagging the bus down from just about anywhere.

Councilor Taylor suggested they bring their ideas to the meeting with ABHS in January.

c. **Update from Councilor Pope.** Councilor Pope reported the Chehalis Community Renaissance Team met and received an update from Chairman Larry McGee on what was happening. He felt it would be good for Mr. McGee to come and give the same update to the city council.

Councilor Pope reported the holiday lighting around the city was an embarrassment compared to what other cities were doing. He felt the city could do better and suggested they look at what could be done to improve it between now and next Christmas.

Councilor Pope asked if the council would consider changing their meeting time from 6:00 p.m. to 4:00 p.m. during the winter months.

d. **Update from Councilor Lund.** Councilor Lund stated he attended the Chehalis-Centralia Railroad annual steam train dinner. He reported Chehalis was the only town in the state to have a 'Polar Express' steam train ride, and this year both the Santa and the Polar Express rides were all sold out. Councilor Lund stated people were now able to buy tickets on-line and this year they had people coming from different areas around the state and from other states, as well.

Mayor Ketchum reported he had been helping out with the Polar Express ride and heard they were filling up the hotels with people from out of state.

December 13, 2010

Councilor Harris stated when representatives from the railroad were requesting funding from the Lodging Tax Advisory Committee for 2011 they indicated they were already booked up for the holiday rides and were considering adding additional runs during the week.

8. **Ordinance No. 860-B, Second Reading – Revision of 2011 Sewer Rates for Lewis County Water & Sewer District #4 and Napavine.** Patrick Wiltzius reported the ordinance would set the annual rates, using the same calculation they had used over the past several years.

Councilor Taylor moved to pass Ordinance No. 860-B on second and final reading.

The motion was seconded by Councilor Spahr and carried unanimously.

9. **Ordinance No. 861-B, Second Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2011, and Ordinance No. 862-B, Second Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2011.** City Manager MacReynold noted, as part of the annual process, they had to determine the amounts of revenue to be raised by ad valorem taxes, and state the dollar amounts and percentages of change in property tax, prior to adopting the budget for the following year.

Councilor Harris moved to pass Ordinance Nos. 861-B and 862-B on second and final readings.

The motion was seconded by Councilor Spahr and carried unanimously.

10. **Ordinance No. 863-B, Second Reading – Adopting the 2011 Budget.** City Manager MacReynold reported, at the previous meeting, he highlighted some of the accomplishments for 2010 and goals for 2011.

Councilor Dawes moved that the council pass Ordinance No. 863-B on second and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

11. **Ordinance No. 864-B, Second Reading – Amending the 2010 Budget.** City Manager MacReynold stated the council received a revised copy of the agenda report prior to the meeting, and asked Eva Lindgren to briefly review the changes made to the report.

Ms. Lindgren noted the only change to the report that was handed out in the agenda packet was the addition of \$21,386 in the general fund to true-up the police department's STOP grant. She noted other changes made since the first reading of the ordinance were highlighted in the report as 'added or amended for second reading.'

Councilor Taylor moved to pass Ordinance No. 864-B on second and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

12. **Resolution No. 13-2010, First and Final Reading – Adopting the 2011 Budget for the Chehalis-Centralia Airport.** City Manager MacReynold reported, as one of the owners of the airport, the council had to approve their budget annually. He noted Airport Manager Allyn Roe notified him earlier in the day that he was not going to be able to attend the council meeting due to a family medical issue. City Manager MacReynold reported Mr. Roe sent an email that outlined the significant change in their miscellaneous budget, which was where they placed their healthcare insurance coverage.

Councilor Dawes wondered why they wouldn't put their healthcare insurance under the benefit portion of the budget. City Manager MacReynold stated he couldn't answer the question, but noted the airport was a special purpose district and they do budgets differently than cities. Councilor Dawes reported when he was involved with the airport a larger amount was put into a miscellaneous account, as suggested by the state auditors office in years past, to cover expenses they might not expect during the year.

December 13, 2010

Councilor Lund asked if there were goals the city could give the airport board to consider for the betterment of the city.

Councilor Lund moved to table the item.

Councilor Pope inquired as to why Councilor Lund would want to table the item. Councilor Lund stated there were things that the airport board needed to be doing that they weren't. Councilor Pope asked what that had to do with the budget. Councilor Lund stated nothing, adding it might make them listen better knowing people are paying attention to what they were doing. Councilor Pope stated he agreed; however, he did not agree with holding up the approval of the budget, and suggested they take another approach, rather than tabling the issue. Councilor Lund felt they had failed at their other approaches and thought something different might make a difference.

Councilor Lund's motion died for lack of a second.

Councilor Spahr moved that the council approve the 2011 airport budget by adopting Resolution No. 13-2010 on first and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

Councilor Dawes noted a suggestion had been thrown out before, to have the airport board members come before the council to address concerns of the council. He felt some issues could be addressed in executive session because they fall under executive session matters. Councilor Lund thought that was a great idea. It was suggested that the administration try to have the airport board members at the first meeting in January.

**13. Resolution No. 14-2010, First and Final Reading – Adopting Policies and Procedures for Identity Theft Prevention Program.** City Manager MacReynold reported the issue of taking credit cards had been a goal of the council over the last few years. He noted some of the departments had already begun to implement credit card transactions, but the more challenging department had been the utility billing department.

Tim Grochowski reported Office Manager Judi Smith put together a plan to start taking credit card payments in the utility department. He noted, because they were a utility, a resolution was required in order to accept credit card payments. Mr. Grochowski reported other city departments were currently using Official Payments Corporation to process credit card payments, adding the fee on a typical \$300 bill would be approximately \$5.95 to the customer. He noted some administrators and staff would be meeting later in the week with another company to see what they had to offer and what their fees would be.

Mr. Grochowski reported, with the adoption of the resolution, they hoped to start taking credit card payments sometime in January for utility bills, account deposits, meter installations, fees and charges as related to the city's infrastructure for repairs and damage to city property, such as: city signs, light standards, guard rails, etc.

Councilor Dawes reported he had wanted to see this through for some time and hoped the ultimate goal would be that anything the city receives monetarily could be transacted with the use of a credit card, if the customer so wishes. He commented on the confidentiality agreement, wondering how the city had been able to operate without one in the past with utility information being protected information.

Councilor Harris asked if the city would be leasing the credit card machines. Judi Smith reported they would be purchasing them for around \$40 each.

Councilor Lund moved that the council adopt Resolution No. 14-2010 to be in compliance with the FACT ACT (2003) on first and final reading.

The motion was seconded by Councilor Dawes and carried unanimously.

December 13, 2010

14. **Resolution No. 15-2010, First and Final Reading – Setting Date for a Public Hearing on a Petition to Vacate a Portion of a Street.** Bob Nacht took a brief moment to express his appreciation for Mr. Rich Trotter, who had stepped up in an exemplary manner to fill the shoes of Andy Sennes. On behalf of all the departments and divisions, he thanked Mr. Trotter and his crew for a job well done.

Mr. Nacht reported the public hearing was required by statute and requested that the council adopt the resolution on first and final reading.

December 13, 2010

Councilor Pope moved that the council adopt Resolution No. 15-2010 on first and final reading setting the date and time of January 10, 2011, at 6:05 p.m. for a public hearing on a petition to vacate a portion of NW Louisiana Avenue.

The motion was seconded by Councilor Lund and carried unanimously.

15. **Executive Session.** Mayor Ketchum closed the regular meeting at 6:39 p.m. and announced the council would reconvene back into executive session to continue their discussion pursuant to RCW 42.30.110(1)(i) – potential litigation for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum reopened the regular meeting at 7:09 p.m. and there being no further business to come before the council the meeting was immediately adjourned.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk