



January 9, 2012

The Chehalis city council met in regular session on Monday, January 9, 2012, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:46 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; Bob Nacht, Community Development Director; Peggy Hammer, Human Resources Administrator; Dale McBeth, Municipal Court Judge; and Becky Fox, Court Administrator.

1. **Work Session – Interview Applicants for Appointment to the Chehalis Planning Commission.** The council interviewed Steven Bell and Charles Pollock who submitted applications for consideration to fill a vacant position on the Chehalis Planning Commission. The appointment will be confirmed by the council on Monday, January 23, 2012.

Mayor Ketchum closed the work session at 6:00 p.m. and announced the council would take a four minute recess and reopen the regular meeting at 6:04 p.m.

2. **Swearing-in of Re-elected Council Members.** Municipal Court Judge Dale McBeth administered the oaths of office to Terry Harris, District No. 1; Daryl Lund, District No. 2; and Anthony (Tony) Ketchum, District No. 3. Judge Steve Buzzard administered the oath of office to Dr. Isaac Pope, District No. 4.

3. **Election of Mayor and Mayor Pro-tem for 2012-2013.** City Clerk Judy Schave called for nominations for Mayor.

Councilor Lund nominated Tony Ketchum and Councilor Pope nominated Dennis Dawes.

Councilor Pope stated the council agreed that the position of mayor should be rotated. He felt each individual should be given an opportunity to serve as mayor if they wish. Councilor Pope reported Councilor Spahr was mayor for quite a few years and there were people who criticized that situation. He noted prior to the last election for mayor, Tony Ketchum asked if they would extend his term as mayor for two years, so he could be involved with the sister city program, and the council unanimously agreed.

Councilor Dawes stated he was elected to the Chehalis School Board for 24 years and during that time they never had a problem with selecting a chair because they were selected at random. He reported he had an individual who was willing to nominate him two years ago; however, he stepped aside and gave the mayor his word that he would not allow his name to be placed in nomination due to the reason noted by Councilor Pope.

Councilor Dawes reported, as a former staff member, he heard a lot of criticism and found it ironic that the very same individuals who had concerns over Councilor Spahr's longtime tenure as mayor are now willing to do the same thing with another individual. He indicated he already knew what the vote was going to be and was willing to accept that because he was there to serve the people, adding his interest in that was going to be more important than losing an election for the position of mayor. Councilor Dawes indicated he spent half of his life serving the city in the Chehalis police department, his last few years as interim chief. He felt his position as mayor pro-tem was very similar in that he will never get to hit that last step of the ladder.

Ms. Schave closed the nominations and asked for a vote on the nomination for Tony Ketchum for Mayor; Tony Ketchum, Terry Harris, Daryl Lund, and Chad Taylor voted in favor of the nomination. Ms. Schave announced that Tony Ketchum received the majority votes, so there was no need to vote on the nomination for Dennis Dawes.

Mayor Ketchum called for nominations for the position of Mayor Pro-tem.

Councilor Pope nominated Terry Harris and Mayor Ketchum nominated Daryl Lund.

Mayor Ketchum closed the nominations and asked for a vote on the nomination for Terry Harris for Mayor Pro-tem; Terry Harris, Dr. Isaac Pope, Robert Spahr and Dennis Dawes voted in favor of the nomination. Mayor Ketchum announced that Terry Harris received the majority votes, so there was no need to vote on the nomination for Daryl Lund.

4. **Council Committee/Board Appointments.** Mayor Ketchum reported the council received copy of the 2010/2011 committee/board appointments and asked them to look it over and get back to the city clerk regarding any changes. He noted the list of appointments would be brought back to the council for evaluation at their next regular meeting.

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5. **Update on Chamber Events.** Chamber Director Jim Valley reported last year's Santa Parade on December 3 was the biggest ever, adding they had around 65 entries. He stated it was great to recognize longtime supporters of the city, Jim and Suzi Vander Stoep, adding it was an honor long overdue. Mr. Valley reported the parade also included some Seattle Sea Gals who signed autographs and calendars after the parade at the Market Street Pub. He thanked the council and noted he was looking for more opportunities and ideas to build on the parade and other holiday events in the future.

6. **Update on the Chehalis Renaissance Plan.** Chehalis Renaissance Committee Chair Larry McGee and Co-chair Allyn Roe gave a brief update on the Renaissance plan. Mr. McGee reported, in looking at the council, he could distinctly remember the ways in which each one of them has helped to make things happen, and he and the committee really appreciated it. He gave a quick review of the 2011 accomplishments, which included:

- Secured a \$280,000 grant to do a partial street replacement along Chehalis Avenue
- Fixed the irrigation system on Market Boulevard
- Planted new plantings in the islands along Market Boulevard
- Had a local freelance artist prepare some drawings of the tree options available for Market Boulevard
- Port of Chehalis secured a business incubator grant and selected one of the candidates to get started on a feasibility study
- Children's Museum moved from the feasibility stage into a planning stage for a pilot project
- Installed 20 of the 28 medal plaques that correspond to the walking tour brochure; have handed out 3,500 brochures
- Store-front art project in the former Waldock's building
- Kiosks for pedestrian wayfinding signs

Mr. Roe reported on the 2012 projects, to include:

- Children's Museum pilot project
- Pedestrian wayfinding kiosks – finish fabrication, signage, and installation
- Partnering with ARTrails for a sculpture walk/arts festival
- Identify eyesore properties around town to see what they can do with them
- Design Review Guidelines for the city – hire consultant to work closely with the city, community, and council to put together draft guidelines
- Marketing Chehalis

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

- a. Minutes of the regular meeting of December 12, 2011;
- b. Claim Vouchers No. 101738-101870 in the amount of \$1,088,989.13 dated December 15, 2011; Claim Vouchers No. 101871-101971 and EFT No. 112011 in the amount of \$180,910.90 dated December 30, 2011; Payroll Vouchers No. 35283-35362, 2798-2869, and Electronic Federal Tax Payment No. 106 in the amount of \$678,674.43 dated December 30, 2011;
- c. Set date and time of January 23, 2012, at 6:05 p.m. for public hearing on six month moratorium on medical marijuana collective gardens and dispensaries;
- d. Approve recommendations of the Library Advisory Board to appoint Bonnie Jean Kay and Marilyn Chintella to five-year terms each expiring January 9, 2017;
- e. Approve reappointments of Stephanie Connors and John Matagi to the Sister City Committee for four-year terms expiring December 31, 2015;
- f. Suspend rules requiring two readings of an ordinance and pass Ordinance No. 888-B on first and final reading, amending Ordinance No. 884-B; and
- g. Approve the revised 2011 budget for the Chehalis-Centralia Airport.

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Councilor Taylor seconded the motion.

Councilor Spahr inquired about Ordinance No. 888-B, asking how they arrived at the figures. City Manager MacReynold reported the Lewis County Assessor's Office looks at the numbers the city gives them to confirm that we're using the right calculation. He reported the county didn't look at the numbers until after council action was taken, so the new ordinance was created to correct the error. Councilor Spahr stated he didn't want anyone to think the council was raising taxes.

The motion carried unanimously.

**8. Administration Reports.**

a. **Chehalis-Centralia Transportation Cooperative Meetings.** City Manager MacReynold reported there had been discussions about the continuation of the Chehalis-Centralia Transportation Cooperative and it was determined that they need to start looking at quarterly meetings and expanding the group to include a broader review and discussion of other topics, as well as transportation. He reported they planned to have their first 2012 meeting on January 27, at 7:30 a.m. City Manager MacReynold noted, traditionally, attendees have been the mayor and Councilor Taylor with the focus being on transportation. He stated they would like to expand that number to include three councilor members from each jurisdiction. He noted the council members who attend could change quarterly, depending on the topic.

Councilor Spahr volunteered to start attending the meetings.

b. **Airport Board Appointments.** City Manager MacReynold reminded the council about the two 'city representative' vacancies on the airport board. He suggested they were both important appointments and if they had someone in mind that may be interested, to please have them contact the city clerk.

9. **Appointment and Reappointment of Lodging Tax Advisory Committee Members.** Mayor Ketchum noted the item would remain tabled until January 23, 2012.

10. **Ordinance No. 887-B, Second and Final Reading – Amending the City Parking Ordinance.** City Manager MacReynold reported on the ordinance, noting a letter received from a concerned resident had been attached to the agenda report for their review.

Councilor Spahr moved that the council pass Ordinance No. 887-B on second and final reading.

The motion was seconded by Councilor Pope and carried 4 to 3 with Councilor Lund, Councilor Taylor, and Mayor Ketchum voting against the motion.

There being no further business to come before the council, the meeting adjourned at 6:36 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk  
Approved: January 23, 2012

January 23, 2012

The Chehalis city council met in regular session on Monday, January 23, 2012, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:17 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; 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 45 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 announced the council would take a ten minute recess before reopening the regular meeting at 6:00 p.m. Additional staff included: Bill Hillier, City Attorney; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Eva Lindgren, Finance Manager; Bob Nacht, Community Development Director; and Herta Fairbanks, Public Works Director. Members of the media included Bianca Fortis and Kyle Spurr from *The Chronicle* and Michael Preston from KELA.

2. **Public Hearing on Six Month Moratorium on Medical Marijuana Collective Gardens and Dispensaries.** City Attorney Bill Hillier reported, in September 2011, the council approved Ordinance No. 877-B, which created a six month moratorium on the location of collective medicinal cannabis gardens and the sale of cannabis for medicinal reasons within the city. He noted the moratorium was recommended because of all of the confusion between federal and state law, and the law passed last year by the Legislature that provided for the location, but didn't provide any regulations to help municipalities control the location, or how they are governed and taxed. City Attorney Hillier stated it was their hope that the Legislature would give agencies some clear direction during the current session as to their intent, so not only counties, but cities as well could pass an ordinance that would take care of the issues that were presented by the law. He noted the city's moratorium was good for another two months, and it was his goal to come back to the council and present a couple of solutions at a later date. City Attorney Hillier noted the moratorium provided that the council hold a public hearing to give citizens the opportunity to speak on the subject, which might give the administration and the council some direction on where the city wants to go with it.

Mayor Ketchum opened the public hearing at 6:03:30 p.m. There being no public comment, Mayor Ketchum closed the public hearing at 6:04 p.m. and reopened the regular meeting.

3. **Citizen Business – Proposal to Establish a Quiet Zone.** David Plotz (888 NW Ohio, Chehalis) presented the council with a proposal to establish a 'quite zone' in Chehalis. He provided a PowerPoint presentation and other documentation to describe the issue, affected areas, potential benefits, risk and mitigation, other existing or proposed quiet zones throughout the United States, and suggested solutions. Mr. Plotz noted he also did a survey of 43 people from around Chehalis to get a feel for what the general population thought about the noise issue from the trains, and to see if they would support the city investigating a quite zone. He reported 51 percent said the sound of the train horns disturbed them, and 95 percent indicated they would support the city looking into a quiet zone.

Mr. Plotz described a quite zone as an area along the track line where the trains do not sound their horns unless it's an emergency or perceived emergency threat. He noted in order to implement a quite zone communities must improve the safety at the crossings where a quiet zone is in effect, adding he believed this was something they could look into and establish as a community.

Mr. Plotz requested that the council allocate and prioritize staff time to look into the topic and perhaps develop some ways in which they could implement a quiet zone. He noted most of the costs would be borne by the community for the improvement of the area's environment.

Councilor Dawes asked Mr. Plotz if he had a chance to see what other small cities in Washington had done and what it was costing. Mr. Plotz indicated he looked at White Salmon, adding they had one fairly simple crossing near a residential area that had few enough trains per day that they didn't need to spend much money. He noted it was a matter of having the analysis done, and filing for it. Mr. Plotz reported the City of Washougal had four to six crossings, adding he spoke with someone from the city who indicated if we did do it, we would love it. He noted he had not gone down to investigate, but knew they didn't implement the most expensive methods.

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Councilor Spahr thought it was a good idea. He noted the city had talked to the railroad in the past, adding getting them to cooperate was like working with a third-world country. Councilor Spahr reported there was an accident some years ago where a young lady was paralyzed and one of the first things they attacked were the railroads and the sounding of the horn. He suggested if they do an analysis they would need to take into consideration the liability and risk.

Mr. Plotz stated liability was a critical key and they would need to work out all of the details behind that. He noted the standard of care by the federal government helps, but we would need to do our due diligence.

Councilor Spahr noted there were a couple of railroads that use the rail-line through town and wondered if the city would have to negotiate with both of them, or just the one to get it done. Mr. Plotz suggested it was a great question and worth looking into.

Councilor Harris reported the people who are in the proximity of the trains were much more aware and happier to hear about the proposal. He stated it was strange to him that there are different decibel levels on every locomotive. Mr. Plotz noted even the placement of the horns had an impact on how loud they are.

Councilor Lund reported the operators didn't have any control over how they utilize the tools, adding they just open the valve and let the air out.

Councilor Pope inquired as to which department would most likely be asked to do the investigation. City Manager MacReynold stated, if the council was interested, his recommendation would be to: get direction from the council; come up with some costs; determine how it could be done; and build it into the 2013 budget. He suggested if the council would like it done this year we would need to reassess things and figure out how to come up with the resources. Councilor Pope felt they should move in that direction, but not necessarily this year, and recommended the administration continue to solicit the leadership of Mr. Plotz to help the city go down that path. He suggested the city look at soliciting funds from the community to assist in the process.

Councilor Dawes stated he would support the proposal, adding he didn't believe there was any reason why the city couldn't start the research now, since it only involved labor. He felt the liability was an issue and suggested the city work with the federal railroad agency and the owner of the tracks. Councilor Dawes also suggested the administration work with Mr. Plotz to start the research phase.

Councilor Spahr stated he wouldn't mind taking a trip down to Washougal just to look at what they've done and ask some questions. Mr. Plotz noted he would like to do so, as well.

Mayor Ketchum stated what he was hearing from the council was that they would like the administration to start the research end of it.

Todd Chaput (220 SE Winchester Hill Drive, Chehalis), Manager of the Holiday Inn Express, reported he was approached regarding the matter, adding he didn't believe Mr. Plotz fully realized the affect that the train horns had on his hotel. He noted they have numerous businesses that stay with them on a regular basis and they only stay if they can get rooms on the even-numbered side of the building; otherwise, they go somewhere else. Mr. Chaput reported they receive numerous comments on a weekly basis regarding the train noise.

Dick Larman, Lewis County Economic Development Executive Director, reported three percent of businesses in Washington State are in the export business, which was three times more than any other State in the Union. Mr. Larman noted the current strategy for growing our economy was to export more stuff and the north/south Burlington Northern UPN lines were critical to that. He reported Port Commissioners from Portland and Seattle recently paid a visit to Lewis County because they are interested in how we expedite freight rail. Mr. Larman reported they foresee an increased rail service in future years that will impact us in terms of the number of freight trains going both north and south, which will increase exports from our state and from our local community, as well.

**4. Council Committee and Board Appointments.** Mayor Ketchum asked if the council had any changes to the current list of council committee and board appointments. There were no changes noted.

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5. **Trees for Market Boulevard.** Chehalis Community Renaissance Team (CCRT) Chair Larry McGee reported the committee looked at the different number of islands in the downtown area to determine where they would like to put some large trees. He stated they would need to be careful about the size for public safety and visibility reasons, but also because the trees would have to be planted in pots. Mr. McGee reported the pots would be about four feet tall and would be purchased with funding from the Renaissance. He noted, traditionally, they used deciduous trees in the images presented and for the pilot project, but more recently an idea surfaced at one of their meetings regarding the use of conifers. Mr. McGee suggested conifers had some advantages in terms of maintenance and for decorating during the holidays. He reported the images being presented were done by a local artist, Lois Meyer, who for a while worked for Disney. Mr. McGee stated, since the committee was torn between which trees to plant, they we're asking the council for their opinion on what they would like to see.

Committee member Patty Kaija reported on the different concepts provided by Ms. Meyer, the first using deciduous trees, and the second using evergreen trees. She suggested it might be smarter to move towards the evergreens because they look nice year round; they max out between ten and twelve feet; they can be decorated during the holidays; and they wouldn't have to worry about leaves clogging up the drains.

Ms. Kaija reported the current plantings in the downtown area would not get any taller than 30 inches and should not take up city workers time to care for them. She noted they planted the taller plants towards the sidewalk and the shorter plants towards the road, so they wouldn't impede anyone's site as they are backing out.

Ms. Kaija reported on the new soil in the islands, noting people seemed to be taking a little bit more pride in the downtown area. She stated she was looking forward to continuing with the beautification of the downtown.

Gail Shaw reported one of the nice things about the Renaissance program was that you get a feel that someone is doing something because things were happening. He didn't believe they could do much more that would impress the people that come here than to try out some new things, like the evergreen trees. Mr. Shaw suggested the enthusiasm of the people that feel we're going some place was important.

The consensus of the council was that the committee had done such a great job so far that they would leave it up to them to decide. Mr. McGee stated he appreciated that, adding they had some significant expertise to help out in the decision making process.

6. **Employee Service Award.** Mayor Ketchum presented a certificate of appreciation to Police Chief Glenn Schaffer for five years of service with the city.

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

- a. Minutes of the regular meeting of January 9, 2012;
- b. Claim Vouchers No. 101972-102091 in the amount of \$171,933.52 dated January 13, 2012; Claim Vouchers No. 102092-102166 in the amount of \$410,401.82 dated January 13, 2012;
- c. Approve reappointments of Douglas Burton and DJ Hartman to the Historic Preservation Commission for three-year terms expiring December 31, 2014;
- d. Approve appointment of Steven Bell to the Chehalis Planning Commission for a four-year term expiring December 31, 2015;
- e. Authorize City Manager to execute interlocal agreement between the City and Riverside Fire Authority to provide fire code inspection and code enforcement services;
- f. Adopt City of Chehalis domestic violence leave policy;
- g. Adopt City of Chehalis military leave policy;

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- h. Accept Washington Traffic Safety Commission grant for school zone flashing beacon at RE Bennett and Cascade schools on Market Boulevard;
- i. Adopt Resolution 1-2012, first and final reading – setting date and time for public hearing on vacation of right-of-way;
- j. Approve collective bargaining agreement between the city and the International Association of Fire Fighters Local 2510; and
- k. Approve collective bargaining agreement between the city and Teamsters Union Local #252 – Police Uniformed Personnel Unit.

Councilor Spahr seconded the motion.

Councilor Taylor inquired about the interlocal agreement, noting he had concerns for the way people interpret the law, adding at times there seems to be some confusion concerning enforcement based on interpretation. City Manager MacReynold reported the proposal to hire someone to do fire code inspections and enforcement was part of the long-range strategy plan. He noted the city put out a request for proposals to provide these services and received three proposals, adding Riverside clearly had the kind of service the city was looking for. City Manager MacReynold brought up the issue of looking at moving towards a regional fire authority, and felt the interlocal agreement was moving the city in that direction. He felt Riverside would offer the city the best service working with both our citizens and businesses.

Councilor Lund stated he thought the North Lewis County Regional Fire Authority Planning Committee was originally supposed to be looking at all combinations for forming some sort of fire authority, but so far they were only looking at one great big bureaucratic conglomerate. He asked if our fire chief couldn't do the code inspections and enforcement. City Manager MacReynold reported Fire Chief Kelvin Johnson had been doing it since the assistant chief left. He noted the plan was to try and do it differently and the interlocal agreement would allow them to move forward with the plan. City Manager MacReynold reported if it didn't work out the administration would come back to the council to have further discussions about it. He felt it was a good move for the city, and a good move to begin building a relationship with other fire districts.

Councilor Spahr asked if Riverside was also doing fire code inspections and enforcement for Lewis County. City Manager MacReynold stated they were.

The motion carried unanimously.

## **8. Administration Reports.**

a. **Quarterly, November, and December Financial Reports.** Eva Lindgren reported on the preliminary fourth quarter financials. She indicated she had one more check run for 2011 that needed to be included before running the final report. Ms. Lindgren noted the quarterly financial statements all came within budget.

Ms. Lindgren reported on the December financial report, noting it included the final budget amendment for the year. She stated the 'budget' in the report was the final budget; however, the 'actual' numbers in the report were only preliminary. Ms. Lindgren noted the total general fund tax revenues fell short by \$32,502; the non-tax revenues were short by \$95,302 leaving a total shortfall of \$127,804, or 1.4 percent.

Ms. Lindgren reported the general fund expenditures came within budget for all of the different departments. She noted they were under expended by 2.8 percent, leaving a net increase of \$117,087. Ms. Lindgren suggested that number would change once some adjustments were made for prepaid expenditures and some final correcting journal entries were done. She indicated she ran a secondary report to include the last check run and the general fund expenditures increased by \$1,445, making the total general fund expenditures 97.21 percent, which was still well within budget.

Ms. Lindgren reported the wastewater fund revenues exceeded the budget by \$28,595, and expenditures were at 99.92 percent; the water fund revenues exceeded the budget by \$51,831, and expenditures were at 96.39 percent; and the



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storm and surface water fund fell short on the revenues, but under expended on appropriations.

b. **4<sup>th</sup> Quarter Sales and Use Tax Report**. Ms. Lindgren reported the city had an increase in sales and use tax revenue over 2010, and exceeded the 2011 budget by \$49,000. She noted they were hoping to stay the course and build on it, but were not being overly optimistic.

c. **Chehalis-Centralia Cooperative Meeting**. City Manager MacReynold reminded Mayor Ketchum and Councilors Taylor and Spahr about the Centralia-Chehalis Cooperative meeting Friday, at 7:30 a.m. in Chehalis.

#### 9. **Council Reports**.

a. **Chehalis Foundation Update**. Councilor Pope asked J. Vander Stoep to give a report on the Chehalis Foundation. Mr. Vander Stoep introduced his daughter, Isabel Vander Stoep, who would be assisting him during his presentation.

Mr. Vander Stoep reported the Foundation had taken on a lot of projects regarding city property and about a year and a half ago they expanded their mission to include education excellence. He talked briefly about the award winning molecular genetics program at W.F. West High School, noting it had been in existence for about six to eight years. Mr. Vander Stoep reported the Foundation had collected about \$200,000 to start a robotics program through the physics department, and to buy some "MATLAB" software for the math department. He noted, with the help and hard work of David Plotz, the Foundation had supported a restart of the delta-base program in the 5<sup>th</sup> and 6<sup>th</sup> grades.

Mr. Vander Stoep reported the Foundation had prepared a video highlighting the molecular genetics, MATLAB, and robotics programs, adding it was pretty extraordinary. He believed over time the programs were going to get better known and there may even be some things developed here in Chehalis, such as a summer camp where they bring students here from around the county to gain advantage of this technology and learning. Mr. Vander Stoep stated, in time, he believed the programs would play a positive role in economic development in the community.

Councilor Spahr asked how the video would be used. Mr. Vander Stoep reported they would be trying to collect interest from other foundations in the Seattle area, such as stem cell and different science and math foundations that are focused on education.

Councilor Pope reported the Foundation had done a lot in the community and felt we had not beat our drums enough about it, and suggested that a report be sent out on the activities the Foundation was doing to possibly promote more contributions.

Councilor Pope reported the Foundation was looking at new holiday decorations for the city. City Attorney Hillier added the plan was to have people come in and look at the area, design something, and give them some estimated costs. He felt the city was going to look wonderful during the Christmas holiday within a year or two. Councilor Pope noted they were looking at having the CCRT take it on as a project.

Councilor Pope reported the Foundation was working on the renovation of the Chehalis swimming pool, adding they were still looking for matching funds. He reported there was a potential for grant money, but it would require the city to complete its parks and recreation plan.

Bob Nacht reported one of the criteria that the grant writer needs to have happen is for the city to adopt an updated parks and recreation open-space plan. He noted a couple of years ago the council authorized the use of a consultant to create a plan; however, due to staffing levels, the plan had not been brought forth to the council yet. Mr. Nacht reported they were in the process of proofing the document, noting once it was done he would distribute it to the council and post it on the website. He planned to make an introductory presentation at the next council meeting and would be asking the council to adopt the plan by resolution at the second meeting in February.

Councilor Taylor thanked the Foundation for all of the work they had done for the city.

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b. **Update from Councilor Dawes.** Councilor Dawes talked briefly about the molecular program, noting the program was brought to the high school during his time on the Chehalis School Board, and while he was very excited to see it happen, one of his concerns at that time was the funding source given was only for a limited period of time. He felt good about the fact that the Foundation was willing to partner with the school district and carry it on, as well as other projects for the city. Councilor Dawes stated one of the things that will draw economic development to a community is a solid educational foundation, adding we have that here.

Councilor Dawes stated, on Wednesday, he and Fire Chief Johnson and others would be doing a regional fire authority presentation to the Chehalis Rotary Club to let them know where they were at. He noted the bad weather last week forced them to cancel their regular meeting, which was tentatively rescheduled to February 1. Councilor Dawes stated they were starting to approach some very significant pieces of information, adding now was the time that they need to have their members come to the meetings and participate.

Councilor Dawes reported the Lewis County Historical Museum was moving along very well. He noted on February 2 the museum would be hosting a video on the new coastal Doppler radar station.

c. **Proposal for Financial Audits.** Councilor Pope proposed that any organization receiving funding from the city, go through an audit. He noted he spoke with Certified Public Accountant Tom Bradley about the issue and he provided a position paper that Councilor Pope felt the city should consider. Councilor Pope stated Mr. Bradley indicated a full audit for small non-profits would be costly, so he provided some suggestions that the city could incorporate into its policy for awarding money to non-profits.

Mayor Ketchum asked if this was something the Lodging Tax Advisory Committee (LTAC) could include in the application form as a requirement. City Manager MacReynold stated it could be.

Councilor Lund asked if they could enact it now for this coming year, and/or put it on the agenda for discussion at the next meeting.

Councilor Harris stated he would like to see what it says first, but philosophically he agreed, they had to go through some kind of a process. He reported they would have to look at the different organizations, what their cash flow actually is and what it would do as far as a burden.

Councilor Pope requested that City Attorney Hillier take a look at the position paper and give them an opinion. He thought it was important to tighten up the policies and procedures for awarding tax money to non-profits.

d. **Snow Removal.** Councilor Harris stated he wanted to thank the city staff for dealing with the snow the way they did over the last week. He reported staff had the equipment out on the roads cleaning off the snow by about 6:30 a.m., adding the main streets were pretty passable.

Mayor Ketchum stated he was asked to pass along thanks to the city crews from a man who lives in Lacey, Washington. The gentleman reported he didn't hit a plowed road until he got to Chehalis and was impressed that we were out that early. Mayor Ketchum thanked the street department, stating he really appreciated it, as well.

10. **Appointment and Reappointment of Lodging Tax Advisory Committee (LTAC) Members.** Councilor Dawes moved to take the item off the table. The motion was seconded by Councilor Taylor and carried unanimously.

Councilor Harris reported they had two openings on the LTAC and had received two applications for consideration. He reported the two applicants met the criteria for who they represent, which was part of their regulations.

Mayor Ketchum felt they were all good people.

Councilor Harris moved that the council appoint Charles "Chip" Duncan and Jim Valley, and reappoint Rick Burchett, Todd Chaput, Natalie Ketchum and Satpal Sohal to the city's LTAC.

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The motion was seconded by Councilor Spahr and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 7:22 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

February 13, 2012

The Chehalis city council met in regular session on Monday, February 13, 2012, 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; Judy Schave, City Clerk; Bill Hillier, City Attorney; Brian Kelly, Assistant City Attorney; Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; Becky Fox, Court Administrator; and Herta Fairbanks, Public Works Director.

1. **Work Session.**

a. **Discuss Options Regarding Medical Marijuana Collective Gardens and Dispensaries.** City Manager MacReynold reported the administration would be asking the council for some guidance and policy direction after discussing the alternatives regarding the moratorium on medical marijuana collective gardens and dispensaries.

City Attorney Bill Hillier reported on a recent article in *The Olympian* concerning the significant issues they were having in Thurston County, particularly in the City of Lacey. He noted they tried the moratorium route; however, they were not able to get it into place in time.

City Attorney Hillier stated the Legislature has not helped any of the state's municipalities, noting they were still at odds trying to fix the existing law to give better direction.

City Attorney Hillier provided four alternatives for the council to consider. He stated, if the council had any other ideas, the administration would be happy to look at those as well.

**Alternative No. 1:** Adopt the Lewis County plan.

City Attorney Hillier reported this would be the least effective solution because the plan required the federal government to sign a permit approving the location of medical facilities as well as the use of medical marijuana, before a person can start the process of getting permitted in the county. Currently, this would never happen because Congress would have to go back and revamp all of the laws that state the use or distribution of marijuana, or cultivation of marijuana are all illegal.

City Attorney Hillier felt the county's plan was highly challengeable, and putting the city in that same position would add us as a co-defendant in potential litigation. In his opinion, this was not a viable solution.

Mayor Ketchum noted the county was pretty confident that they would not be litigated against because, in their opinion, if the federal government denied an application, the county would also deny it.

Councilor Harris believed the federal government was using a selective process to determine which laws they are going to enforce. He suggested if the United States Attorney General decides they are not going to spend a lot of time dealing with it, it puts the onus back on the cities and further complicates the problem.

**Alternative No. 2:** Extend the Moratorium to wait for clearer direction from the State Legislature on how to implement sets of regulations and a permitting process.

City Attorney Hillier felt this would allow the city more time to see what happens in the way of 'direction' from the people who make the laws.

**Alternative No. 3:** Declare, under ordinance, a citywide prohibition on the location of medical marijuana gardens and distribution facilities.

City Attorney Hillier suggested the city could do a prohibition on the location of growing and distribution facilities. He reported the city had the right to make our laws more stringent than state law, but no less.

City Attorney Hillier indicated the city would not be able to put a prohibition on the use by people who have the ability to get a prescription; however, if cited, they would need to come in with an affirmative defense on a charge of possession of marijuana. Their affirmative defense would be that they have a medical marijuana dispensation card and the judge would

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have to make a decision whether or not that gets them off the hook for possession, or not.

City Attorney Hillier felt there was a possibility that the city could pass an ordinance stating, "You don't have the right to locate a growing or distribution facility within the city limits of Chehalis."

Councilor Taylor reported he understood that the state had passed legislation; however, marijuana was still an illegal drug. City Attorney Hillier agreed that possession of marijuana was against the law; unless you have an affirmative defense.

Councilor Taylor talked briefly about stories he had heard from doctors who say it can be used for good causes. He wondered if the officers were just wasting their time writing tickets for possession.

Councilor Pope stated, from his point of view, there are prescription drugs that are far more damaging than marijuana. He suggested the people who make the laws do not understand the process.

Councilor Harris believed there were practical uses for it; however, the problem he had was that the vast majority of people who are trying to legalize it were using sick and dying people as a cover for what they want to do with it.

Councilor Dawes felt if the Legislature passed other ambiguous laws there would be many challenges, and wondered why there hadn't been any challenge to this issue. City Attorney Hillier thought it was because right on the heels of the changes made last year to the legislation there was a huge push to legalize marijuana in the State of Washington and they were waiting to see how that played out before they go back and try to fix the mess.

Councilor Dawes asked if there was any other city in Washington that has taken the approach of controlling it by not allowing it, without being challenged. City Attorney Hillier reported, not yet.

Alternative No. 4: Zoning, permitting, regulating, and approval of growing operations in the city.

City Attorney Hillier stated, if the city decides to go down this road, an ordinance would need to be created that would outline locations, regulation provisions on how often they have to be visited, taxes, fees, and such. He noted Municipal Research Center had some model ordinances, but added it would not be an easy road.

Bob Nacht reported the zoning ordinance was constructed to deal with land use issues. He noted 'definition' criteria would need to be established first, as well as establishing where in the city these things might be allowed, and under what conditions. Mr. Nacht reported everything about it was complex and it would all need to be addressed in the zoning ordinance.

Councilor Taylor stated it seemed odd to him that they would even be having a discussion about the fourth alternative, since it was against the law.

Councilor Spahr asked how much time was left on the current moratorium. City Manager MacReynold noted it would be ending next month. Councilor Spahr suggested going with a moratorium for a year, and then consider an all-out ban.

Chief Schaffer reported they really tread lightly with the issue, adding every time they make an arrest there's some other decision or opinion that comes across to throw loopholes into it. He noted they recently went to trial and won a challenge against a medical marijuana supplier. Chief Schaffer stated the zoning and permitting option bothered him because it was still against federal regulations, adding until the two legislative bodies come together with one way of handling things they were not going to have any easy answers. He agreed that they need more time to think about it, and hoped things at the state legislative level would get worked out.

Councilor Harris stated he agreed with the prohibition alternative, but felt extending the moratorium would be the soundest way to go. He had concerns about passing something with prohibition right now; adding being on the cutting edge of something was very costly and usually when you get cut the most.

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Councilor Dawes stated he didn't believe there was a real groundswell of support from constituents who were interested in having this type of activity come in to the community. He thought that extending the moratorium would give them a little more time to research and/or to find something better. Councilor Dawes suggested finding something to outlaw it would be even better as an end result.

The consensus of the council was to extend the moratorium. City Attorney Hillier reported the administration would bring back a proposed ordinance at the next regular meeting for the council to consider.

b. **Interview Applicants for Chehalis-Centralia Airport Board Appointments**. The council interviewed Jim Buzzard and Rick Smith to fill two vacancies on the Chehalis-Centralia Airport Board.

c. **Chehalis-Centralia Airport – Fourth Quarter Report**. Airport Manager Allyn Roe and City Representative Dr. John McCord gave a brief update on the fourth quarter activities at the airport. Mr. Roe reported they've had a change-over of four board members out of the seven during the last year. He stated they had some great candidates come forward and he looked forward to working with all of them.

Mr. Roe reported the Board had applied on two occasions for landscape improvement grants for the roundabout in front of Home Depot and Wal-Mart, and on both occasions they were denied funding. He indicated the board was now considering funding the project, but would first need to review their capital improvement plan.

Mr. Roe reported they were focusing on getting some of their properties cleaned up and managing their risk of having some declared wetlands. Councilor Dawes inquired about the drainage area in front of the Town Center and asked if there was a way something could be designed to make it more attractive than what's currently out there. Mr. Roe reported the site in front of the Town Center was a designated wetlands versus an on-site storage facility. He noted they were doing everything that they're legally able to do, including farming it to try to improve the area.

Mr. Roe reported they were also working with the city and county on the Louisiana Avenue/Airport Road connection project. He stated National Frozen Foods approached them and the other partners in the project to discuss the sale and purchase of certain property. Mr. Roe noted, in exchange for the sale of 2.5 acres of their property to the project, National Frozen Foods would like to purchase approximately 40 acres from the airport. He stated the airport board was reviewing it, but didn't have a decision on it yet.

Mr. Roe reported as they get into the year they would be working on a large project for approach lighting.

Mayor Ketchum closed the work session at 6:02 p.m. and announced the council would take a short recess and reopen the regular meeting at 6:09 p.m.

2. **Chehalis River Fish Study**. Ms. Balmelli-Powe reported on the fish study sponsored by the Flood Authority, noting she believed people who are not supportive of the dam had a high influence on which consultants were hired. She stated the city was kind enough to honor her request to hire Fish Biologist Shane Scott, who was neutral to the subject, to make sure the results of the report actually gave a true picture of what the impacts were to the fish. Ms. Balmelli-Powe noted Mr. Scott found some serious flaws in the report, as did several other agencies that also reviewed it. She stated they were hoping to have a final draft of the report out by the first part of March.

Councilor Taylor asked if they had presented their findings to the Flood Authority. Ms. Balmelli-Powe indicated Mr. Scott had not talked to the Flood Authority, adding she hoped he would join them when the Authority gives their report on the final draft of their study.

Mr. Scott noted he was a local boy who graduated from Rochester, Washington, and now worked as a technical and policy advisor for all of the public utilities in the Pacific Northwest on the Columbia River dam operations, maintenance, and capital improvements for fish passage.

Mr. Scott reported, with regard to the report, his focus was primarily on the biology. He reported the main three things he found flawed within the report were: the basic lack of information on fish habitat; the water temperatures used; and the fish

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populations. Mr. Scott reported, if they do the following, it would give them some usable information.

- fix the baseline
- get good temperature information and design the dam to operate like it should to meet water quality
- re-run the temperature analysis and input the better fish populations to include the whole population

Mr. Scott reported, from his experience with dams, salmon and the Chehalis River, the steelhead would be affected. He suggested if they improve the water temperatures in the summer and improve flows, there could be some benefits.

Councilor Taylor inquired as to where they got the numbers for the assumptions used in the study. Mr. Scott reported Anchor QEA, LLC sent a comment letter that referenced a previous report from ES Consultants. He believed Dave Muller from Lewis County Public Utility District (PUD) gave some input on dam operations. Mr. Scott stated his recommendation was to have them look at the Wynoochee Dam, adding it was very similar in size and operation.

Councilor Taylor asked if there was scientific data to show the water temperature in Pe Ell was 68 degrees in the summertime. Mr. Scott reported the PUD was up doing some stream surveys after the catastrophic loss a couple of years ago and they were measuring very high water temperatures. He noted they didn't use the highest numbers when they did the modeling, but they used abnormally high temperatures and ran them later in the year when they should have observed a drop off in temperature. Mr. Scott suggested they might be trying to capture the catastrophic losses from the high temperature spikes.

Councilor Dawes asked what would happen if they did nothing. Mr. Scott noted, as a fish guy, he didn't believe it was going to get any better for the fish from here forward. Councilor Dawes asked if there was any kind of study that could be done on the river that would answer every scenario and everything about every type of fish that has ever swam up and down the river system. Mr. Scott stated for a fee. Councilor Dawes stated it might be worth it, adding it seemed like there was a certain element that just wants to throw a fly in the ointment no matter what's done. Mr. Scott suggested the mindset might be that if they leave things alone, it might get better. Councilor Dawes stated in the past 80 plus years it hasn't gotten any better, and he didn't see where the next 80 were going to produce anything indifferent.

Mr. Scott stated, bottom-line, his recommendation was to fix the report and get the absolute best science that we have, and keep repeating the science and referring back to it. He suggested it would impact some populations, but it may benefit other populations.

Councilor Lund asked if the biologists had ever taken the time to see what it would do if they threw some hay bales into the river periodically throughout the year to help fish. Mr. Scott stated he was 100 percent in favor of doing that.

Councilor Harris asked Mr. Scott if he knew how much gillnets affected the population of fish. Mr. Scott suggested gillnets were a problem, but the tribes were just exercising their rights.

Councilor Spahr asked what was cultural about gillnets. Mr. Scott reported it's just an acceptable harvest method that's been used forever, adding the non-Indian folks use it as well and the tribal folks.

Mayor Ketchum thanked Mr. Scott for his time and report.

3. **Presentation of Certificate of Appreciation.** Mayor Ketchum presented Julie Balmelli-Powe with a certificate of appreciation in recognition of her volunteer efforts and commitment to the community serving as the city's representative on the Chehalis River Basin Flood Authority.

Ms. Balmelli-Powe noted the Flood Authority was putting on a Government to Government training session to teach them how there're supposed to interact with the Tribes in Washington State. She asked if there was any interest by the council to attend the event. Councilor Spahr noted he would check his calendar to see if he was available.

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

a. Minutes of the regular meeting of January 23, 2012;

b. Claim Vouchers No. 102167-102172 and EFT No. 122011 in the amount of \$41,803.42 dated January 20, 2012; Claim Vouchers No. 102173-102263 in the amount of \$93,080.25 dated January 31, 2012; and Payroll Vouchers No. 35363-35430, Direct Deposit Payroll Vouchers No. 2870-2942, and Electronic Federal Tax Payment No. 107 in the amount of \$651,737.40 dated January 31, 2012;

c. Accept SE Evergreen Drive water line project as complete and release retainage in the amount of \$10,031.68; and

d. Appoint Jim Buzzard to a six-year term on the Chehalis-Centralia Airport Board expiring December 31, 2017; and appoint Rick Smith to the two-year (rotating) term on the Chehalis-Centralia Airport Board expiring December 31, 2013.

The motion was seconded by Councilor Taylor and carried unanimously.

5. **Administration Reports.**

a. **Work Session Reminder.** City Manager MacReynold reminded the council about the upcoming work session on Tuesday, February 21, at 5:00 p.m., to discuss city zoning, permits, and code enforcement.

b. **Volunteers Needed for Interview.** City Manager MacReynold reported the State was doing a report on the Flood Authority and the Chehalis River Basin flood effort. He noted he was looking for three councilors to volunteer to meet with them for an interview, to talk about the city's experience around the Flood Authority and flood effort. Councilors Taylor, Spahr and Harris agreed to volunteer.

6. **Council Reports.**

a. **Update From Councilor Pope.** Councilor Pope reported the Chehalis Foundation met with the Chehalis Community Renaissance Team (CCRT) to discuss holiday lighting. He noted a presentation was made by the Foundation with a request that the CCRT take over the effort for looking at holiday lighting for the city. Councilor Pope stated they were also informed there would be \$20,000 available from the Foundation for the project. He noted after some discussion, Councilor Harris volunteered to be the chairperson for that effort.

b. **Update From Councilor Dawes.** Councilor Dawes reported on the North Lewis County Regional Fire Authority Planning Committee meeting, adding they gave a presentation to the Chehalis Rotary Club on the 25<sup>th</sup> that was very well received. He noted they had very good questions and several comments thanking the groups for cooperating with one another to study the issue. Councilor Dawes indicated they had another presentation scheduled with the Chehalis Industrial Commission on the 21<sup>st</sup>. He reported at their last meeting the committee took some rather significant steps in the process. One was to identify four battalion areas where different stations would be responded from.

Councilor Dawes reported on the Lewis County Historical Museum, adding he had a chance to attend the viewing of the new coastal Doppler radar station video. He noted a proclamation was presented to Margaret Shields from the city to declare February 8<sup>th</sup> as "Margaret Shields Day" in Chehalis.

Councilor Dawes was pleased to announce that all of the financials at the museum were caught up, adding the 990 forms were all signed as of the last meeting for the years 2008, 2009, 2010, and 2011. He reported everything was turned around at the museum within a period of two to three months.

Councilor Dawes reported the interview committee was down to about three or four people they are interviewing for the permanent director position. He indicated there were a lot of positive things going on at the museum, noting they had a lot of new volunteers which was nice to see.



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c. **Update From Councilor Spahr.** Councilor Spahr reported he attended several events and meetings, which included: the Lewis County Economic Development Committee banquet, Councilor Pope's gala for Pope's Kids Place, the regional fire authority meeting, and an I-5 sounding board meeting. He noted the worst case scenario for the I-5 project could be two walls from south of Centralia to North of Chehalis on both sides of the freeway to keep the floodwaters out.

Councilor Spahr reported they got a number of 'thanks' on their Facebook page regarding the new parking ordinance. He noted the folks up on Washington Avenue were happy, adding for the first time in almost a year they were able to walk out their front door without seeing the unsightly pickup truck sitting there.

d. **Update From Councilor Harris.** Councilor Harris stated he wanted to thank the Chehalis Foundation for coming up with some money for the holiday decorations. He reported he had people already volunteering to be on the committee, including David Hartz and Patty Kaija. He noted he would be working closely with city staff as well, noting they were paramount in being involved with the project.

Councilor Harris noted the CCRT was definitely going to miss Larry McGee at the helm, adding he recently took an 18-month job at Centralia Community College to expand their four-year bachelor program. He felt Mr. Roe would probably step right into Mr. McGee's shoes and keep the ball rolling, noting there was a lot of momentum by the organization and the people involved in it.

7. **Presentation of Chehalis Parks, Recreation and Open Space (PROS) Plan.** Mr. Nacht reported the draft PROS plan was distributed for council review. He noted consultant Tom Beckwith started the project in 2009; however, over the last couple of years the economy had not been kind and there have been many challenges faced with moving the project forward.

Mr. Nacht reported the city has an opportunity to support the Foundation in an effort to apply for a grant for the outdoor pool reconstruction and upgrade, but only if the city has a current adopted PROS plan. He noted some of the data in the draft is a couple of years old, adding a lot of it was pulled from documents that were and are adopted, including the Growth Management Act (GMA) projections from the Lewis County Planned Growth Committee, and population projections which are a significant part of the plan. Mr. Nacht reported the numbers were valid, but whether or not they are reasonable or can expect to have happen, are up for speculation.

Mr. Nacht invited council comments and suggestions over the next couple of weeks. He noted he would make proposed changes to the sensitive issues and ask the council to review them at the time the plan comes back for adoption.

Mr. Nacht stated it was his understanding that in order for the plan to be effective for the Foundation's grant application, it would need to be adopted by March 1. He noted the PROS plan would ultimately be a component of the Chehalis Comprehensive Plan and would be available for review and revision annually.

Councilor Spahr inquired about the facility units noted in the executive summary, wondering why it was such a large number. Mr. Nacht stated he would have to review it to see if there was a relationship with facility units and something that might be defined in the plan. He noted it may very well relate to facilities for opportunities by other agencies, such as school districts for either gym or running tracks that might be available.

Councilor Spahr wondered if when the old plan was adopted, there was some kind of an idea of what an average city had and needed. Mr. Nacht noted the population projections were taken from the official OFM and the Lewis County Planned Growth Committee's population distribution of the GMA, so those numbers we may or may not ever reach. He noted they had to be used in the document because they were the adopted numbers. Mr. Nacht reported the level of service that would be required in the next six to 15 years, based on the numbers, was extensive. He noted at the time the plan was being developed the stakeholders were probably more aggressive and more visionary than they would be under today's economy.

Councilor Harris reported he went through the surveys, adding there was a lot of direction noted in them. He suggested it was a fun plan and should be looked at as a parks plan for fun and recreation.

Councilor Dawes stated he only wanted to read the comments from the citizens and students, adding the rest of it was nothing other than professional bureaucratic verbiage made to impress the constituents.

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Councilor Pope wanted to know how soon the city should get involved in discussing the Stan Hedwall Park lease with the State, noting the lease would be coming up in 2026.

City Manager MacReynold reported a couple of years ago he met with one of our Legislators and at the time thought there was going to be a legislative fix for it; however, he didn't necessarily get a positive response from the state. He felt a legislative fix was probably the best way to deal with it, adding over the next couple of years we would need to establish a relationship with one of our Legislators and get them to move on it.

Councilor Dawes suggested, since the state never gave us the promised sales tax mitigation, it might be a nice trade-off.

Mr. Nacht reported the city addressed some potential for environmental mitigation to enhance some of Dillenbaugh Creek and other things that could be used as a trade-off. He believed they would be discussing Stan Hedwall Park as part of the three-year financial strategy plan.

**8. Accept Washington State Transportation Improvement Board (TIB) Grant and the Chehalis Avenue Beautification Grant.** Herta Fairbanks reported the issue before the council was just a formalization of council's acceptance of the two grants, which the council received information on in the past.

Councilor Harris moved to accept the TIB grant for the refurbishment of Chehalis Avenue and the STP Transportation Enhancement Program grant, and authorize the City Manager to execute agreements necessary to complete the project within the financial constraints identified.

Councilor Pope seconded the motion.

Councilor Spahr noted they had put new sewer lines down Chehalis Avenue a few years ago, and wondered if they would be looking at installing new water lines. Ms. Fairbanks reported they would not be tearing up the street to that extent, adding the city did not receive the grant submitted that would have included new water lines.

Councilor Spahr wondered if they were throwing good money after bad, if in the future they were going to disturb the surface to replace the water lines. Ms. Fairbanks reported, eventually the water lines would have to be replaced, but for now they were just doing a very nice band-aid for the street.

Councilor Dawes inquired about the storm drain in the area of Center Street or Prindle Street and Chehalis Avenue. Ms. Fairbanks reported the project would include a few storm system upgrades.

The motion carried unanimously.

**9. Ordinance No. 889-B, First Reading – Amending the City Parking Ordinance.** City Manager MacReynold reported this issue was really just a housekeeping item, noting Court Administrator Becky Fox was informed that the city was in violation of state law with reference to our parking fee penalties.

Ms. Fox reported each year the Court Administrator's Office goes over our local statutes and notifies the court if they're out of compliance. She stated this year she was told the maximum that a legislative body can set for a delinquent penalty on parking citations was \$25. Ms. Fox indicated the city currently had different penalties for different parking infractions, and proposed to change the penalty to the maximum \$25 on all parking violations. She noted it took the same amount of time to process a delinquent parking ticket for \$5 as it does for a \$15 ticket. Ms. Fox provided some statistics on the 2011 parking tickets.

Councilor Dawes moved that the council suspend the rules requiring two readings of an ordinance.

The motion was seconded by Harris and carried unanimously.

Councilor Dawes moved to pass Ordinance No. 889-B on first and final reading.

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The motion was seconded by Councilor Spahr and carried unanimously.

10. **Audit on Non-Profits**. Councilor Lund stated, at the last meeting, Councilor Pope provided them with some information that he requested from Tom Bradley on how to handle money given out to non-profit groups. He thought it was a good idea, and was hoping it would be on the agenda for discussion.

City Manager MacReynold reported the administration had spent some time looking at the information provided by Mr. Bradley. His impression from the meeting was, the council was clearly supportive of the city proceeding with it and his Administrative Assistant Caryn Foley was working with Mr. Bradley to put a letter together that would be sent out to all of the non-profits that we fund. City Manager MacReynold reported the letter would provide examples of what the non-profits need to provide the city. He noted if the council wanted to take formal action to direct the administration to bring something back to the next meeting, he would certainly do that, but they were proceeding on the clear direction he got from the council at the last meeting.

Councilor Pope felt the council gave direction for the administration to proceed.

Councilor Lund stated he was under the impression that Councilor Harris wanted to read the information first.

Councilor Harris thought they all agreed on the idea behind it, adding he would like to see what the state requires that the lodging tax committee (LTAC) can require for application of funding.

City Manager MacReynold believed they were currently requiring what the state required, but believed the city could require additional information. He stated he would be happy to come back to the council with what could be sent out to the organizations.

Councilor Lund stated the only thing that worried him was that Mr. Bradley felt some groups maybe didn't have the money to do an audit. He felt the city needed a tighter process to make sure the non-profits are not giving the city phony paperwork.

City Manager MacReynold reported the information provided by Mr. Bradley indicated most organizations couldn't afford to do a full official audit, but there were enough other things the city could require. He noted if they provide the city with all of the required information we would have a good historical record of what they are doing organizationally with their funds.

Councilor Pope suggested, after arguing the issue with Mr. Bradley, he gave a very logical explanation as to why it would be prohibitive to some of the organizations. He felt if they were concerned about one of the organizations, the council could give direction for that particular organization to have an audit. Councilor Pope stated he was comfortable with what Mr. Bradley suggested the city do.

City Manager MacReynold stated he would be happy to copy the council on what the city was sending out, so the council could see it ahead of time and give some feedback.

There being no further business to come before the council, the meeting adjourned at 7:15 p.m.

Terry Harris, Mayor Pro-tem

Attest:

Judith A. Schave, City Clerk

February 21, 2012

The Chehalis city council met in a work session on Tuesday, February 21, 2012, 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, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Bill Hillier, City Attorney; Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; Kelvin Johnson, Fire Chief; and Herta Fairbanks, Public Works Director.

1. **Work Session on Land Use, Zoning, and Code Enforcement.** City Manager MacReynold reported, in previous meetings, questions have come up about how the city administration deals with zoning, permitting, land use and enforcement issues. He felt there may be some disconnect between what is done administratively and what the council might think is being done, and recommended having a work session to have the people who deal with the issues on a day-to-day basis talk about how they approach things and what the processes are.

Bob Nacht talked briefly about zoning, permitting and land use, noting the city was required to plan under the Growth Management Act (GMA). Additionally, there were numerous RCWs, WACs, and case law that direct what the city can and cannot do under the GMA, as it relates to zoning.

Mr. Nacht reported on the following:

- City's Comprehensive Plan
  - last adopted in 2010
  - city is obligated to use this plan for all of its regulatory schemes
- City's Uniformed Development Regulations - Chehalis Municipal Code (CMC) Title 17
  - adopted in 2000 to get all city administrative regulations into one document
  - amended annually
  - consistent with GMA and state law
  - requires a development permit for almost everything; some exemptions may apply
  - 17.09.100 - how things have to be permitted
  - 17.09.150 - appeals process
- Development Review Committee
  - Created in 2000 - CMC 17.09.070
  - comprised of city administrators authorized by the CMC to administer or enforce different regulations of the city
  - designed to make sure everyone at the table reviews everything, and each addresses his or her specific areas of expertise

Councilor Spahr felt the biggest problem was that you have people on one side not wanting certain things to happen, while people on the other side want to do as they please. He believed there were a couple of entities within the city who have created some problems, and the issue seems to be what can be done now that they are established.

City Manager MacReynold stated, from conversations he's had with department directors about the process, they always start out by trying to work with people, which was not the case in other jurisdictions he's worked in. He believed attitude was very important when dealing with someone who wants to get something done.

Councilor Dawes noted one issue brought to the council's attention was how something becomes something that it was never intended to be, and not in the proper area of zoning. He added, what was the use of having any kind of zoning if in the end we don't have any say or the ability to do anything about it.

Mr. Nacht reported, during the first quarter of the year there's an opportunity for the public and staff to submit proposed changes to the land use regulations. He noted, for the most part, they receive staff requested changes to address housekeeping issues, or problematic issues that are identified throughout the year. He indicated there was nothing in the statutes to preclude anyone from requesting other types of changes to the regulations.

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Mr. Nacht reported Title 17, Appendix Chapter "F," provided for 'definitions' relating to the land use (zoning) code, and defined statutorily what constitutes a use or occupancy. He noted there were also a number of definitions in the building code that have to be taken into consideration, as well.

Mr. Nacht reported the State of Washington has created all kinds of WACs and RCWs, one of which states, "In interpreting the Fair Housing Act, it is clear the Federal Judiciary, including the Supreme Court, will not tolerate restrictive definitions of family masked in maximum occupancy limitations where they actually serve to define who constitutes a family rather than to cap the number of individuals per dwelling in the interest of public safety."

Mr. Nacht reported the Uniform Building Code defines an R-3 residential occupancy as a single-family residence. He added there is a difference between R-1 zoning and R-3 occupancy, but they were essentially one in the same. Mr. Nacht noted the following:

- R-1 zoning - single-family residential zoning, lower density. In the building code an R-3 residential occupancy is an occupancy group and has nothing to do with zoning, but the designators were similar.
- R-3 residential occupancy - single-family residence, by definition, allows congregate living facilities with sixteen or fewer persons and adult care within a single-family home. Adult family homes and family child daycare homes are permitted to comply with the international residential code.
- A family defined in the city zoning ordinance, which is allowed to be in a single-family residence, is an individual or two or more persons related by blood, marriage, foster placement, or adoption, or a group of six or fewer persons who may be unrelated and such group is not required to be licensed by the state, living together as a single housekeeping unit. This definition was adopted to be consistent with requirements of the GMA, RCWs and WACs that are applicable.

Mr. Nacht reported, if they receive a complaint about several people living in a home that are not related they first look to see if there are six or fewer, and if so, there is nothing the city can legally do for that particular situation. He noted that was not to say there aren't other issues to address, such as the number of vehicles and/or other nuisances.

Mr. Nacht reported, typically, boarding houses are not required to be licensed by the state, and if they do run into something that requires state licensing, that issue would need to be addressed. He stated in some cases they can address what someone is doing through zoning criteria, conditions, and such, but in most cases they have to address it through the city's nuisance ordinance.

Councilor Taylor asked if he could rent rooms out of his single-family residence to six different people. Mr. Nacht reported the broad-brush answer would be yes, but without having all the specifics, he couldn't answer that. He stated there were several things that would have to be investigated to determine if there were any violations.

Councilor Taylor inquired about turning a house into an apartment building. Mr. Nacht stated if you turn a house into an apartment it requires multi-dwelling units, which you cannot do in a single-family zone. He suggested there were state requirements that influence how far you can change a 'definition' and get away with it under growth management.

Mayor Ketchum asked about the nuisance regulations to address violations. Mr. Nacht reported CMC 7.04.130 listed numerous nuisance conditions based on behavior as opposed to zoning. He noted the biggest thing they deal with was being able to demonstrate or have evidence that something is actually being violated. Mr. Nacht stated under state statute they cannot go onto private property without permission.

Councilor Pope reported he had concerns when four or five individuals who come with criminal records decide to live together in one dwelling. He believed if the community felt threatened, the city should have a right to protect it. Mr. Nacht stated that particular situation would be addressed under the state statute.

Councilor Taylor noted there was a situation at one location in town where they were accepting people with criminal records, adding it seemed like the city had a hard time taking care of it based on the Americans with Disability Act. He suggested it would be nice if they could protect neighborhoods from those types of situations before they happen.

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Mr. Nacht reported the city is relegated to identify issues, which in some cases is after the fact. City Manager MacReynold felt part of the problem was, if someone sees a situation or someone violating the law they don't usually report it because they don't want to get involved. Councilor Harris believed that was because too often it puts neighbor against neighbor.

Councilor Spahr suggested felons and sexual predators had the right to live someplace, but wondered if by allowing them to go into a home where they are all grouped together, unsupervised, was creating a more dangerous situation. City Attorney Hillier reported there were state regulations that would compel the owner of such a facility to meet certain criteria.

Police Chief Glenn Shaffer reported they need to tread lightly when it comes to people who have been released from jail, or who have felony convictions. He noted if you have sex offenders or individuals released from custody under a level of supervision, the conditions under which they are released are dictated by the Department of Corrections (DOC). Chief Schaffer stated when they run into situations of concern they contact DOC to let them know what's going on and DOC looks into it. He reported individuals being released from jail or prison having completed their terms, and are no longer on supervision, cannot be regulated as to where they go, or stay.

Chief Schaffer talked briefly about 'probable cause,' noting without proof or being able to go onto private property, it is very tricky to prove something is going on. He stated as much as they think they might know what's going on inside a residence it does not lead them to a level of probable cause that would allow them to take enforcement action.

Public Works Director Herta Fairbanks talked briefly about the areas that public works was tasked with under Titles 12 and 13. She noted their primary oversight included streets, sidewalks, public places and public services. Ms. Fairbanks noted the following responsibilities of the public works department:

- Ensure streets are being used in a proper manner
- Oversee approval for street events and right-of-way use through the DRC process
- Permitting use of sidewalks for various functions
- Regulate the manner in which individuals, homes, and businesses connect to public services, such as the city's water, sewer and storm systems
- Civil plan review for engineering and development of sites

Councilor Dawes briefly described a past situation that had gone bad, where the city ended up having to pay to have it corrected. He hoped the departments would be more pro-active in the future, to take care of situations before they become a problem.

City Manager MacReynold believed at times the city has chosen to be the 'nice guys' when dealing with something after the fact, and it usually ends up biting us and costing the city money. He stated he'd heard from many of the senior council members that they want the city to be a 'business friendly community,' but with the different conflicts and conflicting interests, it was a pretty tough walk. City Manager MacReynold suggested at times they may need to take a different approach on how they deal with violations.

Councilor Lund stated it was nice that the DCR had changed some of their ways regarding blocking off sidewalks and streets. He believed there was still room for improvement with reference to blocking the streets and parking during events, such as the parade. Councilor Lund felt it hurt the businesses, and just because it was done that way in the past didn't mean they had to continue doing it that way. He suggested staff should be talking more to the business owners about blocking the streets for events.

Councilor Harris reported he found that people who are given the most are usually the ones that come back and grab more, thank less, and end up becoming most of the problem. He suggested, when it comes to regulations, he would rather stick with a black and white system. Councilor Harris stated he was getting a little tired of watching people take advantage of situations they have placed themselves in because they are trying to get away with things. He suggested better defined regulations.

Councilor Taylor agreed with Councilor Harris, but added not everything was black and white, or the same.

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Councilor Lund believed Mr. Nacht used common sense when it comes to enforcing the regulations, adding he figures out how to get it done and works with the people.

Fire Chief Kelvin Johnson talked briefly about fire code and enforcement, and noted the following:

- Deals directly with the building department on code enforcement
- Actively involved with initial plans as they pertain to fire suppression, alarm systems, hydrant distribution, and access
- Have the legal authority to go inside businesses as deemed necessary to make fire code inspections
- Have no means of access to go into a private residence, unless they are invited
- Only have the legal right to inspect the common areas of an apartment building
- Provide public education on how to best take care of businesses and homes
- Potential for liability issues if they don't follow the rules that are set

Chief Schaffer reported, with regard to the concept of enforcement, it really wasn't black and white. For instance, patrolling was all about discretion, and that discretion would be dependent on what the goal was. Chief Schaffer felt the same discretion had to come into play when dealing with zoning and building code enforcement.

Chief Schaffer reported the police department's involvement with the DRC, included:

- Nuisance issues – defined under CMC 7.04; top eight issues dealt with on a daily basis include: garbage, obstruction to the right-of-way, unoccupied buildings, signs, grass and weeds, inoperable vehicles, and storing of junk
- Assist DRC to add input into issues and permits that deal with public safety; traffic obstructions; events that involve alcohol; and situations that might require additional law enforcement services
- Involved in the enforcement aspect of the DRC process

Chief Schaffer reported the good news was, about 90 percent of the issues are dealt with through phone calls or letters. He noted there were only a handful of citations given out in 2011 concerning nuisance issues.

City Attorney Hillier brought up the issue of the two to four percent that simply tell the enforcement team to stuff it. He reported there was some recourse in the city code that suggests at some point it's on the city to go out and take care of the issue, and then put a lien on the property. City Attorney Hillier stated this ends up costing the city money, which it does not have funding set aside for. He suggested the council might want to consider setting up a fund to fund such projects in the future.

Councilor Dawes summarized his thoughts by stating the council was the one who holds the key. He felt discretion was one of the best tools you can have in law enforcement, adding there was no such thing as black and white. Councilor Dawes brought up the issue of giving direction to the administration and then turning around and getting after them for doing what they've been asked to do, just because someone who may be considered prominent in town comes to one of them to complain. From his perspective, they need to make sure they don't do that because it makes the whole city look bad and doesn't support the staff.

Councilor Spahr felt the discussion was good and suggested there were some people who needed to watch the meeting, so they can have a better understanding of how the system works.

Councilor Lund brought up the issue of insurance companies, asking if staff could educate them on the codes, so they could educate their clients. Chief Johnson stated he was never opposed to going and talking with any group about any of the particulars. He noted they try to encourage business people to talk with their insurance company to see what kind of breaks they can get for having certain things in their buildings, such as a sprinkler system.

Councilor Dawes brought up the issue of covenants and annexing in areas outside the city, wondering how the code would affect those areas. City Attorney Hillier stated, if there are activities that give rise to a violation, the city could act on those. Mr. Nacht reported, during the annexation process, the city would have to go through and assign the same zoning requirements to the annexed area. He noted the city currently had an interlocal agreement with Lewis County that gives the city the

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opportunity and obligation to pre-zone areas outside the city limits. Mr. Nacht indicated the county has already adopted the city's development regulations for application in the urban growth areas.

Councilor Dawes asked if the covenants would go away if annexed. City Attorney Hillier reported they would not, adding they are for the period of time they are created for and they also have the right to extend them.

Councilor Spahr suggested there was no magical answer, and if anybody had any good ideas the council was listening.

City Manager MacReynold stated, if there was something the council would like looked at specifically, they could write down their concepts and give them to the administration to see what could be done administratively.

There being no further business to come before the council, the meeting adjourned at 6:43 p.m.

Anthony Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: March 12, 2012



February 27, 2012

The Chehalis city council met in regular session on Monday, February 27, 2012, in the Chehalis city hall. Mayor Pro-tem Harris called the meeting to order at 6:00 p.m. with the following council members present: Dr. Isaac Pope, Daryl Lund, Chad Taylor, and Dennis Dawes. Mayor Tony Ketchum and Councilor Bob Spahr were absent (excused). Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Brian Kelly, Assistant City Attorney; Glenn Schaffer, Police Chief; Eva Lindgren, Finance Manager; Bob Nacht, Community Development Director; Herta Fairbanks, Public Works Director; Rick Sahlin, Street Superintendent; and Dave Vasilauskas, Water Superintendent. Members of the media included Kyle Spurr from *The Chronicle* and Michael Preston from KELA/KMNT.

1. **Conduct Public Hearing on Petition to Vacate a Portion of SE Hilltop Drive.** Bob Nacht reported the agenda report had all of the particulars, and offered to answer any questions the council might have concerning the configuration, process, or anything of that nature. He noted, to date, they had not received any comments from the public on the issue.

Mayor Pro-tem Harris closed the regular meeting at 6:02:21 p.m. and opened the public hearing. There being no public comment, Mayor Pro-tem Harris closed the public hearing at 6:02:39 p.m. and reopened the regular meeting.

Mr. Nacht requested the council to direct staff to prepare an ordinance to affect the vacation as described in the petition, and bring it back to the council for consideration at the next meeting.

Councilor Pope moved that the council direct the administration to draft an ordinance for council consideration to vacate a portion of SE Hilltop Drive, as described in the petition.

The motion was seconded by Councilor Dawes and carried unanimously.

2. **Employee Service Award.** Mayor Pro-tem Harris presented Street Superintendent Rick Sahlin with a certificate of recognition and appreciation for 30 years of dedicated service to the city.

3. **Senior Programs at Twin Cities Senior Center.** Melissa Hill, Lewis County Senior Programs Assistant Director, briefed the council on the senior program at the Twin Cities Senior Center. She noted the Catholic Community Services had been providing senior programs in Lewis County since January 2010.

Ms. Hill reported the five senior centers owned by Lewis County provide four main programs, which included: a congregate lunch program (federally funded to a degree by the Older Americans Act); Meals on Wheels (home delivered meals); a transportation program (limited funding through the Older Americans Act); and the Senior Centers (primarily funded by the county and other contributions received from the city, miscellaneous donations, and fundraisers).

Ms. Hill provided the council with the latest Senior Dynamics publication, as well as some 2011 statistics regarding the number of clients who live in Chehalis that use their services; information on their budget; and a flyer describing each of their programs.

Mayor Pro-tem Harris thanked Ms. Hill, adding the services provided were very important to a lot of people in Lewis County.

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

- a. Minutes of the regular meeting of February 13, 2012; and
- b. Claim Vouchers No. 102264-102396 and EFT No.12012 in the amount of \$244,764.05 dated February 15, 2012.

The motion was seconded by Councilor Pope and carried unanimously.

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5. **Administration Reports.**

a. **January Financial Report.** Eva Lindgren talked briefly about the January financials. She noted the report did not include any of the pre-paid insurance premiums that are normally booked each month because they were still waiting on some information from Washington Cities Insurance Authority.

Ms. Lindgren reported the council should have received their 2012 budgets the previous week. She noted a copy of the budget was available for viewing on the city's website, and at the city clerk's office.

Ms. Lindgren reported the January 2012 sales and use taxes were lower than what was received in January 2011. She felt this was due to an overpayment in January 2011, which was corrected later in the year.

Ms. Lindgren didn't have any comments with regard to the utility funds, but offered to answer questions.

6. **Council Reports.**

a. **Update From Councilor Dawes.** Councilor Dawes reported he attended the Business After Hours at the Great Wolf Lodge, which was well attended. He noted on February 21 the North Lewis County Regional Fire Authority Planning Committee gave a presentation on the regional fire authority concept to the Chehalis Industrial Commission, adding they were happy to see the governments looking at the idea and wanted to know what they could do to help when it comes time.

Councilor Dawes reported the Lewis County Historical Museum's next board meeting was scheduled for March 6. They also had a Bylaws Committee meeting scheduled for Wednesday, March 7, and on March 12 they planned on having a mortgage/loan paper burning party at noon. He indicated they were also down to three or four candidates for the permanent museum director position.

Councilor Dawes felt they had turned a very bad situation into a positive situation in a little over three months, adding a lot of thanks had to go to the folks who have volunteered their time to help get things back on the right foot.

Councilor Dawes commented on some articles recently written about the training/meeting between the flood authority and the Chehalis Tribe. He noted his understanding was that it was billed as a meeting on how to get along with the Tribe, however, no one from the Tribe showed up to the meeting. Councilor Dawes found it ironic that the folks who did attend ended up getting a black eye because the meeting was closed to the public. He felt the articles served as a reminder to all of them that there are many things representatives of the city can do to violate the Open Public Meetings Act. Councilor Dawes stated, as one person from the council, he hoped that any representative of the city would excuse themselves from any similar situation in the future.

b. **Update From Mayor Pro-tem Harris.** Mayor Pro-tem Harris reported he recently attended a Chehalis Basin Partnership meeting along with Lewis County Commissioner Bill Schulte, noting it was a rather innocuous meeting.

7. **Resolution No. 4-2012, First and Final Reading - Approving the Sale of Property and Authorize the Airport Governing Chairman to Sign Quit Claim Deed for Conveyance of Property.** Lewis County Public Works Director Tim Elsea reported, on December 12, 2011, the county made a presentation to the council regarding the issue. He noted they were working with the city council, county commissioners, and the airport board to provide a sale of property and other assurances for a project that was going through.

Mr. Elsea indicated the county needed right-of-way for the Airport Road Improvement Project from National Frozen Foods; National Frozen Foods needed to ensure they had irrigation land in perpetuity, so they could keep jobs in Chehalis; and the Airport needed aviation easements. He indicated they were able to accomplish all three things with an agreement, and tonight they were asking for the city to authorize the Airport Board Governing Body Chairman to sign the quit claim deed for conveyance of property from the airport to National Frozen Foods, and to declare the 41.82 acres surplus. Mr. Elsea reported the property was purchased at the same time other property was purchased with FAA funds, but noted the piece they were requesting to surplus was not purchased with FAA funds, therefore, was not subject to any restrictions.

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Councilor Dawes asked if the airport manager had the authority, or did it have to be an executive person, such as a county commissioner, board chairman, or city manager. Mr. Elsea reported they met with City Attorney Bill Hillier and their attorney, and it was determined that the city has the authority to convey the authority to the Airport Board Chair.

Councilor Taylor moved that the council adopt Resolution No. 4-2012 on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

**8. Resolution No. 2-2012, First and Final Reading – Adopting the Chehalis Water System Plan (WSP).** Herta Fairbanks reported the administration was requesting the council to adopt the WSP, so it can be submitted to the Department of Health (DOH) for final approval. She noted DOH would not approve it until council first adopts it. Ms. Fairbanks reported, from the administration's perspective, the plan was final and upon adoption the resolution would be included as an appendix to the plan and sent to DOH. She noted they had confidence, in addition to the unofficial blessing of DOH, that approval would be granted rapidly and without any additional comments.

Ms. Fairbanks reported, since finalizing the plan, Office Manager Judi Smith had retired; therefore, they would need to make a correction to the organizational chart on page 2-3 to reflect the name of their new office manager, Nichole Paulis.

Ms. Fairbanks reported on the Capital Improvement Program in Chapter 11, noting it detailed what capital improvements the administration felt are going to be necessary for the water system between now and the end of the planning period. She noted they also looked 20 years out to see what other improvements might be necessary based on some rough estimates of projects, system demands and infrastructure age.

Ms. Fairbanks reported the plan took a little longer than anticipated, by virtue of the water system planning process and staff changes at DOH. She noted the plan would expire in 2015.

Councilor Taylor asked if there was a reason why they don't start the six-year time period from the time the plan gets adopted. Ms. Fairbanks reported it takes a lot of effort to create the plan with all of the inter-locking and inter-related pieces. She stated they could have taken the time to update the demand forecast, modeling and capital improvements, but it would have cost the city \$25,000 to \$30,000 to do it, so they made the decision to stick with what they already submitted. Ms. Fairbanks noted, once they get the 2011 plan approved, they would work towards making it more efficient the next time around.

Councilor Taylor moved that the council adopt Resolution No. 2-2012 on first and final reading, adopting the 2011 City of Chehalis WSP and direct the administration to submit the final plan to DOH for approval.

The motion was seconded by Councilor Lund and carried unanimously.

**9. Resolution No. 3-2012, First and Final Reading – Adopting the Chehalis Parks, Recreation, and Open Space (PROS) Plan.** Bob Nacht reported the PROS plan was distributed to the council prior to the last meeting for review and comment. He stated the administration was requesting the council adopt the plan by resolution.

Mr. Nacht reported the executive summary was adopted in the Chehalis Comprehensive Plan last year. He noted the plan had been sitting on the shelf over the last year going through staff review and was now being presented in an effort to support a grant application by the Chehalis Foundation.

Mr. Nacht stated there's been a lot of discussion regarding the population projections noted in the plan, and the finances required on account of those projections. He noted all the population projections used in the planning effort were mandated by the Growth Management Act, to use the Office of Financial Management population projections as adopted by Lewis County. Mr. Nacht noted the city must use those numbers. He also pointed out that within the plan there was opportunity to adjust how we deal with the issues that are articulated in the plan.

Councilor Dawes moved to adopt Resolution No. 3-2012 on first and final reading.

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The motion was seconded by Councilor Pope and carried unanimously.

10. **Ordinance No. 890-B, First and Final Reading – Extending the Six-Month Moratorium on Medical Marijuana and Dispensaries.** City Manager MacReynold reported the issue before the council was prompted by a work session held during the previous meeting. He noted, initially, the council talked about a one-year moratorium; however, after further review and research by the City Attorney, it was found to be better for the city to extend the current moratorium for another six months. City Manager MacReynold encouraged council's consideration of the resolution.

Councilor Dawes moved that the council suspend the rules requiring two readings of an ordinance.

The motion was seconded by Councilor Pope and carried unanimously.

Councilor Dawes moved to pass Ordinance No. 890-B on first and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 6:33 p.m.

Terry Harris, Mayor Pro-tem

Attest:

Judith A. Schave, City Clerk

Approved: March 12, 2012

March 12, 2012

The Chehalis city council met in regular session on Monday, March 12, 2012, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:33 p.m. with the following council members present: Terry Harris, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Pope 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 42.30.110(1)(g) – public employee review for approximately 30 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 five minute recess before opening the regular meeting at 6:00 p.m. Additional staff included: Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; Lilly Wall, Recreation Manager; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; and Herta Fairbanks, Public Works Director. Members of the media included Kyle Spurr from *The Chronicle*.

2. **Presentations.** Mayor Ketchum presented Larry McGee with a certificate and key to the city in recognition of his ongoing volunteer efforts and commitment to the community, serving as Chair of the Chehalis Community Renaissance Team (CCRT). Mayor Ketchum also presented CCRT Vice Chair Allyn Roe with a certificate of appreciation for his service and work on the committee, as well.

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

- a. Minutes of the special work session of February 21, 2012, and the regular meeting of February 27, 2012;
- b. Claim Vouchers No. 102397-102509 in the amount of \$88,141.43 dated February 29, 2012; and Payroll Vouchers No. 35431-35499, Direct Deposit Payroll Vouchers No. 2943-3014, and Electronic Federal Tax Payment No. 108 in the amount of \$670,404.22 dated February 29, 2012; and
- c. Award rock, gravel, and asphalt bids for the various materials to the bidders as recommended.

The motion was seconded by Councilor Spahr and carried unanimously.

4. **Administration Reports.**

a. **Briefing on Surplus of Old Wastewater Treatment Plant (WWTP).** Herta Fairbanks reported Wastewater Superintendent Patrick Wiltzius prepared a Request for Proposals (RFP) that will be sent out to see what kind of response they get back. She noted they were looking for a scrapping firm to surplus items of value on the property. The firm would need to provide the city with a lump sum payment for the scrap, or a price per ton or pound that they intend to pay the city for the scrap. Ms. Fairbanks reported there were a number of different kinds of surplus at the old plant, including buildings, wood, metal, concrete, and other miscellaneous that could be of interest to various firms. She noted if they receive any reasonable proposals they would proceed and bring something back to the council for their consideration.

Councilor Spahr reported, over the years, there have been discussions about possibly utilizing that area for storm water cleanup. Ms. Fairbanks noted the land could possibly be used for mitigation purposes, and that option would be explored when they get to the point where the land is actually able to be put into a mitigation bank, or something to that affect. She stated it was basically a decommissioned wastewater plant and there was not a lot of opportunity in its current state, other than to start the process of exploring what the possibilities are.

Councilor Harris noted the city uses one of the buildings to house some of the holiday decorations. He stated he was shocked to see the current condition of the site, adding it looked terrible and needed to go away.

b. **Resignation of Flood Authority Representative.** City Manager MacReynold reported he received a call from the city's flood authority representative, Julie Balmelli-Powe, to report she would be resigning as the city's representative on the Chehalis River Basin Flood Authority. He noted Ms. Balmelli-Powe would attend the meetings later in the week, but the council would need to appoint someone to represent the city in the future.

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Mayor Ketchum stated, if someone on the council would like to be appointed, or if they know of someone of Ms. Balmelli-Powe's caliber they should pass those names along to the administration, so they could be contacted.

Councilor Taylor reported he would be willing to go back on the committee until they find someone to take his place again. He noted it was nice having Ms. Balmelli-Powe representing the city because she didn't have any political agenda.

c. **Temporary Council Voucher Approval Committee Appointment.** City Manager MacReynold asked if one of the council members would be willing to temporarily fill in for Councilor Pope on the voucher approval committee. Councilor Spahr volunteered to fill in for Councilor Pope during his absence.

#### 5. **Council Reports.**

a. **Update From Councilor Spahr.** Councilor Spahr reported he went to the Daytona 500 a couple of weeks ago, but unfortunately it got rained and he was already on his way home when they ran it. He did, however, get to see the Daytona 300.

Councilor Spahr gave a quick update on Councilor Pope, noting he was recovering nicely and should be back in time for the next meeting.

b. **Update From Councilor Dawes.** Councilor Dawes reported he and Councilor Lund attended the official mortgage burning for the loan that the Lewis County Historical Museum received from Security State Bank, that was recently paid off. He noted it was a big milestone for the museum, adding they are now able to pay their bills and are standing on good solid footing.

Councilor Dawes reported the museum had a meeting last week to interview individuals for the permanent museum director position. He noted there would be an announcement once the final decision was made. Councilor Dawes indicated they were also planning some events in May, to include the 100 year celebration of the museum's building (the former Chehalis train depot) and the Historic Train Depot in Centralia, which were both built in 1912.

Councilor Dawes reported the North Lewis County Regional Fire Authority Planning Committee planned to get back to their normal schedule in a couple of weeks, adding their next meeting was scheduled for Wednesday, March 21.

c. **Update From Councilor Harris.** Councilor Harris reported he recently attended a CCRT meeting, adding it was a wonderful organization and the city was fortunate to have the people that are on that committee. He suggested they were also lucky to have Mr. McGee who was kind enough to step up and take charge, and Mr. Roe who works very hard, as well.

Councilor Harris reported the holiday decorations committee would be setting up a meeting once Chamber Executive Director Jim Valley returns to work and is feeling better. He thanked the CCRT committee for the faith they had in him to get something done for the 2012 holiday season.

Councilor Harris reported he also attended the Miss Lewis County Scholarship Pageant on Saturday, March 10.

6. **Ordinance No. 891-B, First Reading – Vacating a Portion of SE Hilltop Drive.** Bob Nacht reported they held a public hearing on the proposed vacation, adding there were no comments for or against it. He noted, historically, when they present vacations of excess right-of-way they actually sell it as real property under the process; however, in this particular case, they looked at the cost per square foot of the adjacent property that it would attach to (assessed with the Lewis County Assessor's Office). Mr. Nacht indicated the numbers in the ordinance were based on the cost per square foot of the adjacent property that it would attach to, once vacated. He noted the market values were also part of the ordinance.

Councilor Spahr moved to pass Ordinance No. 891-B on first reading.

The motion was seconded by Councilor Taylor and carried unanimously.

7. **Resolution No. 5-2012, First and Final Reading – Surplus of City Property.** Police Chief Glenn Schaffer reported the department had four vehicles to surplus. He indicated three were former police cars that had been replaced over the years, noting they had held on to two with the intention of converting them into training cars for emergency vehicle operation

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training, but the cost was too prohibitive. Chief Schaffer reported the fourth vehicle was the old van used for animal control over the past few years, which was decommissioned for a smaller vehicle that actually gets miles to the gallon.

Councilor Dawes moved to adopt Resolution No. 5-2012 on first and final reading.

Councilor Taylor seconded the motion.

Councilor Spahr noted, to some, the vehicles might not be that old and inquired as to the number of miles on them. Chief Schaffer reported, generally, they don't turn them over until they have between 100,000 and 120,000 miles on them. He noted that might not be bad for a personal vehicle, but 120 was a lot of miles for a police vehicle. Councilor Spahr asked where the vehicles would be auctioned. Chief Schaffer reported they had a couple of options, but they were also looking at the possibility of trading the vehicles in on others that actually run.

The motion carried unanimously.

8. **Lodging Tax Advisory Committee (LTAC) Recommendation – Request for Tourism Funding.** Councilor Harris reported the LTAC voted unanimously to support two requests for funding and offered to answer any questions the council might have.

Councilor Harris moved to approve the recommendation of the LTAC to award \$5,000 to Pope's Kids Place Jazz in July event.

The motion was seconded by Councilor Taylor and carried unanimously.

Councilor Harris moved to approve the recommendation of the LTAC to award \$9,000 to the Chehalis Community Development Department for Phase 1 of the conceptual ball field improvement master plan for Recreation Park.

The motion was seconded by Councilor Taylor and carried unanimously.

9. **Proposed Changes to Council Districts.** City Manager MacReynold reported every time there's a census done the districts have to be looked at. He noted Mr. Nacht had been working with Lewis County to generate the data needed to do an analysis of the council districts.

Mr. Nacht reported, historically, they have tried to keep the difference between the highest and lowest population in all of the council districts to be less than 10 percent. He noted the analysis showed almost 14 percent. Mr. Nacht stated the administration was proposing some changes, as described in the agenda report, and were working with the county on the easiest way to do it with the least amount of disruption to any of the districts. He noted the areas they were proposing to move from one district to another were geographically isolated and did not affect the resident addresses of any of the current councilors.

Councilor Dawes moved that the council direct the administration to develop an ordinance for council consideration changing the council districts as described in the agenda report.

The motion was seconded by Councilor Harris and carried unanimously.

10. **Authorize the Administration to Apply for Recreation/Conservation Office (RCO) Grant for the Outdoor Swimming Pool Redevelopment.** City Manager MacReynold reported they've had quite a few discussions with the representatives from the Chehalis Foundation about the effort they are making to find funding to fund significant improvements at the outdoor pool at Recreation Park.

Mr. Nacht reported the agenda identified the circumstances they are looking at to apply for the RCO grant. He noted the application required that the city, as the owner of the property, be the applicant for the grant. Mr. Nacht indicated the Foundation had been instrumental in putting the grant together and would continue to be instrumental to make sure it works.

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Mr. Nacht reported the RCO grant would eventually require a budget adjustment, and requested that the council authorize the administration to proceed.

Mr. Nacht introduced Chehalis Foundation President Tim Saylor to talk about an upcoming fundraiser. Mr. Saylor reported on March 31, at 2pm and 7pm, and on April 1, at 2pm, they planned a special showing of the movie "Shrek" at the Historic Chehalis Theatre. Mr. Saylor hoped the event would raise some money for the pool upgrades, adding entrance into the movie would be by donation only.

Mr. Saylor thanked the council for their support, and Mr. Nacht and Lilly Wall for the excellent job that they do.

Councilor Dawes asked if our chance of getting the grant was better because we already had matching funds. Mr. Nacht stated, in conversations with the RCO grant representative, it certainly was a factor, but he didn't know how heavily it would weigh on the analysis of the applications. He stated it certainly can't hurt that we already have the match in hand, but the match was going to be a requirement for all grant applications.

Councilor Dawes felt the idea of the grant was to be able to give it out and see it used, rather than give it out and have it returned because the local match couldn't be met.

Mr. Nacht reported the grant writer the Foundation was working with was in direct communication with the RCO grant people, and if there were any nuances that they can provide in the application, they would certainly be included. He noted the Foundation was actively involved and keeping on top of it.

Councilor Lund reported J. Vander Stoep was the big push behind the event at the Historic Chehalis Theatre and he hoped Mr. Vander Stoep would be encouraged to sell popcorn at the event. He suggested people might come just to watch Mr. Vander Stoep sell refreshments, suggesting it might raise the ante a bit. Mr. Nacht reported there would be a plethora of concessions at the event.

Councilor Harris moved that the council authorize the administration to apply for a grant to the State Recreation and Conservation Office for repairs to the outdoor swimming pool.

The motion was seconded by Councilor Spahr and carried unanimously.

City Manager MacReynold recognized Mr. Nacht for the work he's done on the grant application, and all of the other things revolving around our ball fields and swimming pool. He also recognized Recreation Manager Lilly Wall for the incredible job that she does for the recreation program, adding she's made a huge difference in our community for a long time.

There being no further business to come before the council, the meeting adjourned at 6:35 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: March 26, 2012



March 26, 2012

The Chehalis city council met in regular session on Monday, March 26, 2012, 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; Brian Kelly, 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 Director; and Herta Fairbanks, Public Works Director. Members of the media included Kyle Spurr from *The Chronicle* and Michael Preston from KELA/KMNT.

Councilor Taylor introduced his son Franklin Taylor as his special guest for the evening.

1. **National Avenue Wetland Mitigation Bank Update.** Bob Sokolove from Womble, Carlyle, Sandridge and Rice, gave a brief update on the progress of the National Avenue Wetland Mitigation Bank project.

Mr. Sokolove reported the process of getting the wetland mitigation bank approved was anywhere from six months to a year, depending on how things go. He noted the city's project was being done in conjunction with the mitigation bank taking place on TransAlta's property at Little Hanaford Valley. Mr. Sokolove suggested the city's site was a little more complicated because of the road and ditch on one side, and the railroad on the other. He noted they also found a small sinkhole on the southwest corner of the site that keeps bringing up water, but not enough to matter.

Mr. Sokolove reported the project was on track and the consultants they were working with were doing a really thorough job. He added the regulators love the project and site and are very happy with what they are being given. Mr. Sokolove estimated they would have approval on the mitigation bank sometime mid-summer. He noted the Little Hanaford Valley site at was on a slightly faster track and could be approved within the next 60 days or so. The next step was to get final approval on both banks.

Mr. Sokolove reported they were already talking with the United States Corps of Engineers (Corps) and the Department of Transportation about potential end users. He noted there were some violators out there who owe mitigation from the past and they would be talking to them as well, one being Providence Hospital. Mr. Sokolove indicated he would also be meeting with the Corps, who is very grateful that the site was being put together as a mitigation bank.

Mr. Sokolove reported they had a good relationship with Kevin Klumper, who has property involved in the National Avenue site. He added they had recently been contacted by Richard Pine who owns a piece of land to the south on National Avenue, but didn't believe they would include his piece into the bank this go-round because it would slow the process down. Mr. Sokolove indicated they could possibly bring Mr. Pine into the umbrella bank after approval is granted. He noted even though the city's site and the site at Little Hanaford Valley were operating in tandem, the city would receive the first credit sales.

Mr. Spahr asked Mr. Sokolove to briefly describe what the site might look like when finished. Mr. Sokolove reported, if done correctly, it should mimic nature and would include a lot of grasses and wetland trees. He noted the creek would have more of a winding effect that will help create the wetlands off to the sides. Mr. Sokolove stated it was not a landscaping project designed to be pretty; however, by the time they're done, it would be prettier than it is today. He reported the regulators preach the concept of restoration, which technically means to bring it back to where it was historically. Ms. Sokolove indicated the city would get the most credit by restoring it back to its natural historic self, which was what they were doing.

2. **Proclamation.** Mayor Ketchum presented Human Response Network Representative Katie Breea with a proclamation declaring April as "Sexual Assault Awareness Month."

3. **Employee Service Awards.** Mayor Ketchum presented Fire Captain Kevin Curfman with a certificate of appreciation for 25 years of dedicated service to the city.

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

a. Minutes of the regular meeting of March 12, 2012;

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b. Claim Vouchers No. 102510-102518, 102520-102620, and EFT No. 22012 in the amount of \$149,395.94 dated March 15, 2012; and

c. Approve city manager contract agreement.

The motion was seconded by Councilor Taylor and carried unanimously.

5. **Administration Reports.**

a. **February Financial Report.** Eva Lindgren reported the February financial report reflected both the January and February insurance premiums making it more in line with what was expected.

Councilor Lund asked, after what happened with the historical society, could the council get a copy of the city's monthly bank statement. Ms. Lindgren noted the city had a number of bank statements and investment accounts. Councilor Lund suggested they never get to see that kind of information and thought perhaps they should be asking for it, to make sure the city's money is where it's supposed to be. Ms. Lindgren noted, unlike the historical society, the city is audited every year and we're held to a much higher standard. Councilor Lund stated that was fine, but he had to ask. Ms. Lindgren reported the statements would not tell the council what funds the money is located in. Councilor Lund noted the council has asked for information in the past, but they never get it.

City Manager MacReynold suggested he and Ms. Lindgren could talk about it and report back to the council.

6. **Council Reports.**

a. **Update From Councilor Dawes.** Councilor Dawes welcomed Councilor Pope back, adding he was very happy to see him sitting where he belonged.

Councilor Dawes reported he attended a Business After Hours event at Helly Hansen in Centralia. He also attended the monthly North Lewis County Regional Fire Authority Planning Committee meeting where they continue to make progress towards defining what a proposed fire authority would look like. Councilor Dawes noted the operating procedures of the committee called for elections, adding he was re-elected to continue chairing the committee and Greg Pulver from Fire District 6 would continue to serve as vice-chair.

Councilor Dawes reported the Lewis County Historical Museum recently hired Johanna Jones as their new executive director. He noted Ms. Jones comes to the museum from DuPont, Washington, and would start work on March 27. Councilor Dawes stated Ms. Jones interviewed very well and brings with her a wealth of knowledge. He noted a meet-and-greet would be scheduled in the near future for people to come by and welcome Ms. Jones to the community.

b. **Update From Councilor Spahr.** Councilor Spahr noted, with regard to the regional fire committee meetings, the information they were getting was pretty incredible. He noted even if a merger doesn't take place, the information and cooperation they are getting from the districts will take them forward if somebody wants to do something with it in the future.

c. **Update From Mayor Ketchum.** Mayor Ketchum reported he received a letter from the Lewis County LEOFF Disability Board to say they were looking to reappoint City of Centralia Mayor Bonnie Canaday to the board. The letter noted if the Board did not receive any other nominees, Mayor Canaday would continue to represent the cities.

d. **Update from Councilor Pope.** Councilor Pope reported on the Chehalis Foundation's upcoming fundraising event on March 31. He noted the movie "Shrek" would be playing at the Historic Chehalis Theatre and the donations received would go to help finance the outdoor pool project.

7. **Ordinance No. 891-B, Second and Final Reading – Vacating a Portion of SE Hilltop Drive.** Bob Nacht reported they went through the first reading of the ordinance at the last meeting. He noted he talked with one of the petitioners earlier in the day and they were satisfied with it and were just waiting for the ordinance to pass on second reading so they can send in their check.

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Councilor Spahr moved to pass Ordinance No. 891-B on second and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

8. **Ordinance No. 892-B, First and Final Reading – Revising Chehalis City Council Districts**. Mr. Nacht reported the issue came before the council at the last meeting at which time the details were presented. He noted, essentially, there was an imbalance between the populations in all of the existing council districts.

Mr. Nacht reported under state law they have to take a look at the districts after each decennial census. He provided additional maps for the council to review, noting the city worked with Lewis County using their GIS mapping process to identify some resolutions.

Mr. Nacht reported the information and legal descriptions had been sent to the county for their review and comment. He indicated the state would like to have the process done at the county level by April 13 and asked that the council suspend the rules and pass the ordinance on first and final reading.

Councilor Taylor moved to suspend the rules requiring two readings of an ordinance.

The motion was seconded by Councilor Harris and carried unanimously.

Councilor Taylor moved to pass Ordinance No. 892-B on first and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 6:37 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: April 9, 2012

April 9, 2012

The Chehalis city council met in regular session on Monday, April 9, 2012, 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, and Dennis Dawes. Councilor Taylor arrived at 6:17 p.m. Staff present included: Merlin MacReynold, City Manager; Amanda Vey, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; and Herta Fairbanks, Public Works Director. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Introduction of Lewis County Public Utility District (PUD) Manager.** City Manager MacReynold introduced the new Lewis County PUD Manager Bob Geddes.

Mr. Geddes reported he was not new to the utility business, adding he came from Pend Oreille County where he had been the general manager of the PUD for the last eleven years. He stated he and his wife were glad to be back on the west side of the state, noting they both grew up in Washington. Mr. Geddes welcomed the opportunity to work together on future projects with the city, adding his door was always open. He noted they were currently working on a sub-station project off of Main Street, and suggested there was some opportunity for the PUD and the city to do something together to make it a much nicer entrance to the city.

Councilor Pope welcomed Mr. Geddes and his family to the community. He indicated there were already some ideas on how to beautify the space along Main Street. Mr. Geddes noted one suggestion was to install a time and temperature sign in that area.

Councilor Lund stated Councilor Spahr knew a lot about railroads and wondered if the area on Main Street would be a good spot for a train depot for the steam train. Mr. Geddes stated he didn't know much about the steam train depot idea, but added those kinds of things can be a great addition to a community.

2. **Consent Calendar.** Mayor Ketchum announced item No. 6, Resolution No. 6-2012, would be moved to "new business," so it could be discussed by the council.

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

- a. Minutes of the regular meeting of March 26, 2012; and
- b. Claim Vouchers No. 102621-102757 in the amount of \$131,272.21 dated March 30, 2012; and Payroll Vouchers No. 35500-35572, Direct Deposit Payroll Vouchers No. 3015-3086 and Electronic Federal Tax Payment No. 109 in the amount of \$679,278.36.

The motion was seconded by Councilor Pope and carried unanimously.

3. **Administration Reports.**

a. **Update on Request to Review City Bank Statements.** City Manager MacReynold reported, at the last council meeting, Councilor Lund suggested the administration provide more detailed information about city bank records on a more regular basis. He noted he met with Finance Manager Eva Lindgren to discuss the request and she recommended that the information be provided on a quarterly basis, at a minimum for the voucher committee to review, and any other council member who would like to go through it. City Manager MacReynold suggested this would be a way to meet the information needs of the council. He noted he was looking for some guidance and support from the council, and he was specifically interested in Councilor Lund's perspective, since he suggested it.

Mayor Ketchum asked if that would work. Councilor Lund stated sure, noting "it's not what I asked, but sure." No other suggestions or comments were made.

4. **Council Reports.**

a. **Update From Councilor Dawes.** Councilor Dawes stated he recently enjoyed a week down in San Antonio, TX, in

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80 to 90 degree weather. He noted he missed the last Lewis County Historical Museum meeting, since it was held while he was gone.

**5. Resolution No. 6-2012, First and Final Reading – Authorizing the City Manager to Execute the Addendum to the Chehalis River Basin Flood Authority Interlocal Agreement adding the Town of Bucoda.** City Manager MacReynold reported a request came from the Flood Authority to accept the Town of Bucoda back into the Flood Authority after they had requested to be withdrawn. He noted the Flood Authority was recommending each jurisdiction consider approval.

Councilor Harris moved to adopt Resolution No. 6-2012 on first and final reading and authorize the City Manager to execute the Addendum to the Flood Authority interlocal agreement adding the Town of Bucoda.

Councilor Pope seconded the motion.

Councilor Harris noted, when talking with City Manager MacReynold, he asked to have the item pulled from the consent calendar because he wanted a chance to explain why he would be voting against it.

Councilor Harris reported the Flood Authority group was originally designed to have eight members, and subsequently three other entities either asked or were asked to be involved, one of them being Bucoda. He felt some of the dissention inside the Flood Authority has been primarily from Thurston County. Councilor Harris stated Bucoda made a decision to pull up stakes and be removed from the Flood Authority, and now they've decided they want back in. He suggested they were like the kid next door who liked to play catch, and if he didn't catch the ball often enough he would take his ball and go home. Councilor Harris stated, until Bucoda wants to become part of a constructive program, he would not support them being on the Flood Authority.

Councilor Dawes reported he hadn't been to any of the Flood Authority meetings, adding he relied on the reports he received from other council members and what he reads and hears in the local media. He stated it appeared that the makeup of the flood committee consisted of one group that wants to look at solutions, and another that just wants to fight everything and not offer any constructive solutions.

Councilor Dawes reported a lot of money had been spent since the 1930s and felt they were no closer to finding a solution than they were back then. He suspected Bucoda was probably being pushed from behind by other entities just to throw water on any ideas that come up. Therefore, he would join Councilor Harris in voting against it.

Councilor Spahr stated he was bothered by the fact that they had to make a decision without more information. He asked if the city had heard anything from its representatives on the issue. City Manager MacReynold reminded Councilor Spahr that Julie Balmelli-Powe resigned as the city's representative to go to work for Congresswoman Jaime Herrera-Beutler. He noted Ms. Balmelli-Powe did, however, speak favorably of adding Bucoda back in, but it was really the council's call. City Manager MacReynold noted members of the Flood Authority were trying to move it forward, so Bucoda could participate at the next meeting. He stated if the council chose not to vote in favor of it, or if they want to take a couple of weeks, the administration could ask for more information about why they should be considered.

Councilor Spahr asked if it would be out of line to ask Bucoda to come and talk to the council. City Manager MacReynold stated if that is what the council wants, that's what they should ask for. Councilor Spahr reported he appreciated the input from Councilors Harris and Dawes. He stated, if Bucoda wasn't interested before and all of the sudden they are, he would like to hear it from the horse's mouth.

Mayor Ketchum felt part of why they are interested now was because Lewis County now had Napavine and Grays Harbor County had Cosmopolis to represent us.

Councilor Pope stated his attitude hadn't changed from the last time they pulled out, adding he would not vote in favor of it.

Councilor Harris reported Bucoda was frequently not in favor of supporting the idea of looking at the top of the river to start fixing things with water retention. He found it very strange that they would be against dams when their town might not even

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be standing if it weren't for the Skookumchuck Dam. Councilor Harris stated it seemed to him there was something other than looking at true ideas than what was really going on here.

Councilor Taylor talked briefly about the issue of appointing a citizen to represent the city on the Flood Authority. He noted one of the reasons he got off the committee last time was because he got a little too divisive at times and wanted the solution of flooding more than he wanted to get along. Councilor Taylor stated he would support the idea of having a citizen appointed to the Flood Authority to represent the city.

Councilor Taylor stated Bucoda was already going to be let back on the Flood Authority because Napavine and Cosmopolis were added. He suggested letting them back on would not hurt anything as far as getting things passed, adding the majority of the members on the Flood Authority had the same opinion as we do. Councilor Taylor stated, in an effort to create a sense of moving forward with everybody on board, they allowed them back on. He noted he didn't attend the meeting when they added Bucoda, adding he heard it from Ms. Balmelli-Powe. If that were the case, Mayor Ketchum suggested the city's vote was pretty much moot. Councilor Taylor agreed, adding he thought it was talked about at the last meeting.

City Manager MacReynold stated it was his recollection that in order for them to make an addition or change, based on the interlocal agreement, they had to get approval from all of the participating participants, which was why they were asking each of the jurisdictions to take a formal action to allow them back on.

Councilor Taylor stated, if they still had the ability, he would vote against it, adding Bucoda has always been against everything that's been said. He suggested they were just a voice for Thurston County and when told to vote against something, they did.

Councilor Spahr asked if there had to be an equal number of participating entities from each county. Councilor Taylor stated no.

Councilor Pope called for the question.

The motion failed 1 to 6. Councilor Spahr voted for the motion, while the remaining council members voted against it.

**6. Ordinance No. 893-B, First Reading – Amending the 2012 Budget.** Ms. Lindgren reported the highlights of the budget amendment were noted in the agenda report. She indicated they were primarily looking at grant funding and tourism funds that had already been approved by the council, adding the budget amendment was needed to formalize it.

Councilor Dawes moved to pass Ordinance No. 893-B on first reading.

Councilor Lund seconded the motion.

With regard to the Federal Emergency Management Administration (FEMA) grant, Mayor Ketchum inquired about the number of homeowners eligible to elevate their homes. Bob Nacht reported, after the 2007 flood, 25 residential structures had been identified and all qualified for eligibility of grant funding through the program. He noted the contract the city has with FEMA identifies the specific properties, adding they were the only ones the city can deal with at this time.

The motion carried unanimously.

**7. Approve Acceptance of FEMA Grant Agreement for Event No. 4056-DR-WA.** Ms. Lindgren reported the city was extremely fortunate in how little damage we sustained during the recent FEMA event. She noted, originally, the city was looking at \$3,000 in funding; however, after meeting with community development and the on-site FEMA representative, the city's total costs are going to exceed \$6,000. Ms. Lindgren indicated if they could get substantiation from the Lewis County jail, most of the city's match would be from donated inmate labor making our out of pocket cash very insignificant.

Councilor Harris moved to approve acceptance of the grant agreement for FEMA Event 4056-DR-WA "January 2012 Severe Winter Storm Declaration."

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The motion was seconded by Councilor Pope and carried unanimously.

8. **City Representative for the Chehalis River Basin Flood Authority.** Councilor Lund reported Council Taylor had been the city's representative on the Flood Authority for quite a while, and a lot of his time was taken up attending meetings. It was suggested to him by others around town that Councilor Taylor was a young guy with a family to support. He wondered what the council thought about appointing City Manager MacReynold as the city's representative on the Flood Authority.

Mayor Ketchum stated he didn't have a problem with City Manager MacReynold representing the city.

City Manager MacReynold stated if the council wanted him to be the representative, he would certainly do it. He suggested he could be the alternate for Councilor Taylor and attend when he's not able, noting he would be attending the meetings either way.

Councilor Dawes felt it was a little unfair to put the city manager in a situation like that at a meeting. He thought he heard there were some potential candidates, adding if they could find someone of Ms. Balmelli-Powe's caliber that has the time and willingness, that would be the better way to go. Councilor Dawes believed it was better to have a capable citizen represent the city, noting the city manager has a lot of things to do to keep the city going from day-to-day and he certainly didn't want to take anything away from that.

Councilor Harris suggested Councilor Taylor stay on as the city's representative and City Manager MacReynold could be the alternate, and in the meantime, go through a process to look for someone. Councilor Taylor stated he liked that idea.

Mayor Ketchum stated he would be glad to let the city manager take his alternate spot.

Councilor Taylor reported he loved being on the Flood Authority, but it was very time-consuming. He thought there might be a couple of people interested in representing the city, and perhaps they just need to look at it a little more.

Councilor Spahr stated he liked the idea of keeping Councilor Taylor on and making the city manager the alternate until they find another citizen.

9. **Nacht Family History Report.** Bob Nacht reported this was a very significant day, noting 33 years ago on April 9, 1979 he began his career with the city of Chehalis. He stated he was originally hired as a building inspector, adding he would like to think it was because of his charm and wit, but it was probably because he had an extensive background in construction with the United States Navy Seabee's. Mr. Nacht noted the Seabee's insignia rating stripes (shoulder patches) were blue, adding he would speak to their significance later in his report.

Mr. Nacht reported over the last 33 years he had been the building inspector, building official, director of building and planning, community development manager, and now the community development director. He has worked for four city managers, including: Jay Haggard, Lloyd Willis, Dave Campbell, and last but not least, City Manager MacReynold.

Mr. Nacht stated when he came to work for the city his brother Bill Nacht was already working for the city. He noted Bill was hired in February 1971 as a firefighter and was promoted through the ranks until he retired as fire chief in 2007. (Bill was also Chief of Fire District #6 during his career with the city). Bill retired from the city with 36 years of service credit. He actually volunteered for three years prior to being hired, so he essentially had 39 years with the city. The only other person in the history of Chehalis to have more service credit years was Ernie Kuehner, who retired after 42 years. He noted Mr. Kuehner was also the city's youngest appointed department head, appointed as fire chief at the age of 21.

Mr. Nacht noted his brother Bill enlisted in the United States Navy Reserves in 1967, and his insignia rating stripes were white.

Mr. Nacht reported his brother John Nacht enlisted in the United States Navy ROTC program right out of high school and eventually retired from the Navy as a commander in 1991. John returned to Chehalis in 1992 and went to work for Lewis County. He was also a volunteer firefighter for the City and Lewis County Fire District #6.

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Mr. Nacht reported in 1929, his dad, F.J. 'Bud' Nacht, joined the Chehalis Fire Department in their "Sleeper" program. He noted back then they didn't call them volunteers, they were firefighters who lodged at the fire station on the graveyard and swing shifts to help supplement the firefighters. Mr. Nacht reported after six years of working in the 'sleeper' program his dad was hired as a paid firefighter in 1935. He noted the 1940 Census actually had his dad as residing at the Chehalis Fire Department. In 1941 his dad enlisted as a fire control technician in the Navy to support the war effort. His insignia rating strips were red.

Mr. Nacht reported his dad returned from the Navy in 1945 and continued working for the Chehalis Fire Department as fire captain, acting fire chief, and eventually retired as the assistant fire chief in 1960.

Mr. Nacht talked briefly about the significance of the insignia patches, noting his dads were red, Bills were white and his were blue, which, in his eyes, made them a very patriotic family.

Mr. Nacht reported his dad had 31 years of service with the city, Bill had 36, and as of this day he had 33, totaling 100 years of combined service to the citizens of Chehalis.

On behalf of the Nacht family, he thanked the councils, the managers, and the citizens of the community, as well as their wives, who put up with them over the last 100 years.

There being no further business to come before the council, the meeting adjourned at 6:42 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: \_\_\_\_\_



April 23, 2012

The Chehalis city council met in regular session on Monday, April 9, 2012, 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; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; Peggy Hammer, Human Resources Administrator; and Herta Fairbanks, Public Works Director. Members of the media included Kyle Spurr from *The Chronicle*.

**1. Introduction of New Lewis County Historical Museum (LCHM) Director and Update on Upcoming Events.**

Johanna Jones, the new director for the LCHM, stopped by to introduce herself and to update the council on some of their upcoming events. She noted she could not tell the council how welcoming the community had been.

Ms. Jones reported it spoke volumes of the people of Chehalis that they did not kick the museum when it was down, but rather supported it and continue to support it for the future. She indicated it would take a lot of people and community commitment to turn things around to make the museum what we all know it should and can be.

Ms. Jones reported things were progressing nicely, adding they were planning a series of events for the 100<sup>th</sup> Anniversary Celebration of the train depot, which would include:

- May 1 - Screening of the KBTC/LCHM documentary "Railroad Ties" starting at 6pm
- May 5 - Celebrating 100 years of Transportation with guided tours starting at 1pm
- May 26 - Celebrating 100 years of Technology from 10am to 3pm

Ms. Jones talked briefly about the old train depot/museum, noting in a report by the Chehalis Renaissance Committee on revitalization, the building was characterized as a 'gem' for both the community and the county.

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

- a. Minutes of the regular meeting of April 9, 2012;
- b. Claim Vouchers No. 102758-102910 in the amount of \$352,110.95 dated April 13, 2012; and
- c. Set date and time of May 14, 2012, at 6:05 p.m. for a public hearing on the 2013-2018 Six-Year Transportation Improvement Program.

The motion was seconded by Councilor Spahr and carried unanimously.

**3. Administration Reports.**

a. **Briefing on Municipal Court Security.** Municipal Court Judge Dale McBeth talked briefly about the recent event at the Grays Harbor County Courthouse and another situation in King County a number of years ago where one of his law school classmates was shot and killed outside the courtroom. He didn't believe our court would attract those kinds of people because we only deal with criminal and gross misdemeanors; however, we deal with people coming to court wanting their version and results accepted, and you can't always predict what they're going to do.

Judge McBeth suggested the city has somewhat of a tenuous situation in which we have a part-time bailiff/transport officer who works four hours a week when court is in session. He noted the duties of the officer include: screening people with a portable wand as they enter the courtroom; and retrieving prisoners from the Lewis County jail that need to be brought to court. Because the officer can have up to three or four transports each week, this leaves a lot of time in which anyone can walk through the back door of the courtroom without being screened.

Judge McBeth stated they were putting together a proposal to hire a position to man the entrance into the courtroom on a permanent basis during the four hours court is in session, and for the purchase of a walk-through metal detector that would be permanently mounted outside the entrance into the courtroom.

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Councilor Taylor noted at one time Judge Steve Buzzard and the court administrator talked about video arraignments and wondered if that was still being looked at. Judge McBeth stated it was, and in fact, they were taking a trip up to the municipal court in Olympia on Thursday to look at their program. He noted they were one of a few municipal courts in the state that use video arraignment. He suggested one of the biggest issues with video arraignment was that the person at the jail needs to have counsel sitting with them because communication between attorney and client needs to be confidential.

Court Administrator Becky Fox stated she spoke with the Lewis County Jail Administrator last week about the video arraignment system and they indicated the Board of County Commissioners was working with a vendor on a contract. She noted there was still some logistics to figure out, but they were working closely with the county on getting things set up.

Ms. Fox stated their proposal included a walk-through metal detector costing about \$5,400. She noted the police department offered some of the drug seizure funds to purchase the detector. Ms. Fox indicated the detector would be permanently mounted between the entry door on Park Street and the doors into the courtroom, adding there would still be room for wheelchair access.

Ms. Fox reported she contacted two agencies to inquire about security services, one being the same company the Lewis County Courthouse uses. Ms. Fox indicated both agencies would be able to accommodate the city, adding the cost would run about \$100 per week. She reported, if approved, they would come back later in the year with a budget amendment for the security services.

Councilor Spahr asked if hiring another security officer would work, or did they feel more comfortable with the walk-through metal detector. Police Chief Schaffer reported the wand requires one-on-one contact, which causes safety concerns. He noted the walk-through metal detectors are designed to scan at different intensities over different parts of the body.

Councilor Spahr inquired about the security of the windows on the front of the building. Ms. Fox noted they were bullet resistant.

Councilor Spahr stated he personally felt the extra security was well worth it at \$400 per month.

Mayor Ketchum stated he was okay with it too, but added the court would need to make it work within their budget.

Councilor Dawes suggested municipal court probably watched their budget closer than any other department in the city, based on his work on the budget committee. He believed they could probably find the money to pay for the additional security, since the metal detector seemed to be taken care of with the use of drug seizure funds.

b. **First Quarter and March Financial Reports.** City Manager MacReynold reported the city continued to do okay financially. He stated they were projecting an ending fund balance of about \$7.8 million for all funds.

City Manager MacReynold reported the projected general fund revenues were about five percent under what was projected. He noted the city usually receives two big hits in property tax revenue during the year, the first in May and the second in November. City Manager MacReynold reported about 23 percent of the general fund budget had been spent during the first quarter of the year. He noted the departments continue to watch their budgets closely and are doing a good job with that.

City Manager MacReynold talked briefly about the utility funds noting the wastewater and water fund revenues were both slightly under what was projected and their expenditures were well underspent for this time of the year. He reported the stormwater revenues were, amazingly, a little over at 26.8 percent, and the expenditures were slightly under what was projected.

c. **First Quarter Sales and Use Tax Report.** City Manager MacReynold reported, at the end of March, the city's sales and use tax was about three percent under what was projected. He noted, in conversations with Councilor Taylor, the auto dealers have seen a significant increase in sales over the last few months. City Manager MacReynold hoped by next month the city would begin to see some positive changes in the sales tax revenue numbers.

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Councilor Taylor stated he hoped the streamlined sales tax would not come back to bite us. He noted in talking with some of the local businesses sales are better than last year, but our sales tax revenue doesn't reflect it.

Mayor Ketchum stated if you listen to the reports retail sales have been up over the last two months, but our tax revenues continue to go down.

Councilor Dawes suggested the mitigation funds from the state were nowhere near what they projected. He added it was too bad there wasn't a law stating, if a law doesn't do what it's intended to do, things revert back to the way they were before the law passed.

City Manager MacReynold stated it may be time for us to look at the streamlined sales tax impact again. He noted a few months ago our finance manager looked at it and caught some errors and the Department of Revenue (DOR) did make some adjustments. City Manager MacReynold reported if we continue to see the surrounding jurisdictions sales tax improving, we need to understand why.

Councilor Harris noted one thing we don't have accounting for is how much more DOR is spending to track the new legislation that went into effect in 2008.

Councilor Taylor suggested the larger cities up north are receiving increased tax revenue, while smaller cities such as ours are seeing a decrease. He stated he was irritated with the Association of Washington Cities with regard to the whole streamlined sales tax issue because they represent both the winners and the losers, adding that just doesn't work.

d. **City Manager Annual Review**. City Manager MacReynold reported it was time again to do his annual evaluation, and provided the council with the necessary forms. He noted there would be an executive session on May 14 to talk about his performance.

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

a. **Update From Councilor Spahr**. Councilor Spahr reported he attended the North Lewis County Regional Fire Authority Planning Committee meeting, adding there was more good information coming out of it. He noted they talked about training and some of the other aspects of what would happen when they do join. Councilor Spahr stated they also talked about communication and how to get the word out to the public as to what would happen and how it would come about, so nobody rushes to judgment that it's being done without any public involvement.

b. **Update on the Chehalis River Basin Flood Authority Meeting**. Councilor Taylor asked City Manager MacReynold to give an update on the most recent meeting of the Chehalis River Basin Flood Authority. City Manager MacReynold reported, during the morning work session in Napavine, they received a briefing on the fish study from Anchor QEA, LLC. He noted pretty much everyone present agreed there was really nothing to stop a retention system from going in. City Manager MacReynold stated, with reference to the Chinook salmon, a retention system would actually benefit their habitat; however, the habitats for the Steelhead and Coho salmon would diminish in the short run, but overtime it was believed they would actually be enhanced because of the water levels and temperature.

City Manager MacReynold reported the afternoon session included a lot of work on how the Authority would be moving forward, and committee assignments. He added Councilor Taylor was very pleased to take on a project committee assignment.

City Manager MacReynold reported the funding for the Authority would end on June 30, adding it looked like they had enough funding to continue with some minimal staffing to try and work through the projects they are currently working on. He noted Jim Kramer was working for the Legislature, putting together a report about what has transpired with the Authority and outlining what some possible options are for the future. City Manager MacReynold indicated Mr. Kramer would be giving a two-day briefing on the report in June and would be looking for feedback from the agencies involved.

Councilor Spahr excused himself from the meeting at 6:34 p.m.

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c. **Chehalis River Basin Flood Authority City Representative**. Councilor Taylor stated he recently attended the One Voice meeting, adding there was a great discussion about the positive information reported in the fish study.

Councilor Taylor brought up the issue of appointing an alternate 'city' representative to the Chehalis River Basin Flood Authority, adding Dr. Henricksen was willing to take on that responsibility.

Councilor Taylor moved to appoint Dr. John Henricksen as the city's 'alternate' representative on the Chehalis River Basin Flood Authority.

The motion was seconded by Councilor Pope and carried unanimously.

d. **Update From Mayor Ketchum**. Mayor Ketchum reported, while touring the Newaukum area in Napavine last week with members of the Flood Authority, he was amazed and befuddled at how the group stood and listed to the fact that Napavine was building a hotel on the riverbank, and there were no objections.

Mayor Ketchum talked briefly about an article in *The Chronicle* regarding Flood Authority Chair Vickie Raines. He stated he wanted to go along with what it said, noting she was doing an excellent job in moving the committee forward.

e. **Update From Councilor Dawes**. Councilor Dawes reported the Fire Authority committee would be doing another presentation at Twin City Rotary on April 27, at 7am. He noted the committee still had a lot of information to go through before they start talking about how the voting process would be presented.

Councilor Dawes also attended a recent Business After Hours event, adding it was well attended.

5. **Ordinance No. 893-B, Second and Reading – Amending the 2012 Budget**. City Manager MacReynold reported there had been some minor additions to the proposed amendments for the 2012 budget since the first reading of the ordinance. He noted one of the additions included funding for the flood elevation program.

Councilor Taylor moved to pass Ordinance No. 893-B, as amended, on second and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

6. **Reconsideration of Resolution No. 6-2012, First and Final Reading – Authorizing the City Manager to Execute the Addendum to the Chehalis River Basin Flood Authority Interlocal Agreement adding the Town of Bucoda**. Councilor Harris moved that the council reconsider the action taken on Resolution No. 6-2012 on Monday, April 9, 2012.

The motion was seconded by Councilor Lund and passed 5-1, with Councilor Pope voting against the motion.

Councilor Taylor stated, in the spirit of cooperation, he was requesting the council reconsider their vote from April 9, excluding the Town of Bucoda from participating on the Flood Authority. He noted even though he personally disagreed with it, when it comes down to the greater good for the whole community, it was probably a good idea that they allow everybody to participate.

Councilor Pope stated he would like some more explanation before he would reconsider his vote.

J. Vander Stoep stated their law firm represented Pe Ell on the Flood Authority. He reported at the March meeting he made a motion to treat Napavine and Cosmopolis as vested members on the Flood Authority and at the following meeting they could bring on Bucoda, so that way everybody is on. Mr. Vander Stoep stated he didn't approve of what Bucoda did and understood why members of the council had concerns of bringing them back. He noted he shared their sentiment; however, the Flood Authority was finally making progress under the new chair and it would not be in the best interest of flood control to spend another ten minutes debating who's a member, and who isn't.

Councilor Pope asked if it would cause some negativity, if Bucoda was let back on. Mr. Vander Stoep stated there definitely could be some. He noted in discussions with the Mayor of Bucoda, they may not have been getting the whole

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picture, adding it's possible their council might start taking a more active role and decide they have an interest in flood control like the rest of us. Mr. Vander Stoep stated guessing whether it's a good move or bad move was not the point of it.

Councilor Harris asked if the Flood Authority bylaws required 60 percent of the vote in order for something to pass. Mr. Vander Stoep reported they first try to reach consensus, and if they can't it requires 60 percent of the vote.

Councilor Dawes stated he was running out of body parts to be slugged on when it comes to flooding. He noted the thing that irritated him most was that we're always the ones being told that we need to start working with the other agencies up north. In his opinion, we've done everything we can to work with these people, adding they are the ones that don't want to work on anything. Councilor Dawes stated he would be willing to support it, but his comments from the last meeting stand.

Mr. Vander Stoep stated he shared Councilors Dawes' sentiment, but that very same sentiment was the reason to pass the resolution, adding the Flood Authority had made enormous progress in the last few years.

Councilor Harris moved to adopt Resolution No. 6-2012 on first and final reading and authorize the city manager to execute the addendum to the Flood Authority interlocal agreement adding the Town of Bucoda.

The motion was seconded by Councilor Taylor and passed 5-1. Mayor Ketchum voted against the motion.

**7. Resolution No. 7-2012 - First and Final Reading, Authorizing the City Manager to Apply for Recreation/Conservation Office (RCO) Land and Water Conservation Fund (LWCF) Grant for Outdoor Pool Facility Repair and Upgrade; and Resolution No. 8-2012, First and Final Reading – Authorizing the City Manager to Apply for RCO Washington Wildlife and Recreation Program (WWRP) Grant for Outdoor Pool Facility Repair and Upgrade.** City Manager MacReynold reported Community Development Director Bob Nacht received information that we had to pass two resolutions based on two different funding sources.

Mr. Nacht reported, since the agenda report was put together, it became known through the Chehalis Foundation grant writer that there was a beneficial opportunity for the city to apply for two grants rather than just the one contained within the agenda report. He noted the grant writers were putting together a proposal to apply for the full funding amount for the project from two different pots of money, with the hope and expectation that one pot will be the local match for the other pot of money. Mr. Nacht stated, if they were successful, the local match would be taken care of by the grant rather than come out of our pocket, or in this case, the Foundation's pocket. He noted, because the application had to be to the RCO by May 1, the administration was asking that the council adopt both resolutions at this time.

Tim Saylor, Chairman of the Chehalis Foundation, stated the outdoor pool repair/upgrade was the largest project the Foundation had taken on and he felt confident they would be able to raise the money for the matching funds. He reported they had professional grant writers and fundraisers on board to help with the process, adding Warren Smith had already generously donated \$25,000 towards the effort. Mr. Saylor indicated the Foundation was completely behind the project and hoped the council would give their approval to move forward with the grant application process.

Councilor Pope moved to adopt Resolution No. 7-2012 and Resolution No. 8-2012 on first and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

Councilor Pope asked Mr. Saylor to update the council on the timber up at McFadden and Dobson Parks.

Mr. Saylor reported several years ago the Foundation received approval from the council to move forward on a project to renovate McFadden and Dobson Parks. He stated part of the project was to selectively thin and remove some trees out of the park to help fund the renovations; however, the log market hasn't been that great over the last couple of years, so the project was put on the back burner.

Mr. Saylor reported there had been some things done in the way of removing vegetation growing up the trees, but no major action to date. He stated they were hopeful to get some major action this summer, but it would be a process of logistics. Mr. Saylor stated their focus was to be prepared to be able to move logistically and legally when the opportunity arises.

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Mr. Saylor stated he wanted to thank everyone for their work on the flood issues, adding as a business owner that grew up in Chehalis and one who has been in standing water, he really appreciated everything the council was doing and hoped they would continue working towards a solution.

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

Anthony Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: May 14, 2012

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The Chehalis city council met in regular session on Monday, May 14, 2012, 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, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Pope was absent (excused). Staff present included: Merlin MacReynold, City Manager; and Judy Schave, City Clerk.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.110(1)(g) – public employee review for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 5:42 p.m. and announced the council would take a short recess before opening the work session at 5:43 p.m.

2. **Update From the Chehalis-Centralia Airport Board.** Airport Manager Allyn Roe and City Representative Dr. John McCord updated the council on what's been happening at the airport over the last few months.

Mr. Roe reported, in a special board meeting last week, the Airport Board executed a lease with Neltac, Inc., for the new Taco Time to be built just north of Applebee's. He noted they had a 90-day due diligence period in which to do their investigating, to see what needs to be done to the site. The Airport Board also executed a lease with Pacific Cataract and Laser Institute for their new hangar project, which will consolidate their operations into one hangar.

Mr. Roe reported the group that brought the B-25 to the airport last year will be bringing in a B-17 Bomber at the end of July. He stated they were excited to hear about the more popular aircraft coming in, adding it should be a big draw.

Mr. Roe reported they had been working on the roundabout project near Home Depot for the last month or so, adding they still had quite a bit of fill material to bring in. They also finalized the deal on the old Blaser Farm property with National Frozen Foods, noting it closed last month.

Councilor Dawes asked if the B-17 would be fully equipped. Mr. Roe noted it should be similar to what they brought last year, adding it was from the Commemorative Air Force Wing out of Arizona.

Councilor Taylor asked how long it would be before construction would start on the site north of Applebee's. Mr. Roe hoped it would be soon, especially with all the filling that's required for that particular site.

Mr. Roe brought up the issue of impact fees for new construction on their property. He believed it was the wish of the council to waive the impact fees to spur development, but didn't know if it was quite ironed out as to how they would handle that. Mr. Roe noted he would continue working with Bob Nacht on that issue.

Mr. Roe reported, prior to the bidding process on the I-5 project, they were contacted by several of the bidders wanting to know if they could place their cut materials on part of the airport's property near Home Depot. He noted the contractor who got the bid never made contact, so he called them and they were very interested in the offer.

Mayor Ketchum talked briefly about the kiosk project, noting the signs looked very nice. Mr. Roe reported the airport contracted with the city through an interlocal agreement to fabricate and deliver the signs.

Councilor Harris noted the kiosks were wonderful, but didn't realize until he walked around the sign that there was also information on the backside. He wondered if there was a way to add some kind of attachment to let people know about the additional information on the back. Mr. Roe stated that was a good point, adding they could probably put a graphic on the map area to direct attention to the additional information.

Mayor Ketchum closed the work session and announced the council would take a ten minute recess and reopen the regular meeting at 6:00 p.m. Additional staff included: Brian Kelly, Assistant City Attorney; Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; and Herta Fairbanks, Public Works Director. Members of the media included Kyle Spurr from *The Chronicle*.

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3. **Public Hearing on the 2013-2018 Six-Year Transportation Improvement Program (STIP).** Herta Fairbanks reported the agenda item included a copy of the street department's capital improvement plan for 2013-2018. She noted it was a state-wide requirement to submit a STIP to the state on an annual basis. Ms. Fairbanks stated the final adopted STIP must be submitted to the Department of Transportation (DOT) by June 30.

Ms. Fairbanks reported on a few of the major projects, starting with the Louisiana Avenue/Airport Road Connection. She stated the project had been awarded by DOT and construction was due to begin on June 4. Ms. Fairbanks reported on the NW Chehalis Avenue Beautification and Traffic Calming Program and the NW Chehalis Avenue Preservation Grant Project, noting the city had received grant funding for both projects and the administration was working with the engineers on a design to make the two projects work together.

Ms. Fairbanks reported they added the National Avenue Bridge at Salzer Creek to the STIP, noting two of the four channels under the bridge were clogged from years of debris buildup. She stated they had Sargent Engineers produce a grant application for the city and submit it under the Bridge Scour Program. The project, including the permitting process and review requirements, would cost about \$190,000.

Ms. Fairbanks reported the improvements to Snively Avenue remained on the STIP for the 'Safe Route to School Program,' adding the administration was continuing to seek funding for the project.

Ms. Fairbanks reported they were continuing to explore funding options for the N. National Avenue rehab project, noting a section of roadway from the intersection of Washington Avenue to Kresky Avenue had been added to the project. She stated the Public Works Trust Fund (PWTF) has an overwhelming amount of money that was given to them this year by the Legislature and they are seeking applications for anything and everything. Ms. Fairbanks noted Chehalis was working in collaboration with the City of Centralia to include their section of National Avenue from the Gold Street viaduct to where the two city limits meet. She hoped between the two projects they can come up with something that will be 'fund worthy' that will make the whole section of roadway look good. Ms. Fairbanks stated they were also checking with the Transportation Improvement Board to see if they will allow the city to use the PWTF money as matching funds to off-set our costs for the project.

Ms. Fairbanks reported the rest of the STIP remained essentially the same.

Councilor Dawes stated he had never seen vehicles on the STIP before, and didn't know why they would be included. He noted it also seemed silly to go through the permitting and environmental process twice; first for the scouring project and a second time to raise it. He wondered why we couldn't do both projects at once if we have the money.

Ms. Fairbanks noted the attached report was different than what the council had seen in the past. She reported they used to receive a printout of DOT's program; however, at the end of the input period last year they changed their program so you can't input information until you have an adopted plan. Ms. Fairbanks reported the attachment was the latter pages they used to receive, just formatted a little differently. Ms. Fairbanks did not know whether or not vehicles had been included in past presentations, but they put them on the list because it's all part of the street program. She noted they could certainly remove those items in the future if the council would rather not see them.

Councilor Dawes stated, if we're not successful at crack sealing the roads or don't get the funds to repair them, they are just going to deteriorate more. Ms. Fairbanks agreed, noting the struggle they have is trying to balance resources with capabilities, and the amount of time they have available. She noted last year they had terrible weather throughout most of what they would consider to be the 'construction period,' so they focused their energy and efforts on getting as much oiling done as possible. Ms. Fairbanks reported they rely heavily on summer help because without them they are down to 1.5 street personnel, which makes it difficult to handle citizen issues, maintenance, and signage all at once.

Ms. Fairbanks reported the scour project was more on the horizon because of the potential for grant funding. She stated she had essentially been assured from the program manager that they have an abundance of money and we stand a very good chance of receiving funding to do the project. Ms. Fairbanks suggested it would make sense to do the full project all at once, adding if grant funding became available to raise the bridge over the next few years, there was always a possibility that some of the studies or permitting done for the scour project could be used, but that would remain to be seen.



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Ms. Fairbanks reported anything not listed in the immediate six-year column was essentially on the 'wish list.'

Councilor Spahr asked Ms. Fairbanks to briefly explain what 'scouring' meant. Ms. Fairbanks noted it's particularly a problem when you have bridges that cross a body of water. She noted bridges are designed with certain types of footings that structurally support the bridge. Over time, as the water flows through, it begins to scour away at the footings and they load up with debris. Ms. Fairbanks reported bridge inspections are required every two years by law. She stated the National Avenue Bridge was identified as the one with the greatest of having significant scour issues. Ms. Fairbanks reported DOT devised a program to help jurisdictions like ours, by providing grant funding to clean them out and structurally reinforce the footings, so they last longer.

Councilor Lund asked if the Chehalis Avenue project was going to happen, and if so, were the business owners contacted. Ms. Fairbanks stated it was, adding they were still in the process of identifying how to combine the two projects. She noted once they have a construction schedule and the design plans they would contact the business owners and community.

Councilor Lund asked if it wouldn't make more sense to talk to the businesses first. Ms. Fairbanks reported there had been some significant upfront work with the community through the Chehalis Renaissance program, and also through the beautification grant itself. She noted there was already a defined scope for the beautification portion of the project, to include park benches and trees. It was her understanding that it had already been presented to the community in 2009/2010. Ms. Fairbanks reported they received grant money to be able to do the rehabilitation of the road, which was to grind off the old asphalt and put new on. She noted they were simply melding the two together as one project, but there was nothing significantly changed about the design. Ms. Fairbanks stated it had already been presented and accepted by the community.

City Manager MacReynold reminded the council about the two workshops at the Chehalis Deli to review the materials with the business owners. He noted they also reviewed the materials with the council. Councilor Lund stated he just wanted to make sure we were talking with the businesses because they are the ones who pay the bills in this town.

Mr. Ketchum closed the regular meeting and opened the public hearing at 6:18:39. There being no public comment, Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:18:55.

4. **Quiet Zone.** Mayor Ketchum reported the council was not 'quietly' looking into a "Quiet Zone," adding it was something that was proposed to them back in January. He noted, upon a citizen's request, the city has been investigating what quiet zones are and what they require, but no decisions had been made or approved.

Deanna Zieske (647 NW St. Helens Avenue), President of the Westside Chehalis Neighborhood Association, read a written statement outlining the Association's concerns with implementing a 'quite zone' in Chehalis. She noted, when the Association learned of the proposal, they decided to do some investigating themselves.

Ms. Zieske reported, as part of their research, they contacted 117 people. The recurring theme they heard and shared was, 'why was the city considering spending money to study and implement railroad crossings in these tough financial times.' Another major concern they heard was the issue of safety for people crossing the tracks.

Ms. Zieske provided the council with some handouts that included information they collected on existing quite zones in our state. She noted they visited the Wenatchee and Camas/Washougal quiet zones and obtained information about the effort to establish a quiet zone in Spokane, an effort that was abandoned because of its prohibitive cost.

Ms. Zieske reported the city budget was paid for by the citizens and right now more cuts didn't seem appropriate in order to reduce train noise. It was the request of the Association that the City Council take no action in establishing a railroad quiet zone in the city of Chehalis.

Bruce Baskin (785 NW New York Avenue) provided the council with a statement as well, which asked the following questions:

- How much genuine call for a "Quite Zone" in Chehalis has there been?

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- Are there Chehalis residents complaining that train whistles, crossing arms lowered across the road, flashing red lights and clanging bells already existing at crossings just aren't enough to let people know a train is coming?
- How does making trains cease the use of warning whistles to let people know they are coming actually improve safety?
- How much of an affect will "Quiet Zone" safety measures have in Chehalis, if implemented?
- What would be done to create a "Quite Zone?"
- How much would a "Quiet Zone" cost Chehalis taxpayers?
- Is this something that's really a priority during a time when we're in a recession and have 13 percent unemployment across the county, vacant store fronts, home foreclosures, and a lot of other thing that city government needs to attend to?

Mr. Baskins stated he was sure there were other people disturbed by train whistles at three or four in the morning, but most of us have come to live with it. He noted if this is a legitimate safety issue, as it was presented, why has it taken 140 years to address it? Mr. Baskins indicated he was not opposed to improving safety at the railroad tracks, or quieting down the trains that come through town, but personally, he didn't see it as a legitimate problem requiring the use of taxpayer dollars to solve.

Lew Zieske (647 NW St. Helens Avenue), a local attorney in Chehalis, noted he was bound by the rules of professional conduct and needed to disclose that information any time he speaks in public. Mr. Zieske stated he was speaking on behalf of Tanda Evans, a local businesswoman and co-owner of Smith's Mercantile. Ms. Evans statement included some of the same concerns as noted above, such as: the use of taxpayer dollars at a time of financial difficulty; and the dangers of trains not sounding a warning whistle. In her letter she asked that the city not let one individual dictate our way of life here in Chehalis.

Mr. Zieske stated he shared the same thoughts and echoed what Ms. Zieske stated earlier regarding being very cautious about moving slowing. He stated it was his hope that the council would reject the notion of putting in "Quiet Zones" here in Chehalis.

Darlene Held (451 NW Division Street) stated she was speaking on behalf of Cindy Tahl (616 NW Hawthorne Place) who was also co-owner of Smith's Mercantile. Ms. Held provided the council with a copy of the letter prepared by Ms. Tahl.

Ms. Tahl's letter expressed concerns for the number of people already killed on the tracks since she and her husband moved here 32 years ago. They were alarmed at the proposal to silence the horns and would never support it. Ms. Tahl's letter asked that the council not take away any of the safety signals currently in place because train horns save lives.

Ms. Held noted she and her husband live about three or four blocks from the train tracks, adding they just became accustomed to the sound of the horns. She noted when they owned Book'n'Brush it didn't bother their business either, other than occasionally having to pause a phone call until the train went by, but they managed.

Mayor Ketchum thanked everyone for coming, adding he appreciated their comments and efforts. He noted they did have an individual come and make a request, and as a council they were doing their due diligence to look into the matter. Mayor Ketchum did not believe the city was spending any extra tax money researching it, adding it was being investigated as time allowed. He noted, after Mr. Plotz came before the council, the administration did take a trip down to Washougal, as the council recommended.

Councilor Lund stated he owned locomotives and knows how dangerous it is when you're moving a hundred tons and you don't blow the horn.

Councilor Lund moved that the council drop the matter and forget about looking into a quiet zone.

Councilor Spahr reported, prior to Mr. Plotz coming to the council, he didn't even know there were quiet zones. He indicated they were just looking into it to see what they were about.

City Manager MacReynold stated they hadn't spent a lot of staff time on the matter, adding they did a site visit and compiled some information with the assistance of Mr. Plotz, just to begin to understand it. He suggested it was going to take some more staff time to put together a report for the council to review.

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Councilor Dawes stated whether it's an opinion they may agree with, or not, anyone who wishes to speak to the council and propose something has that right, and that's what Mr. Plotz did. He suggested at the time the council felt it was something they could certainly look at with what available resources the city had. Councilor Dawes reported there was no money appropriated and no decisions had been made. He stated the city was unaware that the Neighborhood Association did not know of the proposal until a couple of days after Mr. Plotz made his presentation. He thanked the citizens for coming and providing them with additional information.

The motion was seconded by Councilor Spahr.

Councilor Harris reported he represented the Westside and had only received one phone call from anybody concerning the matter. He stated he also had a nice conversation with Ms. Tahl, discussing economics. Councilor Harris reported he appreciated the fact that the warehouse type industry that parallel all railroad tracks can utilize that area more and more to produce family-wage jobs.

Councilor Harris stated it was all about saving lives and making sure what we have in place is the best we can provide. He noted he was also all about information and hoped part of what will come out of the study are things that can be done to the intersections to make them safer. Councilor Harris stated he was not at all ready to close down horns, unless what they can provide is better than that.

Councilor Taylor stated any time they have a citizen come in and request something it's their job to listen. He believed it was always best to have as much information as possible when making a decision, adding he hoped the information they receive will provide them with ways to improve the crossings. Councilor Taylor indicated he would be voting against the motion in order to allow more time to gather additional information.

Councilor Lund suggested they had the information in front of them, adding they didn't have to look at 'Quiet Zones' to figure out how to make a railroad crossing safer. He noted he could probably name off three or four things they could do, but it all costs money. Councilor Lund stated all they were talking about was blowing, or not blowing the whistle. He stated it was just common sense to blow the whistle for safety reasons, adding they've been doing it since they've had trains.

Councilor Taylor suggested there were a lot of things that had to be done in a "Quiet Zone" before they can have trains stop blowing their horns. Councilor Lund suggested people don't always cross the tracks at the designated crossings, and if they don't hear a whistle, they're gone. Councilor Taylor stated he didn't disagree.

Councilor Spahr stated he could see both sides of the issue; however, quieting the horns was not a priority to him. He reported when the proposal first came up he thought it might make some people happy if it was safe and didn't cost the city any money, but he didn't believe that was going to happen. Councilor Spahr didn't know why they would go any further, unless it was to make the crossings safer.

Councilor Dawes stated he didn't know what could be done to make the crossings safer. He noted during his time working for the city he had been to a number of fatal accidents involving trains, and although their whistles were blowing at every one of them, it still didn't prevent them from happening.

Councilor Dawes felt it was more of a 'quality of life' issue rather than a 'safety issue' and he was not comfortable compromising the safety of the crossings. He stated he was very supportive of Councilor Lund's motion.

Meri Bretthauer (Chehalis resident) suggested one thing they could do to make the tracks safer would be to put up signs regarding the danger of standing between the two sets of tracks, or near the tracks when trains are coming through.

Councilor Harris reported a "Quiet Zone" would not prevent trains from blowing their horns, adding if they see anything up ahead that requires a warning, they have the right to blow their horn.

Councilor Spahr inquired as to how much more information would need to be gathered before it can come back to the council for their consideration.

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City Manager MacReynold stated it would obviously depend on the council's discussion. He reported he and Ms. Fairbanks traveled down to Washougal for a site visit of their "Quiet Zone," which they invested between \$70,000 and \$100,000 to implement. City Manager MacReynold noted Washougal had a very simple railroad situation compared to ours, and based on what they learned we would be looking at significantly higher costs to implement a "Quiet Zone" here in Chehalis.

The motion carried 4-2, with Councilors Harris and Taylor voting against the motion.

5. **Update on the Housing and Urban Development Sustainable Communities Regional Planning Grant.** Steve Harvey from the Cowlitz-Wahkiakum Council of Governments reported he came before the council last summer to talk about the program and application process. He noted an application was submitted for the grant; however, notification was received last December that the application finished about one-hundredth of a point under what was needed to be awarded the grant.

Mr. Harvey provided a printout from the Cowlitz-Lewis Sustainable Communities Consortium that outlined the regional sustainability plan. He indicated the Federal Housing and Urban Development (HUD) Agency received a total of 190 applications for the grant, adding 29 were funded, while 23 were designated as 'preferred sustainability status.'

Mr. Harvey provided additional information on their debriefing with HUD, which they took back to the Cowlitz-Lewis Economic Development District Board last month. He noted they were able to identify some of the key issues that could be addressed by any future application process. Mr. Harvey noted the Board also identified two areas in which to boost their efforts, which included: engaging local officials and communities; and obtaining more input from a wider-spread of community groups in the region.

Mr. Harvey talked briefly about the regional sustainability plan, noting the importance of jurisdictions keeping their communities competitive for future grant opportunities. He noted they would be working in conjunction with the local economic development councils and jurisdictions to come back with a new approach that would hopefully benefit the participants in both Lewis and Cowlitz County.

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

a. Minutes of the regular meeting of April 23, 2012; and

b. Claim Vouchers No. 102911-103022 and EFT No 32012 in the amount of \$135,592.84 dated April 30, 2012; and Payroll Vouchers No. 35573-35643, Direct Deposit Payroll Vouchers No. 3087-3158, and Electronic Federal Tax Payment No. 110 in the amount of \$685,359.69 dated April 30, 2012.

The motion was seconded by Councilor Lund and carried unanimously.

7. **Council Reports.**

a. **Update From Councilor Dawes.** Councilor Dawes reported he attended the Lewis County Historical Museum Board meeting on May 1. He noted he also had a chance to review the '100 year' video on the railroad and museum that KBTC put together.

Councilor Dawes reported on May 5 the museum put on an event to celebrate '100 Years of Transportation,' and on May 26 a similar event would be held to celebrate '100 Years of Technology.'

Councilor Dawes reported the next North Lewis County Regional Fire Authority Planning Committee meeting would be on Wednesday, May 16.

b. **Update From Councilor Spahr.** Councilor Spahr stated he didn't know if he would be going any place any more, the reason being: when he went to the Daytona 500 it rained (the first time in history) and the race was cancelled for that day; and then he went down to Baton Rouge for a bowling tournament and injured a tendon, so he didn't get to bowl.

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c. **Update From Councilor Lund**. Councilor Lund reported Frank and Barbara Mason had the Vintage Motorcycle Museum open to everyone for free on Saturday, May 5 during the Lewis County Historical Museum's 100 year event.

d. **CPR Class**. Councilor Spahr reported, since Dr. Pope's incident at Fairway Lanes a couple of months ago, donations were taken to buy a portable defibrillator for the bowling alley. He noted they had about 40 people participate in a CPR class put on by American Medical Response and the Centralia Fire Department. Councilor Spahr stated it was a worthwhile experience and suggested to anyone who hasn't gone to a CPR class that they do it, because it can save a life.

There being no further business to come before the council, the meeting adjourned at 7:20 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: May 29, 2012

May 29, 2012

The Chehalis city council met in regular session on Tuesday, May 29, 2012, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, Chad Taylor and Dennis Dawes. Councilor Spahr was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Bob Nacht, Community Development Director. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Proclamation Presentation.** Mayor Ketchum presented the W.F. West High School girls fastpitch team and their coaches with proclamations declaring them the 2012 District and State Champions.

2. **New School Zone Digital Speed Limit Sign.** Aram Matagi, (R.E. Bennett Elementary School) stated, as a representative of the students, he wanted to express their gratitude for the recent installation of the radar school zone digital speed limit sign on Market Boulevard. He reported his dad, a Washington State Patrol Sergeant, suggested the signs would create an awareness that would result in increased safety. He noted the difference in stopping distance between vehicles traveling at 25 miles per hour is 22 feet, adding the reduced speed was significant. Mr. Matagi thanked the council for putting the students first and contributing to their safety and their future.

3. **Boots to Books Veterans Monument.** Rodney Saarela, Centralia College Vet-Corps Representative, reported it was his job to help Veterans navigate through the educational system. In 2008, he started talking about creating a Veterans monument at Centralia College and last summer they received approval from Dr. Walton to proceed with the project. To date, they had raised \$2,050 with a goal of \$10,000.

Mr. Saarela reported 2 Ravens Studio would construct the brass portion of the statue, which would consist of a pair of combat boots sitting on top of some books to signify those coming from the military to education, or those going from education to the military. He noted Centralia Monument would construct the base, which will have the emblems of the five military branches engraved on it, as well as the words, "To All Veterans Past, Present and Future."

Mr. Saarela reported the monument would be placed between the two flag poles on campus, with the intent of moving it in front of the new student center after it's built.

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

- a. Minutes of the regular meeting of May 14, 2012; and
- b. Claim Vouchers No. 103023-103172 and EFT No. 42012 in the amount of \$171,861.20 dated May 15, 2012.

The motion was seconded by Councilor Pope and carried unanimously.

5. **Administration Reports.**

a. **April Financial Report.** City Manager MacReynold reported the city's revenues were a little down. He noted a short explanation was provided at the bottom of the report with regard to the property tax, intergovernmental funds, and operating transfers.

Councilor Harris noted the revenues for electricity tax seemed to be low and asked if it had to do with the two-month cycle period. Councilor Dawes suggested that number might go up a little since Lewis County Public Utility District just phased in the second half of their two-part increase last month. City Manager MacReynold noted he would follow up with the finance manager and ask her to provide a specific answer to the question.

City Manager MacReynold reported the general fund expenditures were just over 27 percent of the budget, noting the departments were doing a good job at keeping track of their expenditures.

City Manager MacReynold talked briefly about the utility funds, noting the wastewater fund was collecting a little more revenue than what was projected. He indicated the wastewater expenditures were significantly under spent due to the fact that

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we had not yet started work on our capital improvement projects for the year.

City Manager MacReynold reported the water fund was a little under its projected revenues for the year. He noted the expenditures were also under what was projected, but again, this was due to the capital improvement projects not starting until later in the year.

City Manager MacReynold was happy to report that the storm water fund was doing better than projected, which was nice for a change.

Councilor Dawes reported he had noticed what appeared to be 'sink holes' developing around some of the catch basins, and during his walk last evening he noticed what looked to be like three pin-holes around one of the city's manhole covers. He stated, in a conversation he had with Tim Grochowski, he brought up the issue of the pin-holes. Mr. Grochowski suggested to him that it could be a pipe leaking, or something of that nature. He reported he would forward a picture to the Public Works Director, so the crew can take a look at it.

Councilor Dawes suggested it might be a good idea for staff to take a look at the two-foot area around the catch basins when they're cleaning them out, in an effort to catch something before it becomes a problem.

b. **Update on 72-Hour Parking Restriction Ordinance.** City Manager MacReynold gave a brief update on the 72-hour parking ordinance that went into effect January 17, 2012. To date, there have been only two situations where vehicles have been tagged and only one had to be towed. City Manager MacReynold reminded the council that this was a complaint driven process, and at this point he believed it was working.

## 6. **Council Reports.**

a. **Update From Councilor Harris.** Councilor Harris reported, in recent months, they had received information from the Southwest Clean Air Agency concerning 'coal dust.' He noted at the last Chehalis River Basin Partnership meeting there was a presentation made by a consultant for the Washington State Department of Ecology (DOE), in reference to Grays Harbor wanting to build a coal export port.

Councilor Harris felt the consultant was there to pre-emptively strike against the coal industry, adding he showed a rather interesting video which depicted coal dust exploding out of a train as it ran through a beautiful green valley. The consultant indicated the tracks were used constantly by one particular mine back east. He noted every coal car loses between 500 and 1000 pounds of coal dust on each trip and these were the kinds of things we have to be afraid of. Councilor Harris stated he asked the consultant to explain why the area around the tracks was so pristine in the video, if for decades the coal cars have been passing through there. The consultant indicated he didn't know exactly where the video was shot.

Councilor Harris suggested there was already a battle brewing by the anti-coal supporters, adding it will be interesting to see what kind of ammunition the different entities use to support their side of the issue.

Councilor Dawes thought one of the bigger affects would be the increase in the number of coal trains. He talked briefly about how news channels tend to pick up on something and it sticks, and that's all they continue to report on.

Councilor Harris suggested a three-second video of a train kicking up coal dust will be a lot more impressive than the rest of the 1,500 mile journey where you see none. He reported when talking with the people in Grays Harbor they are looking at the hundreds of jobs and the millions of dollars that will come into their community.

Councilor Pope reported he grew up in Tennessee where there was a lot of coal and trains, and he never saw any coal dust. He noted they also had cement plants that were supposed to have done a lot of damage. Councilor Pope didn't know where they got their information, but suggested it was bogus.

Councilor Lund reported, while attending high school, he worked for Central Fuel. He stated, "You wouldn't believe how many buildings and schools in Lewis County burned coal for heat." Councilor Lund suggested the property next to Central Fuel,

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where he and his parents lived at the time, probably had a foot of coal dust in the ground due to the water runoff that flooded their garden each year. He reported the garden and grass grew well and suggested rather than killing stuff off, it probably helped. Councilor Lund stated he would load about 60 trucks with coal every Saturday when the weather was cold, and he never had any issues with coal dust.

b. **2011 "Wastewater Treatment Plant Outstanding Performance" Award.** Mayor Ketchum reported he received a letter from DOE, congratulating the city on receiving the 2011 "Wastewater Treatment Plant Outstanding Performance" award. He noted DOE would be sending out a news release recognizing the 2011 award recipients that will include the City of Chehalis Water Reclamation Facility.

City Manager MacReynold recognized Wastewater Superintendent Patrick Wiltzius and his staff who have all done a great job for the city.

c. **Update on Quiet Zone Proposal.** Mayor Ketchum reported, after the last council meeting, he received a call from David Plotz regarding the discussion on the quiet zone. During their conversation, Mr. Plotz stated he wanted to thank the council for listening to his proposal and for the investigation that was done. Mayor Ketchum stated Mr. Plotz indicated he had no regrets or hard feelings about what happened, adding he understood at some point the financial issue would rule the day.

Mayor Ketchum reported Mr. Plotz also suggested this was one of the better councils that the city has had, and the outcome of this issue was okay with both sides.

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

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: June 11, 2012



June 11, 2012

The Chehalis city council met in regular session on Monday, June 11, 2012, 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; Brian Kelly, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Herta Fairbanks, Public Works Director; and Rick Sahlin, Street Superintendent. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Work Session - Briefing on Conceptual Alternatives for Future I-5 Widening/Protection Projects.** Bart Gernhart, Assistant Regional Administrator for Engineering, Washington State Department of Transportation (WSDOT) Southwest Region, provided the council with an overview of conceptual projects that could protect the interstate highway and municipal airport at Chehalis and Centralia, and ensure access to medical and other critical community facilities during flood events, per House Bill 2020, approved by the State Legislature in May, 2011. Also in attendance was Colin Newell, WSDOT Area Engineer.

Mr. Gernhart talked briefly about the I-5 Mellen Street to Blakeslee Junction project. He noted, in order to provide access to the hospital from downtown Centralia, they planned to install flood walls and levees around the old sewage treatment plant in Centralia to keep water from encroaching the top of the existing Long Road dike.

Mr. Gernhart gave a brief overview of the I-5 improvements done over the last several years both north and south of Chehalis. He noted WSDOT spent a full year scoping the project for the five-mile gap between 13<sup>th</sup> Street and Mellen Street, noting at some point it would need to be widened from four to six lanes. Mr. Gernhart stated there was no funding available at this time for the I-5 widening project or for the I-5 flood protection project; the Legislature just asked WSDOT to provide alternative projects to consider. He noted his presentation would show how the conceptual projects would relate to the I-5 widening projects.

Mr. Gernhart reported they identified six different options:

- |   |                         |
|---|-------------------------|
| ▪ Raise I-5 using fill material:                        | \$350 to \$450 million  |
| ▪ Raise and widen I-5 to six lanes using fill material: | \$450 to \$550 million* |
| ▪ Raise I-5 using a viaduct:                            | >\$1.5 billion*         |
| ▪ Raise I-5 outside flood plain:                        | >\$2 billion*           |
| ▪ Protect I-5 with walls and levees:                    | \$80 to \$100 million   |
| ▪ I-5 Express lanes or Temporary by-pass lanes:         | Costs undetermined      |

\*Includes widening I-5 to six lanes

Mr. Gernhart noted widening I-5 to six lanes without raising it or protecting it would cost \$250 to \$350 million.

Mr. Gernhart stated by raising I-5 a couple of feet they would have to replace all of the storm sewer systems, guardrail, and lights, which would be very expensive. They would also have to consider the number of bridges, overpasses, and ramps that would need to be replaced, and raise the airport levee.

Mr. Gernhart reported WSDOT used the Chehalis River Basin Flood Authority's model, based on the 2007 flood event, for each of the conceptual projects to show the increase and decrease in water levels. He noted each one of the scenarios had a different outcome.

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Mr. Gernhart talked briefly about the concept of raising I-5 and/or relocating it. He noted both projects were cost prohibitive and it was not reasonable for WSDOT to pursue them.

Mr. Gernhart reported on the 'walls and levees' alternative. He stated in this scenario the big issue would be the winners and the losers, and the overall cost. Mr. Gernhart talked about some of the options evaluated for Salzer and Dillenbaugh Creeks, which included: attaching walls to the bridges, installing culverts, raising the bridges, and realigning Dillenbaugh Creek.

Mr. Gernhart talked briefly about the concept of putting a culvert 'pipe arch' under the four bridges near highway 6. He noted this concept would include large walls or a levee across the top to prevent water from flooding the interchange. Mr. Gernhart reported by doing this they would avoid having to replace all four bridges in the future, saving WSDOT millions of dollars. He suggested this was a cost effective solution to move forward with, even if it doesn't protect I-5.

Mr. Gernhart reported on potential solutions for I-5 from SR6 (Main Street) up to Chamber way, using walls and levees. He noted, if the project were approved, it would need to include a new storm sewer system and mitigation to raise the flood elevations in some locations.

Mr. Gernhart reported the impact of protecting I-5 with walls or levees was very similar to that of raising it. He stated the water level on the west side of I-5 could potentially be 1.8 feet higher than in the 2007 event. Mr. Gernhart suggested mitigation money would be needed to help raise homes that could potentially be affected. He stated if the project does move forward, they would have to go through a full blown NEPA process and get public input to figure out what the true mitigation would be.

Mr. Gernhart talked about a new concept, which involved express lanes through Chehalis. He noted they hadn't done much work with this concept, but the idea was to take one lane of I-5 off the interstate in each direction and have them bypass the floodplain area on a bridge that would follow the Tacoma Rail line through Chehalis and eventually tie into the Mellen Street project. Mr. Gernhart indicated the express lanes would be right at the edge of the Westside Historic neighborhood, noting those folks would obviously not be happy with it.

Mr. Gernhart reported they had a brief conversation with Tacoma Rail regarding the idea, and they didn't say 'absolutely' no. He reminded the council that WSDOT was not proposing anything; these were just some ideas that might be worth further investigation.

Councilor Lund noted the city owns a steam locomotive, which is one of its tourist attractions, and every so many years it has to be rebuilt. He stated if the running gear needs rebuilt the only place he knows to work on it is in Mineral, Washington, and the only way to get there was to use the Tacoma Rail.

Mr. Gernhart suggested there were a lot more problems than that, but it was good to know because they need to document those types of issues and get them to the Ruckelshaus Center, so it can be part of the final report.

Mr. Gernhart reported another option would be a temporary bypass. He noted it would be a lower version of the express lane and would only be used during an emergency event. Mr. Gernhart didn't know if this project would be cost effective, adding the express lane concept was clearly more expensive than flood walls and levees.

Councilor Pope stated his greatest concern is for the people of the two communities and those living in the surrounding areas. He noted they are the ones he wants to protect, not I-5.

Mr. Gernhart reported Ruckelshaus Center was having a workshop on June 14 and 15 where the city and members of the Flood Authority and the general public will have an opportunity to comment.

Mr. Gernhart briefly reviewed the costs of each concept, noting there were a lot of negative issues with all of the options.

Councilor Dawes believed flood walls were nothing more than water retention on a lesser scale, suggesting all it does is push the water back. He stated he certainly cared about I-5, and for a period of time there was the interest of, "We need to

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keep I-5 open at all costs." Councilor Dawes suggested keeping I-5 open at all costs would only end up costing the people who live out in the surrounding communities.

Councilor Dawes stated he hoped those attending the work shop will suggest that they be objective and take into consideration the widest range of solutions, and not just look at protecting I-5. He suggested, as far as the airport, there might be potential assistance from the FAA.

Mr. Gernhart responded to several questions and comments regarding the potential impacts of the concepts presented, including: drainage, economic impacts, mitigation funding, and protection for businesses.

Mayor Ketchum didn't believe the state would disregard our economic status or our needs just to protect the freeway.

Mr. Gernhart stated they would be sharing all of their information, including that of the Flood Authority and WSDOT, with Ruckelshaus Center who would write the report for the Legislature. It was his understanding that the legislature would be the ones to make the final decision, not WSDOT.

Mayor Ketchum closed the work session at 6:15 p.m. and announced the council would take a five minute recess before opening the regular meeting at 6:11 p.m.

2. **Introductions.** Councilor Pope introduced University of Washington student Denver Niiles. He noted each summer they have a medical student come and spend some time in the community. Councilor Pope noted this year's community project would be to help provide a portable defibrillator for the Chehalis Municipal Court.

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

- a. Minutes of the regular meeting of May 29, 2012;
- b. Claim Vouchers No. 103173-103292 and EFT No. 520121 in the amount of \$97,814.23 dated May 31, 2012; Payroll Vouchers No. 35644-35715, Direct Deposit Payroll Vouchers No. 3159-3230, and Electronic Federal Tax Payment No. 111 in the amount of \$647,542.84; and
- c. Authorize City Manager to execute interlocal agreement for equipment use between the City and the City of Centralia.

The motion was seconded by Councilor Spahr and carried unanimously.

4. **Administration Reports.**

a. **Chehalis Library Board.** City Manager MacReynold reported he had been in communication with the council regarding a conversation he had with Library Manager Corine Aiken. He noted Ms. Aiken is recommending that the council consider rolling the current Library Board members into the existing "Friend's" group.

City Manager MacReynold reported, in 1982, the citizens voted to be annexed to and be part of the Timberland Regional Library District. At that point the Governing Board became the Timberland Regional Library and the Chehalis Library Board started acting more like a "Friend's" group. City Manager MacReynold stated, since the mayor makes the appointments to this board with ratification from the council, it was their call whether they want to discontinue the board, or not.

Councilor Spahr suggested if they have no legal input into the operation of the library, they really don't serve any purpose.

Mayor Ketchum thought perhaps the board was left over from when it was the city's library and was never dealt with after the annexation. City Manager MacReynold suspected that was the case and suggested they were probably interested in keeping the board at some level as the transition played out.

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Councilor Spahr inquired about the city's representation on the Timberland Regional Library Board. City Manager MacReynold indicated he had not received an answer to that, but would share it with the council when he does receive it.

The consensus of the council was to have the administration prepare a resolution and bring it back to the council for consideration at the next regular meeting.

b. **Council Work Session.** City Manager MacReynold reported a council work session to discuss the city's strategy for the upcoming year was set for Monday, July 30, at 5:00 p.m. in the council chamber.

#### 5. **Council Reports.**

a. **Update From Councilor Spahr.** Councilor Spahr reported he attended the scholarship award ceremony for the Class of 2012 at W.F. West on Thursday night, as well as their graduation ceremony Saturday evening. He reported the graduating class received about \$1.5 million in scholarships this year. Councilor Spahr noted the class of 1965 started what's called "Dollars for Scholars" and gave out 30 scholarships averaging \$1,000 each.

b. **Update From Councilor Dawes.** Councilor Dawes gave a brief update on the North Lewis County Regional Fire Authority Planning Committee meeting. He reported they were going to start putting together some preliminary numbers to see what it's going to cost and what the model might look like. Councilor Dawes stated they plan to present the preliminary numbers at their July meeting. He reported, as chair of the committee, he has not been approached by any of the districts to say they were not interested in participating.

Councilor Dawes reported he was registered to go to the AWC conference next week, adding he was interested in seeing what's on the horizon.

c. **Flood Authority.** Councilor Taylor indicated he was having difficulty getting up to speed and actually making it to any of the Flood Authority meetings. He noted some of the meetings are one or two days long, adding the preparation before the meetings can be pretty exhausting with regard to the amount of information they have to read. Councilor Taylor didn't know if he was giving it the amount of time it deserves and asked if there was anyone else on the council who would like to help take it on.

Councilor Taylor suggested he become the alternate and make Dr. John Henricksen the primary representative, even though he too has a hard time making it to all of the meetings.

Mayor Ketchum asked if they wanted the administration to try and find another Julie Balmelli-Powe. City Manager MacReynold stated the administration could certainly try.

d. **Update From Councilor Harris.** Councilor Harris reported, on Monday, June 4, he attended the I-5 project groundbreaking ceremony in Centralia. He made a comment with regard to the by-pass alternative presented earlier, noting "They are going to make it easier to just pass by this community." Councilor Harris suggested we are going to have to sharpen our pencils and figure out ways to make our city more inviting, adding he wanted to work close with DOT on things like signage.

Councilor Harris reported the decoration committee met and are getting close to having a completed project for the Chehalis Foundation to take on. He noted he made a short presentation to the Chehalis Community Renaissance Team last Friday, adding once he gets it perfected for the Foundation he would bring it back to the council. Councilor Harris suggested it was a great group to work with, noting it took them a little while to get started because one of the key members, Centralia-Chehalis Chamber Executive Director Jim Valley, has been out ill and was working hard to try and keep his health. He asked that everyone keep Mr. Valley in their thoughts and prayers.

e. **Update From Councilor Pope.** Councilor Pope reported he had been receiving a number of verbal comments from citizens regarding a particular piece of property on the corner of 16<sup>th</sup> Street and Grandview Avenue. He suggested the home was in disrepair and has become an eyesore. Councilor Pope asked if there was a legal process the city could go through to encourage the property owner to clean it up.

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City Manager MacReynold stated he couldn't speak to the legal process, but the city did have a code process that could place the property owner on notice.

Police Chief Glenn Schaffer reported he could have someone go by and check it out. He suggested even though there may be things that are eyesores, they may not violate the code. Chief Schaffer stated, if in fact it does violate the code, it would fall into the city's nuisance abatement process and the property owner would receive a letter and have an opportunity to correct it on their own before the city steps in.

6. **Resolution No. 9-2012, First and Final Reading – Adopting the 2013-2018 Six-Year Transportation Improvement Plan**. Herta Fairbanks reported this was the final step in the adoption process of the city's 2013-2018 six-year transportation improvement program. She stated on May 14 a public hearing was held to solicit public comment, and no comments were received. Ms. Fairbanks noted, at the request of the council, the attachment to the agenda was updated to remove any vehicles and rolling stock, making the list a cleaner version that focuses on street projects only. She reported the entire capital improvement program for city streets is currently about \$60 million, but over the next six-year period it was more in the realm of \$3 million.

Councilor Harris noted the last time the issue was presented his interest was sparked by the fact that the scour project on National Avenue was going to cost \$190,500, with only \$40,000 going towards the actual work. Ms. Fairbanks indicated it was actually a little more than \$40,000, but a significant portion of the total cost would be for environmental and permitting. Councilor Harris asked Ms. Fairbanks to provide the council with the actual numbers, noting he would like to send a letter to our Legislators and have them explain why a project should be 25 percent costs and 75 percent permitting.

Councilor Lund asked if the letter shouldn't come from the entire council. Councilor Harris suggested having the city clerk prepare a letter for the entire council to sign.

Councilor Pope moved to adopt Resolution No. 9-2012 on first and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 6:38 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: June 25, 2012

June 25, 2012

The Chehalis city council met in regular session on Monday, June 25, 2012, 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, and Dennis Dawes. Councilor Taylor was absent (excused). Staff present included: Merlin MacReynold, City Manager; Amanda Vey, 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; Eva Lindgren, Finance Manager; and Becky Fox, Court Administrator. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Civil War Re-Enactment**. W.F. West Instructor Rob Sande reported on an upcoming event celebrating the Sesquicentennial of the American Civil War. He noted a re-enactment of the Battle of Antietam was scheduled for July 21-22 just outside Chehalis. Mr. Sande stated the event would include living historian demonstrations throughout both days.

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

- a. Minutes of the regular meeting of June 11, 2012; and
- b. Claim Vouchers No. 103294-103433 and EFT No. 52012 in the amount of \$1,090,849.20 dated June 15, 2012.

The motion was seconded by Councilor Harris and carried unanimously.

3. **Administration Reports**.

a. **May Financial Report**. Finance Manager Eva Lindgren reported the explanatory notes pretty much covered what the variances were in the report.

Councilor Spahr inquired about the sales and use tax, noting he felt the city was really getting clobbered by the streamlined sales tax issue. He asked Councilor Dawes if there was any discussion about the tax at the Association of Washington Cities (AWC) annual conference. Councilor Dawes stated he brought it up, noting it was a full-hearted plan, but we were one of the cities being hurt by it. He reported everyone shook their heads in agreement, but nobody wanted to do anything about it. Councilor Dawes didn't anticipate anything from AWC or from any of our Legislators, noting the state really didn't care because either way they would get the same amount of money. He suggested the bigger cities who gain from it have a lot more clout than the smaller cities that lose from it.

Ms. Lindgren reported the city was hit hard when the state was gathering data for the streamlined sales tax. She noted the flooding in 2007 really impacted our numbers and the state would not take into account that the city had several businesses closed due to the flooding. Ms. Lindgren suggested because of that our sales tax levels were not based on a true baseline.

Councilor Harris reported the city was also losing 3.4 percent of the mitigation payments to the Department of Revenue. He made note that the electricity tax was back up to what was projected. Ms. Lindgren suggested that was partly due to the fact that LC PUD was late with their initial payment, but they were now caught up.

Ms. Lindgren talked briefly about the latest sales and use tax report, noting month to month the city was up .2 percent over last year, but down 1.3 percent for the current year.

4. **Council Reports**.

a. **Update From Councilor Dawes**. Councilor Dawes reported he was a little disappointed at some of the offerings at the AWC Conference this year. He noted he was startled to find out that there are a few cities out there that operate on 100 percent reserves, and wondered how they could pass the red face test. Councilor Dawes suggested perhaps he'd been doing it wrong all these years, adding he always felt seven to ten percent was a healthy reserve.

b. **Update From Councilor Pope**. Councilor Pope reported he and Police Chief Glenn Schaffer met with University of Washington Student Denver Niiles and members of the Chehalis Eagles to discuss the hands-only CPR class and instruction on the use of the AED course being offered at the Chehalis Eagles. He noted as a result of the class, there would be a \$1,000 grant

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to put towards an AED for the Chehalis municipal court. Councilor Pope reported they would cover the additional funding needed for the AED and case with money left over from their last fundraising event. He noted they needed at least 30 people to attend the training scheduled for Wednesday, June 27, at 6:00 p.m. at the Chehalis Eagles.

c. **Update From Councilor Spahr.** Councilor Spahr reported he attended the Lewis County Economic Development Committee meeting, which ended up being more of a legislative update. He noted he did his share of venting with regard to the regulatory fees on the National Avenue Bridge scour project, and the streamlined sales tax issue. Councilor Spahr reported one of the brother's from Richie Brothers Auction was also in attendance and invited everyone to come down to their first sale.

d. **Update From Councilor Harris.** Councilor Harris reported on the progress of the Holiday Committee, noting he made a presentation to the Foundation last week to give them a rundown on what the committee was looking at, and the areas they would like to develop first.

Councilor Harris reported the Lewis County Solid Waste Advisory Committee would be starting work on their 2013 budget next month, adding they were running into the same problem as everyone else with regard to revenues being down.

Councilor Harris reported on the Chehalis River Basin Partnership meeting, noting there was a presentation made by a group who are supporting the expansion of the Olympic National Park by 126,000 acres, which would lock up between 10 and 12 rivers. He noted they were meeting some headstrong opponents from the logging industry, as well as the PUDs in the area, that use water from the rivers and dams to support growth outside the Park. Councilor Harris reported they were asking the Partnership to sign a letter of support, but because the Partnership works by consensus, it had to be everybody or nobody. He didn't believe it was in the city's best interest to get involved with something this contentious, and suggested the city not sign anything in support of it.

e. **Update From Councilor Lund.** Councilor Lund reported he was invited to Virginia Lintott's 80<sup>th</sup> birthday party at the Washington Hotel, adding it was a very fun time. He stated the Chehalis Foundation appreciated everything her son Jim Lintott had done for the city.

f. **Update on Ruckelshaus Center Workshop.** City Manager MacReynold reported he and Bob Nacht attended a workshop hosted by the Ruckelshaus Center to discuss what their 'draft' report would include, that would eventually go to the Legislators' and Governor's Office. He noted Project Manager Jim Kramer did a very good job presenting the information. City Manager MacReynold reported he was very pleased, as were others from the Flood Authority, about the support for flood retention, improvements to the levee at the airport, and taking a look at a basin-wide solution. He was additionally pleased that Mr. Kramer took an opportunity to talk to the group about the concern of Lewis County filling in the floodplain. Mr. Kramer's report stated the facts didn't support that general impression and everyone needed to quit talking about it. He reported the airport property had little to no impact on flooding in Lewis County, or in the Chehalis River Basin.

City Manager MacReynold felt the city had a real opportunity and the message from the Governor's Office was that she continues to be supportive, even though she's in a lame-duck situation. He felt if the Authority, in cooperation with the Tribe, could come up with projects to move forward on, the Governor would build it into her budget next year.

Mayor Ketchum stated he heard that they were all kind of displeased with the proposals made by Washington State Department of Transportation (WSDOT) to protect I-5. City Manager MacReynold reported there was little to no support in moving forward with any of the "alternative" proposals. He reported earlier in the day he had a conversation concerning some federal legislation on transportation, noting Congresswoman Jaime Herrera Beutler was proposing some language that may actually go into the legislation that will not provide federal funding for any of the projects proposed by WSDOT that are currently on the table.

g. **Update on Chehalis Community Pool Project.** Councilor Pope asked Mr. Nacht to provide an update on the Chehalis Community Pool Project. Mr. Nacht reported the Chehalis parks and recreation department was working with the Chehalis Foundation to provide additional and alternative information to the grant writer.

Mr. Nacht stated they didn't know how the program would score, but felt the city had a good chance to get one, if not both grants for the upgrade of the pool.

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Mr. Nacht reported if one grant comes through and the other doesn't, they would have to go back and figure out how to proceed. He stated they were moving forward with the expectation that they would be successful with the grants, adding the Foundation would be providing the local matching funds (\$250,000) towards the project.

Councilor Pope reported they were planning another fundraiser at the Historical Chehalis Theatre and all profits would go towards the pool. He noted they were trying to keep the idea of the pool before the public, so they know they're working on that project.

Councilor Pope reported he attended a state conference for the Fraternal Order of the Eagles in Yakima, Washington. He noted the kick-off of their capital campaign raised \$101,000 for a new facility for Pope's Kids Place. Councilor Pope stated the new facility would provide more services for our kids, not only in Lewis County, but throughout the state.

5. **Resolution No. 10-2012, First and Final Reading – Dissolving the Chehalis Timberland Library Board**. City Manager MacReynold reported the resolution was a follow up to their discussion at the last council meeting. He introduced Library Manager Corine Aiken to answer any questions the council might have.

Councilor Dawes stated the resolution made logical sense, adding there was no use having a board when they really have no function. He felt that offering them to join the "Friends" group was a good way to have them continue to be involved with the library. Ms. Aiken noted the council could always resurrect the board should the need arise.

Councilor Dawes moved to adopt Resolution No. 10-2012 on first and final reading.

The motion was seconded by Councilor Spahr and carried unanimously.

6. **Ordinance No. 894-B, First Reading – Repealing and Replacing Chapter 7.04.130 of the Chehalis Municipal Code, the Nuisance Code; and Ordinance No. 895-B, First Reading – Repealing and Replacing Chapter 6.04 of the Chehalis Municipal Code, the Animal Control Code**. City Manager MacReynold reported the ordinances were prompted by the Washington Supreme Court's adopted changes to a court rule.

Chief Schaffer reported the Supreme Court adopted the changes on June 3 and gave agencies less than a month to implement them. He noted they would be asking the council to suspend the requirement for two readings, so they can get it done by July 1.

Chief Schaffer reported they changed the court rules as they pertain to bail forfeitures, so offenses can no longer be resolved by bail forfeiture, and all criminal violations now require a mandatory court appearance. He noted the change affected some of the cities' nuisance and animal control ordinances, adding Assistant City Attorney Amanda Vey did most all of the work in re-writing the ordinances.

Chief Schaffer reported, as they went through the ordinances, they took the opportunity to clean a couple of them up. In summary, three paragraphs were deleted because they were covered by other ordinances and RCWs, and they added some language that would allow them to deal better with barking dogs, people who keep their animals in vehicles, and abandonment of animals.

Councilor Spahr stated he sympathized with staff in what little time they had to put it together, but hated passing something like this on one reading. He inquired about the new paragraph which talked about the time limit for maintenance of vehicles on the roadway. Ms. Vey reported, initially, when she and Officer Angie Elder were working on the ordinance, they discussed the 12-hour time limit and believed it just didn't get changed on the sheet that was provided with all of the changes made. She noted it should be the two-hour time limit.

Councilor Spahr asked how item g. (inoperable or unlicensed vehicles parked on any city streets...) would impact the new 72-hour ordinance. Chief Schaffer reported item g. existed before they implemented the 72-hour rule in January, adding it allows officers to deal with vehicles that are inoperable and unlicensed. He added they use this ordinance most often because it gives them the most teeth when it comes to getting those vehicles moved off the street.



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Councilor Dawes noted in the olden days vehicles were towed if people didn't comply. He felt they shouldn't be having problems with vehicles sitting on the street for long periods of time, unless there had been a court decision that he was not aware of that allows junk vehicles to be left parked on city streets. Chief Schaffer reported that was pretty much the exact reason why they brought back the 72-hour ordinance. Councilor Dawes explained that he just didn't want to see the two things conflict, adding he wanted the department to have the teeth and the ability to take care of the abatement.

Ms. Vey noted the parking statute states that parking or leaving of a vehicle for 72 hours or more is a violation and can be cited under the parking criminal code as a violation, and can also be looked at as a nuisance and be abated under the nuisance code. She suggested it may in fact give more teeth to the removal of problem vehicles.

Councilor Pope stated, should the ordinances pass, he would like to discuss the issue at 16<sup>th</sup> Street and Grandview.

Councilor Lund inquired about item k. which referenced selling, offering for sale, soliciting, etc., wanting to know if everyone needed a business licenses to sell within the city. He noted he didn't want to see the kids selling lemonade get shut down because they don't have a license. Councilor Spahr suggested a classic example would be when the cheerleaders have a car wash. Chief Schaffer stated normally when they receive calls regarding lemonade stands they usually go over and buy lemonade. He noted it only exists on the books for those circumstances where people are setting up shop, adding the city had discretion in enforcing it.

Councilor Spahr suggested the Supreme Court changes made some of our nuisance ordinances criminal acts. He asked if people would go to jail for not cutting their grass. Chief Schaffer stated no. Ms. Vey reported what they were concerned about doing was delineating portions of the nuisance code to be infractions, adding it will give the code enforcement officer a great deal more ability to go to the home that keeps having the grass that's not being mowed. She noted instead of issuing a criminal citation and going through the Community Development Department, they would just be issued an infraction.

Ms. Vey stated it was pretty much the same ordinance with a couple of changes, primarily to the penalty provisions, and to delineate infractions versus criminal citations. She noted her goal was to try and make it easier for the public to be able to review and understand.

Councilor Harris moved that the council suspend the rules requiring two readings of Ordinance Nos. 894-B and 895-B.

The motion was seconded by Councilor Pope and carried 5-1, with Councilor Spahr voting against the motion.

Councilor Harris moved to pass Ordinance Nos. 894-B and 895-B on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

**7. Tourism Funding.** Councilor Lund brought up the issue of tourism funding. He reminded the council that Councilor Pope met with Tom Bradley and they came up with a list of things the city should be requiring from the different organizations that receive tourism funding from the city.

Councilor Lund was under the impression that some organizations had not turned their information in and others were waiting to turn theirs in. He suggested they direct staff not to pay anything out to those who don't get all of the required information turned in.

Mayor Ketchum suggested the city send a letter out indicating if they haven't got the proper paperwork turned in before the next payment they would not receive payment.

City Manager MacReynold reported they gave everyone a grace period in which to get their information turned in. He noted his Administrative Assistant, Caryn Foley, was actively working with almost all of the organizations. City Manager MacReynold stated some of them were scrambling a bit at putting the information together, but there was one recipient of the tourism money that the city hadn't had any response from. He noted if the council feels it's important to have a reasonable response time, the administration could certainly take that approach and not provide funding to anyone who doesn't provide the information within the time specified, as Councilor Lund suggested.

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After a brief discussion, the consensus of the council was to not provide any funding until the city receives the required information in a reasonable amount of time, provided we also have all of our ducks in a row, and have made the proper notification.

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

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: July 9, 2012

July 9, 2012

The Chehalis city council met in regular session on Monday, July 9, 2012, 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, and Dennis Dawes. Councilor Taylor arrived at 6:00 p.m. 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; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Herta Fairbanks, Public Works Director; and Becky Fox, Court Administrator. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Work Session – Latecomer Fees on Airport Property.** The council met with Airport Manager Allyn Roe and Board Representative John Spears to discuss latecomer fees for future development on the airport property. City Manager MacReynold asked Bob Nacht to set the stage on how the city got to where we are with regard to the latecomer fees.

Mr. Nacht provided the council with a copy of the CCA Retail 60-acre Master Plan, noting it was the cover page for a binding site plan application that Rick Peterson submitted to the city back in 2004. He reported the plan included a number of phases for development, which was the basis of where they started with the ordinances that established the latecomer fees.

Mr. Nacht reported, when the CCA Retail 60-acre Master Plan was first introduced, the traffic impact analysis suggested as the Twin City Town Center was developed the north connection to Airport Road had to be included for traffic mitigation, and as part of the State Environmental Policy Act (SEPA) process, Mr. Peterson was on the hook to participate in the development northward. He noted item No. 4 of the Final Determination of Non-Significance stated, "All public utility extensions and roadway construction serving any development proposal shall be installed, approved and dedicated prior to any development permits being issued. Phasing of such extension may be appropriate, and if submitted, shall be consistent with the approved master plan and the city's engineering standards." Mr. Nacht noted this was the reason the city created the two ordinances pertaining to latecomer fees.

Mr. Nacht reported there were also provisions in the SEPA document, noting, "All development sites that are not required to construct frontage improvements consistent with the city's engineering standards shall pay the calculated (pro-rated) capital improvement charge for utility and roadway capacity extensions that are constructed by the city, as provided in a resolution to be adopted by the city." He stated the SEPA decision was the crux for the basis of why the city proceeded in developing the two ordinances.

Mr. Nacht talked briefly on Ordinance Nos. 817-B and 818-B that established the latecomer fees on the airport property. He also provided the council with two maps depicting the different lots/tracts of the airports property, and worksheets showing the construction cost breakdown for the streets/transportation and the utilities. Mr. Nacht explained the different phases and the impacts with regard to the latecomer fees. He noted part of the fee was based on the city having to go in and repair the different systems that didn't meet code at the time Mr. Peterson walked away from the project. Mr. Nacht reported, if they ever have to use the worksheets, they would have to discuss whether or not to collect the \$100 administrative fee. He reminded the council that the financing of the two projects came out of the wastewater utility fund, so they would get the accounts receivable in this case.

Mr. Nacht reported on the infrastructure for the streets, noting at one time Mr. Peterson was on the hook for development of the transportation system for any future mitigation and development. He noted the current development did not trigger a level of service standard that necessitated the connection with Airport Road; however, they were now at the point where the connection to Airport Road has to be made to mitigate the traffic impact.

Airport Manager Allyn Roe felt the common theme was Mr. Peterson. He noted the Airport Board was struggling with how they were going to adopt their leasing standards at fair market values and be able to accommodate the additional fees for the corrections made on the property.

Mr. Roe believed both the airport and the city shared the same position with regard to being hurt by CCA Retail and Mr. Peterson. He stated it was their belief that the additional fees should have been directly focused toward Mr. Peterson and CCA Retail, and not spread out over the properties again.

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Mr. Roe reported, at the time the two ordinances were passed, the Airport Board had an option agreement with CCA Retail/Rick Peterson to lease all of the remaining properties. He stated the idea behind the ordinances was, Mr. Peterson had to lease the properties and would be responsible for paying the fees, and the city would recoup their money from Mr. Peterson. Mr. Roe noted the airport, through legal negotiations, was able to get out of the option agreement because of other issues with the development of the property.

Mr. Roe believed the downturn in the economy was keeping a lot of the bigger developers from wanting to lease larger areas, adding the airport hadn't executed a lease on the property since the end of 2003.

Mr. Roe provided a fact sheet that highlighted the development of the airport property. He noted they currently lease approximately 60 acres to various national retail tenants; they have 53 businesses that employ about 700 people; and the estimated combined tax revenues are over \$2 million. Mr. Roe suggested they get a double impact to the region based on the dollars re-spent in the community, along with an impact of about 3,200 jobs.

Mr. Roe talked briefly about the benefits to the city and what concessions and investments the airport could make that will earn them more in the long run. He noted the impact to Chehalis was about \$2 million in tax revenue, but the real winner was the State of Washington who receives over \$9 million in tax revenue. Mr. Roe reported estimated gain to the city for the new Taco Time would be about \$18,000 per year.

Mr. Roe reported the Airport Board made a decision to start paying commission fees in an effort to attract businesses. He noted, based on the fees that are currently set up, it would cost them the equivalent of about eight months of lease revenue. Mr. Roe stated they were also offering to fill some areas, which would cost them initially, but would be made up with the development of adjacent properties.

Mr. Roe stated they were interested in negotiating with the city to either reduce the latecomer fees or eliminate them.

Mr. Nacht reported the transportation ordinance provides that the latecomer fee can be collected over a 15-year period through the utility billing process, and the portion for the utilities could be amortized over a 10-year period.

Councilor Pope suggested they were going to have to raise the utility rates in the near future, and it wouldn't look good if the city is forgiving fees on property out at the airport.

Mr. Roe felt the city should look at trying to recoup those fees from Mr. Peterson, who caused the additional work. Councilor Pope suggested the city would have to incur legal fees in order to do that.

Councilor Harris stated they had three options: they could waive all fees; waive no fees; or evaluate them on a case-by-case basis. He asked if the \$9,700 fee for Taco Time would make or break the deal. Mr. Roe didn't believe so, adding it was a pretty reasonable fee.

Councilor Harris brought up the issue of the city not having a business and occupation tax, suggesting if we did, we could give everyone a break on those taxes making it look like they are getting something for nothing.

Councilor Harris reported he was more inclined to look at the latecomer fees on a case-by-case basis, adding if it was going to make or break the deal, he was definitely pro-business.

Councilor Spahr inquired as to who Mr. Peterson contracted with and who was responsible for him. Mr. Nacht reported Mr. Peterson had his own construction company, Retaining Walls Northwest, adding he was the applicant and his construction company was the permit holder for the development out at the airport.

Councilor Spahr asked, "Who was responsible for inspecting the work done by Mr. Peterson?" Mr. Nacht reported the city was, adding the city did issue correction notices, but Mr. Peterson failed or refused to respond to them.

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Councilor Spahr inquired about the fair market rent and fees, wanting to know if they could take a little less in rent to make up for the fees. Mr. Roe stated it was his understanding that they have to charge fair market rent. Councilor Dawes noted state law says you have to collect fair market value, but added there are creative ways to do it. He reported if they didn't get creative with Wal-Mart and Home Depot they wouldn't be sitting there today.

Councilor Dawes stated they had to remember that the city is a joint owner of the airport, and the Board works for the city and the council. He suggested they work together on finding creative ways to lease and/or fill the property.

Councilor Dawes stated he also shared Councilor Pope's concern regarding utility charges, adding he didn't like seeing the city forgiving things because it will be the citizens who end up paying for it.

Councilor Spahr suggested the city was not without fault and we need to work with the airport.

Mr. Roe noted he didn't want the airport to be perceived as not being 'giving,' adding the initial utilities were given by the airport through a considerable lease concession and all of the utilities and improvements had been done in a similar fashion.

Mayor Ketchum asked Mr. Roe if he was okay with the fees established for Taco Time. Mr. Roe stated he believed so. Mayor Ketchum thought the council was in close agreement to look at it on a case-by-case basis.

Councilor Spahr stated he had a problem with doing it on a case-by-case basis, noting down the road the city would probably end up in a lawsuit.

Councilor Harris suggested business negotiations were just that, and as long as the legal guidelines are met, it doesn't matter what one person is charged versus another.

Councilor Lund stated he agreed with Councilor Spahr, noting you might give one person a super good deal, and the next person not so good of a deal. He suggested the issue of the fair market value could be waived real easy, depending on who you get to do the market value study.

Councilor Lund stated he also agreed with Councilor Dawes, noting the Airport Board should be working for the city. In his opinion, the whole site should be filled to make it more attractive and easier to lease out.

City Manager MacReynold suggested the council take some time to think about it, adding the administration could have a follow up discussion with Mr. Roe to look at possible alternatives to bring back to the council for consideration.

Councilor Pope asked if there was a way to go after Mr. Peterson through the bonding process. Mr. Nacht suggested those were complex legal matters and the city would need to address that through legal counsel.

Mayor Ketchum closed the work session at 6:07 p.m. and announced the council would take a short recess before opening the regular meeting at 6:10 p.m.

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

- a. Minutes of the regular meeting of June 25, 2012;
- b. Claim Vouchers No. 103434-103540 in the amount of \$80,650.04 dated June 29, 2012; Payroll Vouchers No. 35716-35811, Direct Deposit Payroll Vouchers No. 3231-3303, and Electronic Federal Tax Payment No. 112 in the amount of \$708,446.73 dated June 29, 2012; and
- c. Set date and time of July 23, 2012, at 6:05 p.m. for public hearing on petition to rezone property from commercial to R-3; multi-family residential.

The motion was seconded by Councilor Pope and carried unanimously.

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### 3. Administration Reports.

a. **Report on Chehalis Poplar Tree Plantation Tour.** Public Works Director Herta Fairbanks reported they received an interesting call from a woman asking if it would be possible for her daughter to take a tour of the city's Poplar Tree Plantation for her birthday. She noted she and her family lived in the Boistfort area and drive past the plantation daily, adding her daughter watched the development of the plantation and subsequent growth of the trees for the past nine years. Ms. Fairbanks reported Patrick Wiltzius arraigned for a tour on June 18 and upon arrival he found the whole family had showed up for the tour. Mr. Wiltzius gave a quick talk on the need for and the basic operation of the plantation and walked the family among the trees and through the aisles of management unit one. He also took them to see the sacred oak and told them about its history.

b. **Update on Metal Detector Installation.** Chehalis Municipal Court Administrator Becky Fox reported on the new metal detector for municipal court. She stated a company from Vancouver, Washington, installed and calibrated the detector earlier in the day, noting it wasn't permanently attached to the floor. Ms. Fox reported they had a signed contract with Western Washington Merchant Patrol to provide security services during court sessions. She stated she appreciated the council's support and the help received from the other departments in getting the equipment installed.

c. **Letter to Congresswoman Jaime Herrera Beutler.** City Manager MacReynold reported, at a recent Chehalis-Centralia Cooperative meeting, they discussed putting together a joint letter from Chehalis and Centralia, supporting Congresswoman Jaime Herrera Beutler's proposal to exclude any of the proposals with reference to protecting I-5.

Councilor Spahr moved to approve the letter and to have it signed by the entire council.

The motion was seconded by Councilor Pope and carried unanimously.

Councilor Dawes asked if there was anyway the state could shove a project through whether we like it or not. City Manager MacReynold suggested the state could set its own priorities. He reminded the council that, after the 2007 flood event, the Governor made several appearances in the area and repeatedly said she would not protect I-5 and do harm to the people in the surrounding communities, and to her credit she continues to stand by that.

Julie Balmelli-Powe, staff person for Congresswoman Herrera Beutler, talked briefly about the amendment that restricted any funds of the transportation bill to go towards the I-5 wall project. She noted the way it was worded it would have interfered with the money going towards I-5 projects between Blakeslee Junction and 13<sup>th</sup> Street. Ms. Balmelli-Powe reported the Congresswoman agreed to drop her amendment because the head of the committee agreed to work with her to re-write an amendment that can be put on the transportation bill at a later date. She noted the new amendment would be written with the help of the Washington State Department of Transportation and wouldn't interfere with any present projects.

d. **Update on Chehalis Pool Grants.** Mr. Nacht gave a brief update on the status of the pool grant application process. He noted the funding for the Land and Water Conservation Fund (LWCF) grant, that was apportioned by the transportation bill, was removed from the bill making one of the pots of money the city applied for unfunded. He noted the potential for the Washington Wildlife and Recreation Program grant through the Recreation Conservation Office was still there as far as he knew, and the \$250,000 committed by the Chehalis Foundation was still available as our local match. Mr. Nacht suggested if they were successful with two of the three funding sources the city could still get a good project out of it.

Mr. Nacht reported they were hopeful that the funding for the LWCF will be reinstated through some means, adding if that happens, they would continue with their three legged approach.

Councilor Pope asked if the information for the grant could be re-written for a private foundation. Mr. Nacht noted the applications the city is pursuing had to be done by a municipal entity; however, the source of the funding could be the Chehalis Foundation. He noted any other private funding sources would also be greatly welcome.

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#### 4. Council Reports.

a. **Update From Councilor Pope.** Councilor Pope reported there was a lot of effort and participation on the part of the community and members of the Lewis County Bowlers Association to install an automated external defibrillator (AED) at Fairway Lanes in Centralia. He noted during a brief discussion with the Fraternal Order of Eagles in Chehalis, they suggested if the Chehalis Fire Department participated in teaching a class at the Eagles they would receive a \$1,000 grant to put towards an AED for city hall. As a result of the well-attended class, the Eagles got their AED and the city received one as well. Councilor Pope noted the funds left over from the money raised for the AED at the bowling alley would be added to the grant money for the purchase of the city's AED.

Councilor Pope stated he would like to invite representatives from the Chehalis Eagles and the Lewis County Bowling Association to the next council meeting, to give them some recognition for their help in providing an AED for the city.

Police Chief Glenn Schaffer reported the AED did come in and was pretty much set up and ready to be installed. He thanked Councilor Pope for everything he did to help raise funds for the new AED and wall cabinet.

City Manager MacReynold reported the feedback he received was that the training provided by Fire Captain Rob Gebhart was exceptional.

b. **Update From Councilor Dawes.** Councilor Dawes reported he attended a Lewis County Historical Museum Board meeting on July 3, where Councilor Lund did a good job presenting the idea that, if there wasn't the assistance from Lewis County and the city, the doors at the museum would probably be closed because they don't take in enough money to operate. Councilor Dawes reported the new director was really strained with so much to do and was in need of some volunteers. He suggested if there was anyone out there looking for a place to volunteer, the museum be one to look into.

Councilor Dawes reported the museum had a couple of good fundraisers coming up: the Annual Blueberry Pancake Breakfast on July 28; and the Pioneer Pie Social on July 29.

Councilor Dawes reported one of the more important North Lewis County Regional Fire Authority Planning Committee meetings was coming up on July 18. He noted it will be one of their first looks at: what the preliminary costs will be; what liabilities may stay with the city; and what the model will look like.

c. **Update From Councilor Spahr.** Councilor Spahr reported he was able to run over to Summerfest in Centralia for a short time, noting they have a real nice program with a lot of neat things going on. He also attended the Annual Schwingfest in Francis, Washington, over the weekend, adding he had a wonderful time with all of his relatives.

5. **Ordinance No. 897-B, First Reading – Approving Interfund Loan Between the Water and Wastewater Funds.** Finance Manager Eva Lindgren reported the interfund loan was basically a stop-gap measure. She noted they addressed the loan and the anticipated additional loan in the budget amendment, which would be covered under Ordinance No. 896-B. Ms. Lindgren reported they were looking at loaning up to \$1.2 million to the wastewater fund from the water fund.

Ms. Lindgren reported the city currently had two sets of loan covenants: the state loan and the general obligation (GO) bond. She noted the GO bond covenant requires the city to keep it reserved until we spend the money, and the state loan covenant basically states we have to set aside and reserve a year's worth of debt service payment.

Ms. Lindgren reported the interfund loan the council was currently considering would keep them good for now, but advised that the city was going to have some pretty heavy debt service at the end of the year. She reported, in order to keep the costs down, they were breaking it up so the wastewater fund wasn't borrowing any more than it had to at this point.

Ms. Lindgren explained how she arrived at the interest rate, noting she got quotes for what the city would pay on a 3-year CD. She reported the city was required by law to pay, at a minimum, what the local government investment pool rate is. Ms. Lindgren believed the city should be good for the foreseeable future; however, in the event interest rates jump up dramatically, they would need to revisit the issue of the debt service schedule.

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Councilor Lund asked why one entity was taking advantage of another with regard to the interest rate. Ms. Lindgren reported, since it was in-house, she was looking for the best rate. She asked if Councilor Lund was looking to see a higher rate and have the wastewater fund pay more. Councilor Lund suggested the rate Ms. Lindgren was proposing was not the same as what the rate would be for someone borrowing money from a bank, adding he just wanted to throw that out for consideration.

Councilor Lund reported he had concerns and didn't believe in loaning the money. He noted when times got tough he suggested we watch how we were running those two departments, and if we had been, perhaps we wouldn't have to borrow money now. Councilor Lund thought the city should be running the two utility departments like a business rather than spending the money however we want.

City Manager MacReynold responded to Councilor Lund's concerns, noting with support of the council, the city had not raised utility rates in approximately five years. He reported the city needs to have a certain number of people running the utilities, and didn't believe we were overstaffed in any of them. City Manager MacReynold suggested they have been running it like a business and continue to be responsible, but at the same time, recognizing we have some requirements based on the loans and the funds received from the state to build what is now a regional wastewater facility.

Ms. Lindgren reported the scheduled rate increases from the rate study were specifically set up to address the heavy debt service payment, noting over half of the wastewater budget is pure debt service.

Councilor Harris suggested a higher interest rate would only be passed on to the rate payers, adding it was the council who decided not to incrementally increase the rates for the last five years that got them to this point.

Councilor Dawes agreed, noting the council was the only ones who could have made those decisions. He stated he was under the impression that the interest rate used on an interfund loan had to be what the State Investment Pool was paying on their savings account. Ms. Lindgren reported the written guidance she received from the State Auditor's Office suggested the administration present an agreement to the council with an amortization schedule showing the payoff, but she could only do that if she knew what the rate was. She noted the CD rates were actually higher than the State Investment Pool.

Councilor Dawes stated he too was uncomfortable with the loan, but saw the need and would support it. He felt they were going to have some very tough decisions to make in the near future with regard to utility rates.

Councilor Pope stated he remembered the discussion they had regarding the incremental rate increases, noting they either did it then, or later, and it would be more painful if they did it later. He suggested the council needed to bite the bullet sometimes and do things on a regular schedule when they're supposed to be done.

Councilor Dawes moved that the council pass Ordinance No. 897-B on first reading.

The motion was seconded by Councilor Taylor and carried 6-1 with Councilor Lund voting against the motion.

**6. Ordinance No. 896-B, First Reading – Amending the 2012 Budget.** Ms. Lindgren reported the beginning fund balances ended up being better than what they originally budgeted for 2012. She noted even though the revenues were not quite as much as they had hoped, they were able to better the estimates because the departments were very careful with their budgets.

Ms. Lindgren reported the recent purchase of the 'used' street sweeper would be funded totally by the storm and surface water fund because it benefits that system. She noted she ran it by the State Auditor's Office first to make sure there would be no issues with funding it entirely through the one fund.

Councilor Harris moved to pass Ordinance No. 896-B on first reading.

The motion was seconded by Councilor Spahr and carried 6 to 1 with Councilor Lund voting against the motion.

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



July 9, 2012

Anthony E., Ketchum, Mayor

Judith A. Schave, City Clerk

Approved: July 23, 2012

July 23, 2012

The Chehalis city council met in regular session on Monday, July 23, 2012, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:01 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, and Dennis Dawes. Councilors Spahr and Taylor were 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; Eva Lindgren, Finance Manager; Herta Fairbanks, Public Works Director; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Post Car Show Cruise.** Chris Rohr, President of the Chariots Car Club, stated they would like to run a post car show cruise after the car show on Saturday, July 28. Mayor Ketchum thought it was a good idea and suggested Mr. Rohr work out the details with the city manager and police chief.

2. **Public Hearing on Petition to Rezone Property from Commercial to R-3 Multi-Family Residential.** Mr. Nacht reported, in March, the city received a petition to rezone certain property on NW Arizona Street. He noted the petitioner, Rick Hamilton, was available to speak to any questions the council might have regarding the application. Mr. Nacht reported the draft minutes from the public hearing held by the Chehalis Planning Commission were included in the agenda packet, noting there was very little dialog at that meeting.

Mayor Ketchum closed the regular meeting and opened the public hearing at 6:05 p.m.

Mr. Hamilton stated the property in question was zoned commercial and did not allow for any resident type facilities. He reported he was asking to have the property rezoned to allow the opportunity for someone to build a home or duplex on the property. Mr. Hamilton reported he realized that the property is located in a flood zone, but didn't believe that was going to be an issue. He thanked the council for their time and consideration of the matter.

Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:06 p.m.

Councilor Pope moved that the council direct the administration to draft an ordinance for the council's consideration to rezone the subject property from General Commercial to Multi-Family R-3 Residential.

The motion was seconded by Councilor Dawes and carried unanimously.

3. **Recognition for Raising Funds for New Automated External Defibrillator (AED).** Councilor Pope recognized members of the Chehalis Fraternal Order of Eagles, past State President Charlene Butterfield and Secretary Doug Ashmore, for their participation and support in getting an AED for city hall. Also recognized for their involvement were University of Washington student Denver Niiles and Lewis County Bowling Association representative Rich Bunker.

Mr. Niiles presented the poster he created that summarized the project. He noted their goal was to raise funds for a defibrillator, and to raise awareness on the use of AEDs.

Councilor Lund stated he also wanted to thank Mr. Bunker for his contributions to the city, noting rumors were he had put in many, if not hundreds, of hours working on the ballfields for the kids.

4. **Presentation of Award.** Mayor Ketchum presented Wastewater Superintendent Patrick Wiltzius with the 2011 Outstanding Performance Award from the Washington State Department of Ecology. He noted the award recognized the exemplary effort and work accomplished by the employees at the wastewater treatment plant.

Mr. Wiltzius reported each month they collect and report over 700 values to DOE, and of those 700 numbers, 400 have a numerical limit. He noted last year was the first time in the city's history that the department was able to accomplish the task of no permit violations. Mr. Wiltzius stated it was his team's achievement and they were proud to be serving the citizens of Chehalis.

5. **Chehalis Renaissance Update.** Chehalis Community Renaissance Team (CCRT) Chair Larry McGee and Co-chair Allyn Roe updated the council on some of the projects the team has been working on.

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Mr. Roe reported they currently had two large sub-committees in place: the Children's Museum Committee; and the newly developed Marketing Committee. He noted they were finalizing plans for a six-month pilot project beginning in February to test the viability of a larger full-scale children's museum in the community.

Mr. Roe reported the airport picked up the landscaping project for the roundabout on Louisiana Avenue, adding it was in the plans since day one, but they were having a hard time funding it.

Mr. Roe reported six wayfinding kiosks were recently installed at various locations throughout the city to supplement the larger vehicle wayfinding signs put up a little over a year ago. He noted they had a little money left in the budget and plan to build a mobile kiosk to take around to community events.

Mr. Roe reported Lewis County Economic Development Council Director Dick Larman brought to their attention some legislation that funded a CERB grant program. He noted they met with city staff to determine if there were any opportunities to apply for one of the grants. Mr. Roe reported they didn't find any that fit in the Renaissance plan; however, they were able to identify a couple of other opportunities throughout the city that would allow the city to be the applicant.

Mr. McGee reported on the study for the business incubator project, noting they had not come to the conclusion yet of whether they should go forth with the plan or not. He noted they were trying to be honest to the mission of giving it an objective look to see if it makes sense.

Mr. McGee reported the subject of holiday decorations remained active, with Councilor Harris leading that effort. He stated they recently had a preliminary meeting on design guidelines, which was one of the things recommended in Tom Beckwith's report.

Mr. McGee reported on the Chehalis Avenue beautification project, noting the public works department had it well under control. He stated their next checkpoint would be when they get to the 90 percent level of design, to make sure all the input that came from the study is incorporated.

Mr. McGee reported Patty Kaija led an amazing effort to overhaul the islands in the downtown area. He noted a number of the planted islands had been sponsored by individuals and challenged the councilmembers to consider sponsoring an island themselves.

Mr. McGee talked briefly on the new marketing program, led by David Hartz. He stated Mr. Hartz was doing a remarkable job and has provided great leadership. Mr. McGee provided the council with a copy of the new brochure and rack card recently produced by the committee, noting they would be placed in a variety of locations in and around Chehalis and will be made available electronically, as well. He reminded the council that the cards and brochures were paid for with funding that comes through the "Friends of the Renaissance."

Mr. McGee reported he recently received a call from someone who wants to remain anonymous, who would like to help fund the marketing program to an even higher level than what was planned.

Mayor Ketchum stated the cards and brochures were very nice, and that they really appreciated what the CCRT was doing to help Chehalis move forward.

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

- a. Minutes of the regular meeting of July 9, 2012;
- b. Claim Vouchers No. 103541-103674 in the amount of \$217,463.17 dated July 13, 2012;
- c. Award bid for SE Prospect Watermain Replacement to Iversen and Sons, Inc., in the amount of \$205,505.64; and
- d. Adopt Resolution No. 11-2012 on first and final reading – surplusing city property.

July 23, 2012

The motion was seconded by Councilor Pope and carried unanimously.

## **7. Administration Reports.**

a. **Second Quarter and June Financial Report.** Eva Lindgren reported on the June financials, noting the total general fund tax revenues were within \$29,893 of what was projected. She noted the sales and use tax revenues were about \$20,000 short from what they were in 2011, but felt they would still meet the projected \$3 million that was budgeted.

Ms. Lindgren reported any of the significant variances on the other reports were addressed in the notes.

b. **Second Quarter Sales and Use Tax Report.** Ms. Lindgren reported there was still a lot of volatility with regard to sales and use taxes. She noted there was .2 percent variance over last year for the month of July.

City Manager MacReynold stated he was pleased that the city had not begun to see a decline in property tax revenue. He noted the departments continue to watch their pennies, and in most cases, the expenditures were under budget.

c. **Council Work Session Rescheduled.** City Manager MacReynold reported the council work session schedule for July 30 had been moved to August 6. He noted the Cowlitz Wahkiakum Council of Governments scheduled a special workshop on July 30 to discuss "Improving the Economic and Fiscal Health of Our Communities." City Manager MacReynold encouraged the council members to attend the CWCOC's workshop, noting it would set the stage for when they meet the following week to talk about the city's 2013 budget.

## **8. Council Reports.**

a. **Update From Councilor Dawes.** Councilor Dawes reported on two fundraisers coming up at the Lewis County Historical Museum: the blueberry pancake breakfast on Saturday, July 28, and the Pie Social on Sunday, July 29.

Councilor Dawes reported he attended the Business After Hours at Riverside Golf Club on Thursday, July 19, adding it was a nice facility and they had done a lot of nice improvements over the last few years.

On July 18, Councilor Dawes attended the North Lewis County Regional Fire Authority Planning Committee meeting, noting it was well attended and they were actually starting to get into some of the meat and potatoes of the issue. He suggested the numbers were very preliminary, but it was encouraging to see things starting to move.

## **9. Ordinance No. 897-B, Second and Final Reading – Approving Interfund Loan Between the Water and Wastewater Funds.**

Councilor Harris moved to pass Ordinance No. 897-B on second and final reading.

The motion was seconded by Councilor Pope and passed 5-1 with Councilor Lund voting against the motion.

10. **Ordinance No. 896-B, Second and Final Reading – Amending the 2012 Budget.** Ms. Lindgren reported she included a spreadsheet in the agenda packet that highlighted any changes made since first reading.

Councilor Harris moved to pass Ordinance No. 896-B on second and final reading, as amended.

The motion was seconded by Councilor Dawes and carried unanimously.

11. **Street Repairs.** Councilor Lund wondered if they should make a policy with regard to chip sealing the roads. He suggested some roads in town were being chip sealed when perhaps they didn't need it, while others that really needed it were not being done.

Councilor Dawes suggested it would nice to start crack sealing our roads, noting the city needs to do what we can with what we have to build a little life into our roads.

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Councilor Harris reported he happened to get stuck behind the street oiler the other day and noticed it seemed to be having a heck of a time moving, and asked if that was the county's equipment. City Manager MacReynold indicated it was the city's oiler. Councilor Harris stated that might explain why the chip seal work done on Louisiana Avenue last year didn't take well. City Manager MacReynold reported it wasn't the same oiler they used last year, adding the weather conditions last year were just very negative for doing chip seal.

Public Works Director Herta Fairbanks reported the city purchased the oil spreader from Lewis County at the beginning of the year for around \$60,000. She stated they knew when they purchased it that there were some kinks in it and would require some maintenance. Ms. Fairbanks reported it worked eminently better than what the city had before, and it was fully digitized. She suggested if the city were to purchase the same piece of equipment elsewhere in its current condition, it would be on the order of \$120,000.

Ms. Fairbanks reported crack sealing was definitely on their list of priorities, but they were constrained by the budget. She noted they have two street employees and are only able to do the street oiling projects by virtue of being able to hire seasonal labor. Ms. Fairbanks stated National Avenue was definitely on their high-priority list; however, the costs to do what needs to be done are far outside the city's pocketbook at this time.

Ms. Fairbanks reported on the chip seal program, noting the street superintendent has a list of all of the city streets and has it mapped out so that each year they capture significant sections of the city. She indicated they try to capture the most critical areas first and do all of the streets in that particular area that can receive chip seal.

Ms. Fairbanks reported the crew was working hard and doing a great job. She stated, despite the new oiler having issues, they were thrilled with the results they are getting from it and were looking forward to its long productive life.

There being no further business to come before the council, the meeting adjourned at 6:48 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: August 13, 2012

August 6, 2012

The Chehalis city council met in a work session on Monday, August 6, 2012, 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 Chad Taylor. Councilor Dawes was absent (excused). Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; and Peggy Hammer, Human Resources Administrator.

1. **Work Session to Review 2012-2013 Financial and Organizational Strategies.** City Manager MacReynold started the work session by first reviewing the 2012 goals and objectives of the Council, which included:

- Continue to maintain fiscal viability of city
- Continue street maintenance throughout the city
- Continue downtown aesthetics and infrastructure improvements
- Complete and approve updated city Comprehensive Plan (which includes the Parks Comprehensive Plan)
- Continue working cooperatively with other fire districts to explore feasibility of a Regional Fire Authority
- Continue improvements to city parks and explore ongoing funding
- Continue involvement in the Lewis County campus project
- Support the development of "Stream Team" to enhance local streams, using youth and volunteers
- Continue to cooperatively work on regional flood issues
- Hold quarterly meetings between Centralia and Chehalis council committees and/or City Managers

City Manager MacReynold reported a few of the goals had been completed while many are still ongoing. He noted the Lewis County Campus project was totally on hold until the economy turns around.

City Manager MacReynold stated at their last Chehalis-Centralia Cooperative meeting they had a discussion about holding a joint council meeting between the two cities in September to talk about funding of street projects and to look at the range of options available. He reported they also wanted to look at the issue of transportation district funding, which would be a fee placed on all cars licensed within a community.

City Manager MacReynold briefly reviewed the financial and organizational strategies that were developed a couple of years ago. The council was provided a write-up showing what was estimated, where the city is financially, and where it expects to be by the end of the year. Additionally, some explanation was given on each of the long-range options.

City Manager MacReynold reported the following information with reference to the long-range options:

- Annexation: review existing documents to determine strategy, cost and benefits, third part assistance, and budget implementation.

Councilor Taylor wondered when they might see a strategy draft plan of what the pieces of the annexation would be. City Manager MacReynold reported they would need some assistance and would have to spend a little money to realistically put a strategy plan together. He noted the strategy was to begin this year and hopefully have something done next year as to how we plan to proceed. City Manager MacReynold suggested there were properties we could annex that have higher value and little service needs that we can focus on. He indicated they would also have to go through the Lewis County Boundary Review Board process, adding they would certainly be scrutinizing everything we do.

Councilor Taylor asked what a realistic number would look like for putting something together. City Manager MacReynold suggested it might be in the \$25,000 to \$30,000 range.

- Mitigation of National Avenue Property: Project is proceeding, but not expected to see any revenue until 2013 or 2014. Currently going through the permitting process. Resolution discussion should be brought to the council for consideration the first half of 2013.

Mr. Nacht noted, with the current economic downturn, several of the agencies involved have laid off a number of key people who do the review process, which is slowing the process down at the state and federal level.

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- Comprehensive re-evaluation of city's telecommunication needs: IT Committee has been established to look at these kinds of issues on a citywide basis. At this point the administration is dealing with our telephone system on a case-by-case basis and feels it is adequate at this time.
- Increase of Various Fees: Need to review and determine who pays and who benefits.

City Manager MacReynold reported there were a number of fees to be looked at. He provided a spreadsheet showing the current and proposed increases. He noted they were not fast-tracking any increases, but would be looking at bringing something to the council in 2013 to consider.

Councilor Taylor asked if our fees were based on the actual costs. Bob Nacht reported most of our building permit fees were based on a published schedule (the International Conference of Building Officials Uniform Building Code). He stated the current fee structure was adopted in 1997 and does not cover the cost of doing business.

- Community Development Director impending retirement, replacement and departmental adjustment for permit technician position based upon change in duties.

City Manager MacReynold reported they looked at a possible reorganization; however, it would end up costing the city more to shuffle people around. He noted they would go through the process of replacing Mr. Nacht and would be looking to upgrade one position in the community development department to reflect the job duties they are currently doing.

The Council talked briefly about the replacement of Mr. Nacht and suggested City Manager MacReynold have someone on board before Mr. Nacht leaves, so he can work with them to get them up to speed on everything. City Manager MacReynold stated he appreciated the comments, and he would be working with Mr. Nacht to figure out the transition. He noted they would be starting the hiring process this year and planned to have someone lined up to start the first of next year.

- Allocate banner on city's website for advertising by local vendors: Long term future project that needs administrative and legal review prior to bringing before council for consideration.

Councilor Lund wondered if we could speed this project up and use the money to put towards holiday decorations. City Manager MacReynold reported the Chehalis Foundation was talking about funding the holiday decorations at a pretty hefty amount. Councilor Lund suggested they would still need money for repairs and maintenance.

- Determine need for strategic planner position in Community Development based upon recommendation of new director.

City Manager MacReynold stated the city needed to focus more energy and resources on our environmental enforcement and planning.

Councilor Harris suggested a lot of agencies were running into similar problems financially and wondered if there were people who do "planning" on a contract basis. City Manager MacReynold believed there were, adding AWC would probably have a list of those individuals. He stated the new director would need to explore what our needs are, based on what they bring to the city.

Councilor Pope proposed that we look into an intern program. City Manager MacReynold stated that was a good recommendation.

- Implementation of Regional Fire Authority: Planning Committee meeting to determine cost/benefit. 2012-2013 analysis phase and council, board and citizen possible considerations. If approved by voters, implementation could possibly happen in 2014.

City Manager MacReynold reported he and Councilor Dawes, Chairman of the North Lewis County Regional Fire Authority Planning Committee, sat down and talked about the feasibilities and challenges of moving forward procedurally.

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Councilor Spahr reported there were a lot of things to consider, but felt they would get there pretty quick.

Councilor Lund stated it might be a little more difficult since they can't include Fire District #5 because they were not contiguous. City Manager MacReynold suggested the numbers in the report did not include District #5 at this point, but on a bigger scale, Councilor Lund was correct. He noted District #5 representatives were still attending the meetings.

City Manager MacReynold reported he attended a workshop last week where they had a discussion about services, and maintaining them in our current economic situation. He noted if the economy wasn't going to change in the foreseeable future, they would need to start looking at how to deal with maintaining service levels to deal with costs and growth. City Manager MacReynold felt we had started that process and were headed down the right path with regard to fire services. He noted there have been past discussions about what services the cities provide and what services the county provides, and should we be duplicating services.

City Manager MacReynold suggested this may be the right time for the city to provide some leadership on taking a look at the bigger picture and revisiting the issue. He reminded the council that they were the ones who provided the leadership to this region around flood mitigation, and it's made a huge difference.

Councilor Taylor asked if the consolidation of the Centralia Fire Department and Fire District #12 ended up being a benefit to the city and the citizens. Councilor Spahr stated it would depend on who you talk to. He reported it was a bit of a shock for the people in District #12 because they didn't have an EMS levy at the time. Councilor Spahr noted the first time they put it on the ballot it was voted down, which was one of the reasons they want ours to go to a ballot, so the people can make the decision.

- Evaluate building space needs to identify potential savings on electricity and/or natural gas: Ongoing based upon changes in the administration; consideration may be given to consolidation of services.
- Police department gambling funding ends with \$90,000 needed to maintain existing positions through 2013: Incorporate this as part of constraint budget for police department. Consider this as part of the 2013 budget development process for the administration, council budget committee, and final formal consideration by the council.

Councilor Taylor suggested our police vehicles needed to be replaced as part of the city's capital improvement plan. He stated he would like to see more patrol officers and cars out on the streets.

Councilor Taylor asked if there was a way to fund the two police positions currently being funded by gambling enforcement money, out of the general fund. He suggested it would be nice to have money in an account that the police department can use to update vehicles and/or provide training for the officers.

Police Chief Glenn Schaffer reminded the council that the gambling fund money was specific to gambling enforcement and investigation activities, and could only be used for those purposes.

Councilor Harris inquired about the proposed increase to fees, asking what the estimations were based on. City Manager MacReynold reported the departments projected the numbers based on what currently exists. Mr. Nacht reported they used fiscal year July 2011 through June 2012.

Councilor Pope proposed they consider implementing a restrictive impact fee to be used for parks and recreation. He stated our parks were nice, but they could be better and offer more recreation. Councilor Taylor thought it would be interesting to look at.

City Manager MacReynold stated if the council wanted to head down that path the administration would certainly bring it to them for consideration, but noted impact fees were a very sensitive subject in Lewis County.

2. **Lodging Tax Funding.** City Manager MacReynold reported they were gearing up to start the process with the Lodging Tax Advisory Committee (LTAC) for next year, and they would like some clarification and guidance on the issue of the 75/25 split of the lodging tax funds. City Manager MacReynold provided the council with a summary of who the other



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organizations were, along with some history of the amounts of funding provided. He believed it was the council's desire to put a lot more focus on improving our ball parks in the community.

Councilor Taylor asked if the city had a project in mind for next year. City Manager MacReynold reported the direction by council was to focus our efforts on Recreation Park. He noted the design work for Recreation Park should be done in 2012 and implementation in 2013.

Councilor Pope stated, since ball tournaments provide for most of the heads-in-beds, the council should support giving a greater percentage to help promote those programs, but it didn't necessarily have to be a 75/25 split. He thought the city should have to put in a request for what we need and let the LTAC make their recommendations.

Councilor Lund suggested, if the fields were in better shape and drained properly, they could have a lot more activities. He noted what people were telling him was, they need new infrastructure in the fields. City Manager MacReynold stated that was the feedback he was hearing, as well.

Mr. Nacht reported based on the conversation they had last year regarding lodging tax money, the city entered into a contract for a three-phase approach to the Recreation Park rebuild. The first phase was for civil design, which we have; Phase 2 was construction documents/plans and engineer estimates of what it would cost to implement the civil design; Phase 3 would be construction bidding and management under the contract. Mr. Nacht reported they were in the process of accomplishing the construction design and had a contract for that. He noted they intend to bring the project forward to the LTAC and expected it to be a fairly large sum of money to completely redo the park. Mr. Nacht stated their goal was to implement the council's goal of rebuilding Recreation Park, sooner rather than later.

Councilor Harris stated there were concerns by some of the LTAC members regarding the 75/25 split. One issue was in regards to partners of the city (the Veterans Museum, the Steam Train, the Bridal Show, and the Lewis County Historical Museum). He asked if what the committee recommends for those agencies would come out of the 75 or the 25 percent. Councilor Harris suggested the committee needed clearer direction from the council before they meet, so they know what kind of pot of money they are dealing with.

Mayor Ketchum stated it was his understanding that the committee had 25 percent of the pot of money to give out to everyone else. He asked if the council wanted to stick to the 75/25 split, or come up with something else knowing they still support funding parks and recreation.

Councilor Spahr recommend that the city be required to submit an application for funding and let the committee make the decision because they are all well aware of who and what puts the heads-in-beds.

After further discussion, the council recommended that the administration provide a motion for the council to consider at the next regular meeting, giving the committee direction to make recommendations on the allocation of the lodging tax funds with the understanding that using the funds for improvements and enhancements of our recreation facilities at Recreation Park and Stan Hedwall Park are a high priority for the city.

3. **Stan Hedwall Park Ownership.** City Manager MacReynold reported the ownership of Stan Hedwall Park has been something the council has talked about over the past several years. He noted the current lease on the park was through June 1, 2026. City Manager MacReynold reported, a couple of years back, he and Mayor Ketchum met with one of our State Legislators and were under the impression that there could be something done through the legislative process to provide the city ownership of the park, but unfortunately that did not happen.

City Manager MacReynold reported he's had some conversations with someone in the community who has some lobbying experience and is interested in working with the city to try and get possession of the Stan Hedwall Park. He felt this was a very important issue and perhaps it may be that we need some assistance from others to meet with our Legislative delegation.

Mayor Ketchum reported the individual who approached the city supposedly has a good relationship with the Legislators. He felt it was a very minimal amount of money they were asking for to try to get Stan Hedwall locked up.

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Councilor Pope stated the sooner we start working on it, the better we will be.

Councilor Harris suggested they needed to come in the right door before they start rattling any cages, otherwise, it could backlash on us. He stated anything to make it permanent would be a huge benefit.

Mayor Ketchum felt there was enough support from the council for City Manager MacReynold to move forward on it.

4. **Flood Authority Update.** City Manager MacReynold reported that a project proposal had been provided for the Jobs Bill to do improvements at the base of the levee. He noted they were looking at a two-phase process to raise the levee at the airport, which was approved by the Flood Authority and funded at \$1.2 million. City Manager MacReynold indicated there were some questions asked by the Washington State Office of Financial Management and the Chehalis Tribe regarding the project, and Airport Manager Allyn Roe did a very good job of responding to those questions.

City Manager MacReynold reported the council was notified about a draft report that recently came out on the work being done for the Ruckelshaus Center by Project Manager Jim Kramer. He talked briefly about the basin-wide solution report that will be going to the Legislature and the Governor's Office. He noted the Governor's Office put together a small committee to develop a proposal to move forward on, which should be built into her proposed budget for the next two-year period.

Councilor Taylor stated they were pretty encouraged by the Ruckelshaus report, noting there were four recommendations and at least two of them included water retention with the use of a dam.

City Manager MacReynold stated the basin-wide solution continues to get attention and more is being done on it.

5. **Louisiana Avenue/Airport Road Connection.** Councilor Harris inquired about the Louisiana Avenue/Airport Road connection project. He noted the level of the dike where they cut into it to make the connection was clearly about three feet lower than the rest of the dike. Councilor Harris stated he wasn't exactly sure how much roadbed would be added, and wanted to make sure that the engineering of the project matches what we will be doing down the road.

City Manager MacReynold reported the area where the connection will take place had already been raised, adding the engineers recognize the issue and are dealing with it.

Mr. Nacht reported the Washington State Department of Transportation (WSDOT) project was designed to a certain set of parameters that were established about a year ago with the expectation that the levee would be elevated sometime in the future. He noted because all of the elevations were in a state of flux, they couldn't design to something that they didn't know what the answer was, so they established a set of parameters with the expectation that everything would get higher in the future. Mr. Nacht stated there may be a need to elevate the road a little in the future, but there were ramping and other issues that will have to be addressed that cannot be addressed by the current project.

6. **Steam Train.** Councilor Lund asked if City Manager MacReynold could share a little bit about his meeting with members of the Chehalis-Centralia Railroad & Museum.

City Manager MacReynold reported he and the Mayor were asked to meet with a group of steam train members with the impression that they had questions about the possibility of WSDOT's wall to protect I-5. He noted they ended up having a much broader discussion about the steam train and future development and alternatives.

City Manager MacReynold stated one of the issues that came up during their discussion was the interest by the steam train of being able to access the Tacoma Rail line to go north, or the possibility of ownership of it. He noted the members did have some discussion with Tacoma Rail about the city having an interest in the rail line.

City Manager MacReynold talked briefly about the interest of the local steam train activists to be able to go to places like Centralia and the Great Wolf Lodge. He suggested those kinds of opportunities would make significant improvements with reference to marketing and future growth.

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City Manager MacReynold reported he committed to having some communication with Tacoma Rail to find out what their interest was with reference to maybe passing ownership of the rail line on, or leasing it. He believed there was some growing interest by certain members to really begin to expand their service and to look at other opportunities for growth.

Councilor Lund felt there was also some fear about the line getting tore up and them not being able to get to the machine shop in Mineral, Washington, for future repairs on the locomotive. He suggested the Port of Chehalis might be interested in working with us on trying to get Tacoma Rail to give the tracks to the city.

City Manager MacReynold noted there still might be some level of interest in the community with reference to pulling up those rail lines to expand the Rails-to-Trails project, to make it a connection between the two communities.

7. **New Storm Water Regulations.** Councilor Spahr reported he heard on the news that there were some new storm water regulations going into effect in five years and wanted to know how they might impact the city. City Manager MacReynold reported he couldn't answer that question.

Councilor Spahr reported one of the requirements for urban centers will be, if you do development you have to keep the storm water on the property.

Councilor Harris reported the Chehalis River Basin Partnership had been discussing the issue, noting during any redevelopment or remodeling project the state will be requiring retainage or drainage. He believed the state was trying to get rid of as much impervious surface as they can.

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

Terry Harris, Mayor Pro-tem

Judith A. Schave, City Clerk

Approved: August 27, 2012

August 13, 2012

The Chehalis city council met in regular session on Monday, August 13, 2012, 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, and Dennis Dawes. Councilor Taylor was absent (excused). Staff present included Glenn Schaffer, Police Chief/Acting City Manager; Mark Scheibmeir, Assistant City Attorney; Judy Schave, City Clerk; and Bob Nacht, Community Development Director. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Citizens Business.**

a. **Vegetation Issue on N. Market Boulevard.** Tom Guyer of T.J. Guyer, Inc. (1646 S. Market Boulevard) reported he was speaking on behalf of one of his clients regarding the ivy that's growing on the side of his building at 564 S. Market Boulevard. He noted the ivy was coming from the parking lot next door that was owned by the city; therefore, they were requesting that the city remove the ivy.

Mr. Guyer reported he spoke with Bob Nacht prior to the meeting and he noted the city had information on file from several years ago indicating the tenant wanted the ivy left on the side of the building. Mr. Guyer stated the tenant didn't have the authority to authorize it and his client would like to have the ivy removed from the building.

Bob Nacht reported the issue was brought to his attention late last week via email. He noted he looked into the history and also talked with the city's risk manager to see what the appropriate course of action would be to deal with the specific issue. Mr. Nacht reported most likely it was the city's ivy, and it was their intent to negotiate a resolution to the issue with Mr. Guyer.

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

a. Minutes of the regular meeting of July 23, 2012; and

b. Claim Vouchers No. 103675-103836 and EFT No. 62012 in the amount of \$320,065.36 dated July 31, 2012; and Payroll Vouchers No. 35812-35905, Direct Deposit Payroll Vouchers No. 3304-3376, and Electronic Federal Tax Payment No. 113 in the amount of \$687,698.24 dated July 31, 2012.

The motion was seconded by Councilor Pope and carried unanimously.

3. **Administration Reports.**

a. **Council Work Session.** Acting City Manager Glenn Schaffer reported a work session to discuss utility rates was scheduled to take place prior to the regular meeting on August 27, 2012, starting at 5:00 p.m.

4. **Council Reports.**

a. **Update From Councilor Pope.** Councilor Pope gave a brief update on the pool renovation project, noting they met with one of the potential grant funders in Olympia and the city's proposal was received somewhat favorable. He stated if the grant funding becomes available the city would be in the mix to receive some of it.

b. **Update From Councilor Harris.** Councilor Harris reported he and Councilor Pope attended the Chehalis Community Renaissance Team (CCRT) meeting last week and received some good updates on the different aspects of what the team was doing. He noted a temporary Children's Museum would be opening up soon in a separate location from where it would be located permanently.

Councilor Pope suggested they invite CCRT Co-Chair Allyn Roe and/or Chairman Larry McGee to come and brief the council on the Children's Museum project.

c. **Update From Councilor Dawes.** Councilor Dawes reported both the pancake breakfast and pie social at the Lewis County Historical Museum were very successful this year. Councilor Lund noted the pancake breakfast brought in \$923, the Pie Social \$1,850, and chicken bingo \$320.

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Councilor Dawes stated, even though there were fundraisers and events to raise money, it was very important to stress to the community that if it wasn't for the support from Lewis County and the City of Chehalis, the museum would not be able to open its doors. He noted they just don't take in enough money and a lot of the work is done by volunteers.

Councilor Lund noted the museum was also receiving hotel/motel tax from the city and money from the county for fees they collect that can be used to preserve history.

Lewis County Commissioner Ron Averill reported one of the things that he feels is not appreciated enough is the fact that the county owns the building. He indicated there is money that doesn't show up in the reports that the county provides to maintain the building. One of the larger projects was the new roof they replaced several of years ago.

Councilor Dawes reported earlier in the day a county crew came by and striped the parking lot at the museum, adding it looked very nice to have those updated.

Councilor Dawes reported the next North Lewis County Regional Fire Authority Planning Committee meeting was scheduled for August 22, noting it was moved back one week so it wouldn't conflict with the Southwest Washington Fair. He stated they would be continuing to cover the preliminary report on the model and costs, adding he was glad to see things moving forward a little bit.

5. **Ordinance No. 898-B, First Reading – Rezone Property on Arizona Street.** Mr. Nacht reported two public hearings were held, and testimony was received on the subject.

Councilor Spahr moved to pass Ordinance No. 898-B on first reading.

The motion was seconded by Councilor Pope and carried unanimously.

6. **Appropriation of Lodging Tax Funds.** Councilor Spahr stated earlier the council passed a motion mandating a 75/25 split of the hotel/motel tax money, with 75 percent being used for parks and recreation projects and 25 percent to be used for other projects.

Councilor Spahr moved to rescind the previous motion and further request that the city's representative to the Lodging Tax Advisory Committee reinforce the council's desire to have recreational facilities at Recreation Park and Stan Hedwall Park be a high priority for the city.

The motion was seconded by Councilor Dawes and carried unanimously.

Councilor Dawes noted he was unable to attend the work session on August 6 and inquired about the discussion on the lobbyist for Stan Hedwall Park, wondering when that would come up for discussion again. Mayor Ketchum stated once all of the details are worked out, it would come back to the council for approval. He noted there was consensus by the council to look into it.

There being no further business to come before the council, the meeting adjourned at 6:16 p.m.

Terry Harris, Mayor Pro-tem

Judith A. Schave, City Clerk

Approved: August 27, 2012

August 27, 2012

The Chehalis city council met in regular session on Monday, August 13, 2012, in the Chehalis city hall. Mayor Pro-tem Harris called the meeting to order at 6:00 p.m. with the following council members present: Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Mayor Tony Ketchum was absent (excused). Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; Peggy Hammer, Human Resources Administrator; and Eva Lindgren, Finance Manager. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Citizen Business.** Carl Bohlin (1022 Cascade Avenue) reported, back in April, he was served a notice because his vehicle was parked in the wrong direction. He noted he didn't have a problem with the new parking ordinance, but suggested if anyone were to go within a two-block radius of his home there were at least five other vehicles that were in worse shape than his. Mr. Bohlin stated he didn't have a problem abiding by the rules, he was just asking that it be fair. He noted it seemed to be a little hit and miss and asked if the council could look into the matter.

City Manager MacReynold reported most of the city's enforcement issues were complaint driven, adding he appreciated Mr. Bohlin's input. He suggested Mr. Bohlin contact Police Chief Glenn Schaffer regarding the matter.

2. **Health and Wellness Day Proclamation.** Mayor Pro-tem Harris presented Maretta Berg and Chris Thomas with a proclamation declaring September 15, 2012, as Health and Wellness day in the city of Chehalis.

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

- a. Minutes of the work session of August 6, 2012, and the regular meeting of August 13, 2012; and
- b. Claim Vouchers No. 103837-103985 in the amount of \$144,130.13 dated August 15, 2012.

The motion was seconded by Councilor Pope and carried unanimously.

4. **Administration Reports.**

a. **July Financial Report.** Eva Lindgren reported on the total tax revenues, noting overall they were looking pretty good and were only off by 1.4 percent. She talked briefly about the August sales and use tax data, noting it showed an increase of .2 percent over August of last year, and the year-to-date total was only down .2 percent.

Councilor Taylor inquired as to which categories were showing increases, and which were showing a downward trend. Ms. Lindgren reported one of the biggest downturns was the "unknown" category, which is an adjustment category the state provides the city. She noted last year the city received between eight and nine thousand dollars in that category. Ms. Lindgren reported, with regard to the categories showing an increase, there was still a lot of volatility.

Councilor Taylor asked if the city received any back-fill from the streamlined sales tax for the revenue the city has lost. Ms. Lindgren reported the city still receives insignificant amounts of mitigation revenue from the state, noting the last quarter payment was about \$5,000. She stated, from the State Auditor's perspective, it wasn't considered tax revenue, so it was buried within the city's "charges for goods and services" revenue.

Councilor Taylor suggested it would be nice to put together a fact-based letter to the Governor and/or Legislature, showing them the difference in what the city was receiving prior to mitigation, and what we're getting now. Ms. Lindgren reported the 2007 flood event really damaged the city significantly with regard to the amount of mitigation the city was receiving. She noted the state used that particular time period as part of their baseline, when a lot of businesses were closed due to the flooding that occurred.

Ms. Lindgren reported on the general fund expenditures, noting the only area of concern was the community development department. She stated the city has a lot of temporary employees for the pool and grounds maintenance in July, which added additional costs to those operations. Ms. Lindgren noted last year's expenditures were a little bit lower, but they also have a smaller budget this year.

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Councilor Spahr noted the street fund was way down and asked if they would see an increase for the work done over the last couple of months. Ms. Lindgren reported there is always a time lag in terms of billing, and she was expecting that number to increase.

Councilor Spahr inquired about the non-departmental fund. Ms. Lindgren reported that fund included transfers out to the federal and state grant fund.

## 5. Council Reports.

a. **Update From Councilor Pope.** Councilor Pope asked Bob Nacht to give a brief update on the grants for the pool upgrade project.

Mr. Nacht reported the city ranked third in the Land and Water Conservation Fund (LWCF) grant application process, thanks in large part to the Chehalis Foundation, their grant writer, and Recreation Manager Lilly Wall. He noted Dr. Pope also attended the presentations and was instrumental in demonstrating to the ranking body that the Foundation is really behind the project. Mr. Nacht reported if the program is ever funded the city would likely get the grant.

Mr. Nacht reported he hoped to know sometime this week the ranking for the Washington Wildlife and Recreation Program (WWRP) grant.

Mr. Nacht reported they initially identified the \$250,000 that the Foundation pledged, and then went for the \$250,000 matching grant for the LWCF grant. They then applied for another \$250,000 for the WWRP grant, which is a state level grant. Mr. Nacht stated the total project for all of the applications was roughly \$780,000, which will renovate the pool significantly and make it last another 30 to 50 years. Councilor Pope stated the Foundation was also looking at working with a fundraiser to raise money for the project.

Councilor Pope reported the Foundation was planning a gala on October 17 at the Riverside Golf Course. The cost for the event is \$75 per person with part of the proceeds going towards the pool and other activities the Foundation is involved with.

b. **Update From Councilor Dawes.** Councilor Dawes reported he, along with other council members, attended the opening of the Southwest Washington Fair on August 14. He also put in a stint at the Lewis County Historical Museum's booth, noting while they had a lot of people stop by, it didn't seem that the fairway was very crowded at any time.

Councilor Dawes reported he attended the Business After Hours at Express Personnel.

Councilor Dawes reported he and Councilor Lund recently attended the North Lewis County Regional Fire Authority Planning Committee meeting. He noted they finished the initial report and were trudging on. Councilor Dawes suggested there might be a proposal to change their current bylaws with regard to the quorum needed for a meeting, this having to do with Napavine and Fire District #5. He thought it would be beneficial if Napavine representatives continued attending the meetings because the information developed through Phase I would certainly be important to Phase II. He noted Napavine felt the requirement of them being present would make it harder for the group to move forward if they are unable to attend meetings due to scheduling issues.

Councilor Dawes thought they may seek a change in the bylaws to include Chehalis, Riverside Fire Authority, and Lewis County Fire District #6. He noted they would still need to have at least five people present to include one representative from each agency to constitute a quorum.

Councilor Dawes reported there seemed to be more and more calls requiring all of the agencies to respond, in order to get the people and equipment there that they need. He talked briefly about how the profession has changed over the years and how they need to keep up with change.

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Councilor Taylor asked if the committee would be discussing any reorganization and/or staffing with regard to firefighters and emergency medical services (EMS). Councilor Dawes stated, based on the information they've received, there would be firefighters and firefighter paramedics placed at every station involved, should the concept become a reality. He noted one of the biggest concerns was containing costs.

Councilor Taylor asked if they looked at having American Medical Response (AMR) handle the city's aid calls as a way for the city to get out of that type of business. Councilor Dawes stated he was sure that it would be looked at, but didn't have the expertise in that area. He suggested there are times when AMR does not have the personnel to answer calls because of the area they cover.

Councilor Spahr stated he asked the same question regarding AMR, noting they did have some legitimate rationale. He reported as they progress it would be explained more, and more clarification would be given. Councilor Spahr stated what he really liked about the whole process was that, even if it never happens, it's been an incredible planning experience. He believed all of the departments would take something forward from it.

Councilor Dawes talked briefly about the need for volunteer firefighters, noting they cannot afford to have the paid professional staff that they need. He stated it was very difficult to retain volunteers because of the requirements, and people just don't have the time to commit for no pay.

Councilor Taylor stated with costs going up it seemed insane to continue providing the same services with regard to fire service and EMS. Councilor Spahr suggested AMR and fire service really do supply different services, adding when the fire department gets a call they really don't know what they're going to, or what they will need until they get there.

Councilor Lund brought up the issue of how the fire department responds to emergency calls. He talked briefly about the old system and how it functioned, compared to how it was being done today. Councilor Lund wondered if they should require the firefighters to listen to the calls as they come in, rather than wait until they get called out.

City Manager MacReynold suggested a lot has changed, as Councilor Dawes alluded to earlier. He noted, procedurally, they do it the way they do because of what's happened over the past 30 years, with reference to fire and public safety.

Councilor Dawes believed Councilor Lund was referring to the old 911 speakers they had in the fire hall and police station, adding as soon as a call came in they could hear what it was and get the address. He didn't know if they still had those speakers or not because of the associated costs.

Police Chief Glenn Schaffer stated the speakers did get cut; what killed it was the way cell phone calls into dispatch were brought in. He noted they were getting calls from everywhere and they rarely heard the calls that were specific to Chehalis anymore. Chief Schaffer indicated it was based on technology and how the cell phone calls come in. He had the speakers shut off at the police department and believed the fire department had theirs shut off, as well.

With regard to dispatch, Chief Schaffer felt the communication center did an excellent job of getting the calls out early, adding they do not listen to the entire call before they dispatch. He noted they get the basic information about what and where, and as the details come in they feed that information out later. Chief Schaffer stated the fire trucks, like the police vehicles, have the mobile data terminals inside and as they respond they can start looking at the details as they come in.

Councilor Lund thought with modern technology they should still be able to use the old system, adding he didn't understand how modern technology could cut away antiquated technology. Chief Schaffer stated before they had the phone lines cut he asked the communications center why it was the way it was. He noted it was explained to him, but he couldn't re-explain it nor understand it, but the questions were asked.

c. **Update From Mayor Pro-tem Harris.** Mayor Pro-tem Harris thanked City Manager MacReynold for providing the council with bricks from the old city hall.



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d. **Police Department Neon Sign**. Councilor Lund asked if it would be possible to get the old neon police sign put back up. Councilor Taylor noted a while back Chief Schaffer sent him an email asking how he could get the sign refurbished. Chief Schaffer reported it was in the works, adding he had Dale Swayze looking at it. Councilor Taylor stated if there was anything his business could do to help get it back up, they would do it as a donation to the city.

6. **Ordinance No. 898-B, Second and Final Reading – Rezone Property on Arizona Street**. Mr. Nacht reported he would be happy to answer any questions the council might have concerning the ordinance.

Councilor Spahr moved to pass Ordinance No. 898-B on second and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

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

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: September 10, 2012

September 10, 2012

The Chehalis city council met in regular session on Monday, September 10, 2012, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:46 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; Bob Nacht, Community Development Director; Peggy Hammer, Human Resources Administrator; Herta Fairbanks, Public Works Director, and Rick Sahlin, Street Superintendent. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Interview Applicants for Chehalis River Basin Flood Authority City Representative Selection.** The council interviewed three applicants interested in representing the city on the Chehalis River Basin Flood Authority. The applicants included Pete Bezy, Lyle Hojem, and Arnold Haberstroh.

Mayor Ketchum announced the council would take a two minute recess and re-open the regular meeting at 6:01 p.m.

2. **Briefing on Twin Transit Six-Year Development Plan.** Twin Transit General Manager Rob LaFontaine provided the council with a PowerPoint presentation on their six-year development plan. He noted the transit development plan was a requirement of state law that had to be submitted annually to the Washington State Department of Transportation (WSDOT). Mr. LaFontaine stated the plan included information on how they plan to capture state transportation objectives, and what they plan to do with their own services, facilities, and equipment.

Mr. LaFontaine talked briefly about the special taxing district formed in 1985, noting they started out at .1 percent tax, which jumped up to .2 in 2004. He stated the .2 percent local sales tax provided about 65 percent of the revenue needed to operate.

Mr. LaFontaine reported Twin Transit provided over 30,000 annual service hours per year with six fixed bus routes throughout the communities and complementary paratransit. From 2004 to 2008 they generated a revenue surplus (when the sales tax increased from .1 to .2), which has helped to maintain service levels over the last few years.

Mr. LaFontaine stated they plan to aggressively pursue additional operational grant assistance through both WSDOT and the Federal Transit Administration. He noted they would also pursue capital grant funding for bus acquisition and a potential building remodel project.

Mr. LaFontaine reported they would be evaluating an increase in the local transit sales tax from .2 percent to .3 in November 2014, if revenues remain stagnant. He stated he was comfortable with the current .2 percent, adding it would be enough to maintain the 30,000 service hours they currently provide.

Mr. LaFontaine talked briefly about the following: the potential of extending service routes outside the two communities; converting from the current flag-style bus service to a more modern fixed route; and customer service.

Councilor Pope expressed his disappointment with the current service for kids with disabilities, adding he felt paratransit was doing everything they can to not transport the kids. He requested a meeting with Mr. LaFontaine and Councilor Taylor to discuss the issue and try to resolve it. Mr. LaFontaine expected they were being serviced by Paratransit Services, Inc. out of Bremerton, Washington. He added he would be more than happy to sit down and have that conversation.

Councilor Harris brought up the issue of raising the tax rate from .2 to .3 percent and asked if there had ever been any discussion about going to the hundredths of a cent, such .21 or .23 percent. Mr. LaFontaine said if they could do that it might be more suited for their needs.

Mr. LaFontaine reported, out of the 29 transit authorities in Washington, they had one of the lowest tax rates in the state. He stated he was comfortable with the .2 percent, so long as it's functioning as it traditionally has.

Councilor Dawes asked where the authority to raise taxes came from. Mr. LaFontaine stated he suspected the Board would have to approve it for voter approval. Councilor Dawes thought the council would have to do that.

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Councilor Dawes stated, while they may have lost 10 to 16 percent of their tax revenue, the city has lost about 25 percent of its sales tax revenue. He also brought up the issue of ridership, noting at certain times of the day buses are seen running empty and wondered if they should evaluate that issue during these lean times. Councilor Dawes suggested, rather than looking for more, perhaps they need to start looking at alternatives as to what can be done to get by.

Councilor Taylor asked Mr. LaFontaine if he could find out if they have a contract with Paratransit, Inc.

Councilor Lund inquired about the use of larger buses. He suggested they could be running smaller buses that would be cheaper to operate and purchase. Mr. LaFontaine reported five of the six fixed routes run a smaller style bus. He noted the 30-foot bus was the smallest of the larger buses that you can purchase. Mr. LaFontaine reported they select their buses based on capacity, and they are a good product.

**3. Update on the Chehalis Avenue Project.** Public Works Director Herta Fairbanks reported the Chehalis Avenue Project would no longer be referred to as the "Beautification Project" because it now included grinding and overlay of the street. She reported they were getting very close to sending the project out to bid and wanted to bring the council up to speed on what had been done over the course of the last year. Ms. Fairbanks provided a brief history of the project and how it came about.

Ms. Fairbanks reported there had been some significant changes to stormwater permitting, which have not yet affected Chehalis. She noted Chehalis still considered a Phase II stormwater city, but that could change in 2017 when the state issues all of the permits. Another issue that could change Chehalis to a Phase 1 city sooner would be our population. She noted we're currently sitting at about 7,300, and the trigger is 7,500.

Ms. Fairbanks talked briefly about the bulb-outs, noting they were looking to do something beneficial and came up with a project to incorporate some of the future stormwater requirements. She reported one of the options with streetscaping was to do rain gardens. Ms. Fairbanks described the function and creation of rain gardens, noting one of the benefits was that they offer water treatment for stormwater runoff, which Chehalis Avenue does not currently have.

Ms. Fairbanks reported they had been working with HDR Engineering, Inc., to come up with some ideas that would work within the confines of the money available and the defined scope. She stated they were also working with Patty Kaija on the plantings for the rain gardens, noting their focus was to maintain the visibility requirement at intersections, and to have some consistency within the Chehalis downtown areas.

Councilor Harris asked if any test holes had been dug on Chehalis Avenue to make sure they can plant directly in the ground. Ms. Fairbanks stated they did test it and they were good. She reported they were also re-working the existing stormwater system to have an overflow, so if and when the rain gardens fill up, the overflow will go directly into the storm system, rather than backing up onto the street.

Ms. Fairbanks talked briefly about the trees, noting they decided to go with a deciduous tree because it had to be something that wouldn't grow too terribly high at maturity and it would have to survive in a rain garden atmosphere.

Ms. Fairbanks provided an aerial photo showing how the intersections would be adjusted along Chehalis Avenue. She noted with federal grant money you have to make everything compliant with federal regulations. Ms. Fairbanks reported the overlay project would go from Main Street all the way to Pacific Avenue, and the beautification project would go from North Street to Park Street.

Mayor Ketchum noted he had heard rumors that Chehalis Avenue would be turned into a one-way street and wanted to confirm that it would include two-way traffic. Ms. Fairbanks noted that was a false rumor.

Councilor Dawes commented on the angle parking, noting it was a little bit tough to back out. He asked if the plants would have any effect on the angle parking. Ms. Fairbanks reported they selected plants that will have a low-growth habit, so they won't obstruct the visibility with angle parking. She noted anytime you have a vehicle parked at an angle, and another in front of it, the visibility was going to be obstructed when trying to back out. Councilor Dawes suggested they may have to look at adjusting the speed. Ms. Fairbanks reported, since the pilot project was implemented in 2010, there hasn't been any increase in accidents in that area.

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Councilor Pope brought up the issue of Lewis County's plan to do something on Main Street, and asked if it would cause problems with the city's project. Ms. Fairbanks reported she's had communication with the county and they are aware of our project.

Councilor Spahr asked if the sidewalks were going to be replaced as part of the project. Ms. Fairbanks reported they would remain the same, noting there was money available for refurbishment if the sidewalks were too narrow; however, Chehalis has amazingly wide sidewalks and they don't qualify for funding.

Councilor Spahr asked if the bulb-outs would be sized well enough for large trucks to make the corners. Ms. Fairbanks suggested the large trucks could still make the corners; however there might be some encroachment into the opposing traffic lane by some of the larger vehicles, such as the fire departments ladder truck. She noted the only way to mitigate that would be to get rid of the first few angle parking spaces, but that would bring them back to where they were in the beginning.

Councilor Harris noted very often at night there are large delivery trucks parked on Chehalis Avenue. He suggested, with the new bulb-outs they were going to be forced to park out in the road and asked how that would be dealt with. Police Chief Glenn Schaffer reported the delivery trucks have always been a challenge. He stated he would follow up with the parking enforcement officer regarding the issue, adding in the past she's worked with the delivery truck drivers to try to figure out the best times for delivering.

Councilor Lund asked if they would lose any parking on the east side of Chehalis Avenue. Ms. Fairbanks stated it wouldn't be any different than it was now.

Councilor Harris inquired about the rain gardens, wondering if they might become a dump site for the things that are currently being collected and going into the river. He asked if the Washington State Department of Ecology (DOE) or Environmental Protection Agency (EPA) had done any work to figure out who would be responsible for cleaning the rain gardens and putting new soil down when necessary. HDR, Inc. Engineer Mark Burch indicated there was nothing really out there right now; however, they plan on putting trash-racks on the end of the overflow devices, so they can at least keep garbage from going downstream into the river.

Councilor Taylor asked if the plants would be able to live through all the grease and oil going through the rain gardens. It was noted that the plant selection would be used for collection and would help treat the water. Ms. Fairbanks reported rain gardens were still relatively new and predicted in 20 to 30 years we would start seeing grants to rehab them. Mr. Burch indicated the rain gardens and the other planters would also have an irrigation system to them, as well.

Councilor Lund talked briefly about how the old downtown looked during his younger years. He reported sometime between 1972 and 1975 Mayor Ray Melhart came up with a great plan for the downtown area, now referred to as "Melhart's Maze." Councilor Lund reported the downtown area has been fixed up a number of times over the years, but always ends up looking bad. He suggested Chehalis Avenue has looked great the whole time because all they've ever done was clean it with a street sweeper.

Councilor Lund stated the project was an added expense and didn't think it was fair to the citizens. He didn't believe the businessmen really cared about the project either, adding he was a businessman and he didn't care.

Dave Tagert (Devilfish Public House - 289 NW Chehalis Avenue) commented on the current condition of the cross streets of Chehalis Avenue and NW Prindle. He felt the business owners were somewhat responsible for the weeds, but at the same time, where was public works? Mr. Tagert suggested the streets looked like garbage every Friday and Saturday morning after the bars let out. He felt Chehalis Avenue was in desperate need to be beautified. Mr. Tagert stated he was all for the project to beautify the community and to get people interested in what we have to offer.

Jeff Robertson (Cascade Tax Service-365 NW Chehalis Avenue) reported he had concerns that there wouldn't be any new sidewalks included in the project, and if that were the case, he would be against it. He suggested by making the sidewalks a little bit narrower they could widen the roadway. Mr. Robertson stated he would be interested in hearing about what it would cost to form an LID (local improvement development) with the businesses in order to do the project right and make it the premier street in Lewis County, not the garbage dump it is now.

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Mayor Ketchum suggested City Manager MacReynold set up a meeting with Mr. Robertson to discuss his concerns.

Chehalis Community Renaissance Team (CCRT) Chair Larry McGee felt it was a huge step forward and reminded everyone that the idea came from the hundreds of people that attended the meetings back in 2007/2008, when the plan was being put together. He stated the consultant believed the entrances to the city should be a matter of pride, which was why they were working with the Lewis County PUD to make the intersection of NW Quincy Place and Main Street look good.

Mr. McGee briefly reviewed some of the survey numbers from the Chehalis Avenue pilot project, noting for the most part, they were very positive.

Mr. McGee stated he was impressed by the job that Ms. Fairbanks and the staff have done, adding he felt they were making a big step in the right direction. He noted the project wouldn't solve the curb problem or make the sidewalks look beautiful, but it would make a substantial improvement.

Reggie Macomber (Carquest Auto Parts Store - 372 NE Chehalis Avenue) reported one of the things that greatly concerned him was the overall width of the street. He thought it was a big mistake to go forward with the project without first widening the street by reducing the size of our current sidewalks. Mr. Macomber stated he wasn't a huge fan of the bulb-outs and plantings because of the maintenance required. He suggested if they do the whole project right the first time, they won't have to mess with it in the future.

Mr. Macomber reported he also had some concern regarding the new trees, noting he just spent thousands of dollars on new signage for his building and hoped they wouldn't plant trees that would cover them up.

Chris Butler (Butler Surveying - 475 NW Chehalis Avenue) stated he was 100 percent behind any effort that improves the downtown corridor. He stated he agreed with the grinding and overlay project, adding he was certain that the underlay of the street was plenty sufficient to support the project.

Mr. Butler thought the rain garden concept was a waste, and didn't believe it would garner any credit with DOE. He suggested the city would be better off to take the money for the rain gardens and invest it in new curbing.

Mr. Butler brought up the issue of the city hiring an outside survey crew when his company could have done the same job and saved the city 60 to 70 cents on the dollar. He stated he understood that it wasn't the council's decision, but the city hired an outside general contractor, who hired the surveyor from Tumwater.

Councilor Pope reported when he came to town a number of years ago the downtown area needed some work and a lot of the coffee-clutches wouldn't let them do anything, noting they killed everything the city tried. He stated even though the city has a lot more people involved now, including the CCRT and the Chehalis Foundation, the coffee-clutches are still trying to kill everything. Councilor Pope suggested it may not be the best plan and it may not please everybody, but they had to start somewhere. He stated he was in favor of the project and was supportive of the Renaissance.

Councilor Dawes stated the easiest thing to do was nothing and suggested they not take the easy road out. He believed by taking little steps to show some progress, it would build and they would eventually get the wider streets and new sidewalks. Councilor Dawes stated, while it may not be the best or what he would like to see, the city needed to take the step and do something.

Councilor Harris reported city staff was very aware of the conditions of the sidewalks in the downtown area, and the work that had to be done under them. He noted the grant money received for the street project would not apply to the sidewalks; therefore, any work done to alter them would be a direct taking of tax dollars from the citizens. Councilor Harris stated, even though it may not be all of what they wanted, it was a great start and he supported it.

Councilor Spahr reported over the years they've talked about a central business district and developing a taxing authority for improvements and it's always been shot down. He suggested this might be a good time to talk about it again, since

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they've had some positive input. Councilor Spahr suggested it would be a shame to do the streets and not the sidewalks, but if the money's not there, it's not there. He stated he agreed with everything that had been said and wanted to see the project happen.

Councilor Taylor stated he couldn't agree more with Mr. Butler's comments regarding the city hiring an out of town business to do something that a local business could have done. He reported he would be in favor of the city ensuring that people who live and pay taxes in Chehalis get the work the city puts out.

Mayor Ketchum reported the issue had been discussed before, noting part of the thought process was that when bids go out there's wording included that states, "Use local business if they have the qualifications."

Ms. Lindgren reported, when you're dealing with federal money, you cannot make that distinction. She noted normally when you receive federal money it's a level playing field and you cannot provide a benefit to local versus somewhere else.

Mayor Ketchum thanked everyone for coming and expressing their concerns and opinions.

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

a. Minutes of the regular meeting of August 27, 2012;

b. Claim Vouchers No. 103986-104109 and EFT No. 72012 in the amount of \$187,096.82 dated August 31, 2012; and Payroll Vouchers No. 35906-35997, Direct Deposit Payroll Vouchers No. 3377-3447, and Electronic Federal Tax payment No. 114 in the amount of \$684,930.70 dated August 31, 2012; and

c. Approve interagency agreement and letter of understanding to rent the City of Seattle's under bridge inspection truck to complete the mandatory bridge inspection on Chamber Way.

The motion was seconded by Councilor Pope and carried unanimously.

5. **Administration Reports.**

a. **Work Session to Discuss Utility Rates.** City Manager MacReynold reminded the council about the upcoming work session on September 24, to talk about utility rate adjustments.

6. **Council Reports.**

a. **Update From Councilor Dawes.** Councilor Dawes stated, at the last board meeting of the Lewis County Historical Museum, they had an extensive discussion about the planning of the budget for next year. He noted he was a little frustrated with the materials put out regarding the city's lodging tax. Councilor Dawes asked, "How was an agency supposed to plan a year when they are told the money can be used one way for the first half the year and one way the second half."

Councilor Dawes reported it was his understanding that there was some potential movement to allow the current use of lodging tax advisory funding to continue past June 30, 2013. He stated he didn't want to steal Councilor Lund's thunder, but thought he came up with a good suggestion, which was to have the council write a letter to our Senator and Legislators informing them that the city would like them to do everything in their power to support the change of not restricting the lodging tax advisory money. He suggested a similar letter be sent to the Association of Washington Cities (AWC) Executive Director (CEO) Mike McCarty, encouraging them to get on board early.

Councilor Dawes reported if the museum had to go back to the old way of how the funding could be spent, they would have to close their doors. He stated he didn't understand the thought process of having the money go for advertising only.

Mayor Ketchum reported it was his understanding that AWC was taking it up and they were pushing to keep the current use of funds the same. He stated he wasn't opposed to any letters being sent from the council.

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Councilor Harris suggested the discussions of the Lodging Tax Advisory Committee were going to be very complicated this year. He talked briefly about the state's fiscal year, which runs from July 1 to June 30. Councilor Harris suggested they may already have a problem with the money that has been set aside to run a Babe Ruth tournament in Centralia, which falls after June 30, 2013.

Councilor Harris felt our Legislators would be willing to continue the current use of the money because the economy hadn't turned around yet, which was why the money was freed up in the first place. He suggested if there hadn't been a sunset date on it, they probably wouldn't even be addressing it.

b. **Update From Councilor Pope.** Councilor Pope reported on the grants for the swimming pool project, noting they may know if the money will be available by April. He stated if the money does become available they would have enough to do the complete project.

Councilor Pope reminded the council about Chehalis Foundation's informational gala coming up on October 17, at the Riverside Golf Course.

c. **Update From Mayor Ketchum.** Mayor Ketchum reported he attended the Mayor's meeting on September 7. He talked briefly about two items that were brought up and discussed; the first was an email that recently came out concerning the fees for the upkeep of the river gauges, adding the city's amount would be between \$2,000 and \$2,500. He noted the county would pay the invoice and bill the cities. Mayor Ketchum suggested City Manager MacReynold talk with Commissioner Ron Averill regarding the matter.

The second item had to do with Southwest Clean Air Agency (SWCAA) budget cuts. Mayor Ketchum noted rather than cut their budget by 20 percent, they decided to raise their fees to make up the difference. He stated the Commissioners were concerned because of the inconsistencies in the fee scale. Mayor Ketchum suggested City Manager MacReynold talk with Commissioner Bill Schulte about the matter, noting the Commissioners would like the council to send a letter to let SWCAA know that this was not appropriate, which he supported.

d. **Draft Letter Regarding Hotel/Motel Tax.** Councilor Lund made a motion to draft a letter to our state Legislators and AWC in support of keeping the current rules for the hotel/motel tax in place.

The motion was seconded by Councilor Spahr and carried unanimously.

7. **Grant Offer for Chehalis-Centralia Airport for Capital Improvement Projects.** Airport Manager Allyn Roe reported the airport was eligible to received \$150,000 per year that can build up from year to year to be spent however they wish on eligible infrastructure projects at the airport. He noted originally they submitted a grant for \$126,000 to fund the engineering/design stage for a taxiway reconfiguration. Mr. Roe felt the project was excessive at the time, but still wanted to get the application in. He stated the construction estimates came back at around \$600,000, so they decided to not pursue that project and were working with the FAA to use the funding on other eligible projects.

Mr. Roe reported, under the agreement, the city and Lewis County have to approve all AIP grants that they receive.

Councilor Dawes moved that the council approve the grant offer for the Chehalis-Centralia Airport and authorize the City Manager to execute the grant agreement in the amount of \$126,000 to be used for capital improvement plan projects.

Councilor Taylor seconded the motion.

Councilor Dawes stated he assumed when the project was identified, it would be part of the 2013 budget that would come before the council later in the year. Mr. Roe reported they had about \$100,000 budgeted in 2012. He noted they have a 3-bay garage they are looking at, which would be partly used to house their snow removal equipment. Mr. Roe stated they should be able to use the bulk of the money this year, but anything carried over would certainly be listed in the 2013 budget.

Councilor Dawes stated at one time there was some talk about raising the old hangars at the north end of the airport and modifying them. Mr. Roe stated it was on their master plan to build out more to the south and eventually demolish the old

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hangars to the north. He noted they were having problems filling the occupancy of the hangars, so currently they've decided not to pursue that project.

The motion carried unanimously.

8. **Executive Session.** Mayor Ketchum announced the council would take a five minute recess before going into executive session pursuant RCW.42.30.110(1)(g) – evaluate the qualifications of an applicant for approximately 15 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum reopened the regular meeting at 8:17 p.m. and there being no further business to come before the council, the meeting adjourned immediately.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: September 24, 2012



September 24, 2012

The Chehalis city council met in regular session on Monday, September 24, 2012, 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, Chad Taylor, and Dennis Dawes. Councilor Lund was absent (excused). Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Bob Nacht, Community Development Director; Peggy Hammer, Human Resources Administrator; Herta Fairbanks, Public Works Director; Rick Sahlin, Street Superintendent; Dave Vasilauskas, Water Superintendent; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Executive Session**. Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.110(1)(ii) – potential litigation for approximately 15 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 5:12 p.m. and announced the council would take a three minute recess before opening the work session at 5:15 p.m.

2. **Work Session - Discussion on Utility Rates**. City Manager MacReynold reported the utility rates were something they have talked about off and on for the last two years. He felt, based on the information at the time, council made the right decision when they decided to discontinue the rate increases five years ago. City Manager MacReynold stated over the last couple of years the administration and the budget committee have cautioned that they were going to have to come back to the council with recommendations of rate increases at some point.

Public Works Director Herta Fairbanks provided the council with a copy of the presentation materials that included information on utility rates for water, wastewater and stormwater. Ms. Fairbanks noted the last rate adjustment enacted by the city was in 2007. She added the codified adjustments would have taken the city into 2010, but because of the economic situation, the council opted to freeze the rates. Ms. Fairbanks stated the city was at the point where tough decisions were going to have to be made, or something significant would have to change about the way service is provided for the citizens of Chehalis.

Ms. Fairbanks reported there were two things driving the need to adjust the rates. The first, even though the council froze the rates, expenses continue to increase just by virtue of the market; and the second had to do with the debt service requirements to maintain a reserve of one year's worth of debt service.

Ms. Fairbanks reported on the financial issues as follows:

- Rates have not been adjusted since 2007 due to current economic conditions in the community
- Utilities have used reserves to offset inflationary impacts to expenditures
- Reserves are at critically low levels and we can no longer put off rate adjustments
- Wastewater will be in violation of debt reserve covenant by the end of the year if something is not done differently
- A rate adjustment is necessary for the utilities to remain financially viable

Councilor Harris brought up the zero percent interest loan, noting if they did not keep a certain amount of money in reserves the Washington State Department of Ecology (DOE) could start charging interest, and the last thing he wants to do is start paying interest on \$32 million.

Ms. Fairbanks reported if the city is not able to sustain some financial viability on our utilities we will run into issues when trying to seek future funding. She stated if the city can't prove we have revenue to even maintain our operations and maintenance, nobody was going to be lending the city any money to do further projects.

Ms. Fairbanks presented a summary on each of the utilities to include information on current revenues, expenditures, reserve levels, and notes on future capital improvement projects.

Councilor Spahr inquired about the street sweeping program being funded out of the stormwater fund. Ms. Fairbanks reported they were moving it from the street program to stormwater because by cleaning the streets they were keeping garbage, leaves, and dirt out of the stormwater system.

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Mayor Ketchum stated he thought when they built the new wastewater treatment plant that DOE gave the city a certain amount of time to complete inflow and infiltration (I&I) projects. Ms. Fairbanks reported she had been through the documentation and could not find anywhere where the city is obligated to start doing I&I projects by a certain time period.

City Manager MacReynold stated he was under the same belief as the mayor, but Ms. Fairbanks did the research and found that it was not true. City Attorney Bill Hillier reported there was a provision in the consent decree that the city signed with DOE a number of years ago that required a certain amount of I&I, or mediation over a period of years, but that may have been taken away with the agreement to build a new treatment plant.

Ms. Fairbanks reported the average residential customer used 7 units a month (5,000 gallons of water) making the average monthly bill \$100.85 for water, sewer and storm, and the average commercial customer paid \$109.81 per month.

Ms. Fairbanks reported on where the city would have been if we had continued with rate adjustments through the end of 2010. She noted, if implemented, the average residential customer would currently be paying \$130.21.

Ms. Fairbanks reported on two potential rate strategies to mitigate the impact. The options include:

- Stormwater – no capital projects
- Water:
  - Option 1 - Adjust water system plan CIP timing and assume below-standard reserve balances, or
  - Option 2 - Adjust water system plan CIP timing and adequate, low-end reserve balances
- Wastewater:
  - Option 1 – One I&I project over the next six-year period, draw down reserve and rebuild over five years, or
  - Option 2 – Two I&I projects over the next six-year period, draw down reserve and rebuild over five years

Ms. Fairbanks reported on the rate increases from 2012 to 2016 for both residential and commercial. She noted \$20 would be the largest of the adjustments over the five year period, which was driven by the debt service covenant. Ms. Fairbanks reported the first I&I project wasn't scheduled until 2016 and didn't have any bearing on what they decide today.

Councilor Harris asked when they planned to implement the new rates. Ms. Fairbanks reported, ideally, the start date would be as soon as legislatively possible, which would be November 1, 2012. She noted each of the scheduled increases would be implemented each year in November. Ms. Fairbanks noted the budget would also need to be adjusted to reflect the additional revenue.

City Manager MacReynold suggested the council give direction, so ordinances could be put together and brought back for their consideration.

Mayor Ketchum stated he had concerns regarding the recommended monthly increases, noting the impact would be much bigger since customers receive their bills every two months.

Councilor Dawes also wondered why they were using an example of one month versus two months. He asked if residents have the option to pay on a monthly cycle. Ms. Fairbanks reported they provided the information on a monthly basis because most people think of their budgets on a monthly basis. She noted customers do have an option to pay monthly, noting the city has the ability to carry credit balances on customer accounts.

Councilor Dawes reported Lewis County PUD offers an operation of doing equal monthly payments, and suggested the city might want to look at something like that to make it easier for people to budget for.

Councilor Harris stated what he was hearing from residents was, it's difficult to remember to pay monthly because they don't receive a bill every month. He noted a monthly billing cycle would only increase the city's costs of doing business.

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Councilor Pope stated he was in favor of Option 1.

Councilor Dawes also supported Option 1, noting they needed to do something to take care of the short-term problem and plan ahead for at least one project, so they don't get too far behind the curve.

Councilor Harris stated he wouldn't mind going with Option 1, as long as they don't have to come back in a year or two because something comes up and they have to bump it up again.

Councilor Spahr stated if they were looking for consensus, he would agree with Option 1. He noted if they hadn't messed with the rates back in 2007 they still might be facing some kind of decision, but it wouldn't be the decision they were having to make today.

City Manager MacReynold felt it was important to recognize that the actions of the council over the past five years in not raising rates actually saved the citizens money in difficult economic times. He noted the only reason they were before the council requesting an increase now was because it's necessary. City Manager MacReynold stated they respect that the council is a very conservative group, which also reflects the community.

Mayor Ketchum closed the work session and opened the regular meeting at 6:01 p.m.

3. **Chehalis River Basin Flood Authority Representative Selection.** Mayor Ketchum thanked the applicants, Pete Bezy, Lyle Hojem and Arnold Haberstroh, for offering their time to serve as the city's primary representative on the Chehalis River Basin Flood Authority.

Councilor Taylor moved that the council appoint Arnold Haberstroh as the city's primary representative on the Chehalis River Basin Flood Authority.

The motion was seconded by Councilor Spahr and carried unanimously.

4. **Proclamation Presentation.** Mayor Ketchum presented Fire Chief Kelvin Johnson a proclamation declaring October 7-13, 2012, as "Fire Prevention Week" throughout the city.

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

- a. Minutes of the regular meeting of September 10, 2012;
- b. Claim Vouchers No. 104110-104231 and EFT No. 82012 in the amount of \$288,687.72 dated September 14, 2012;  
and
- c. Suspend the rules requiring two readings of an ordinance and pass Ordinance No. 899-B on first and final reading – extending the moratorium on medical marijuana and dispensaries for an additional six months.

The motion was seconded by Councilor Pope and carried unanimously.

6. **Administration Reports.**

a. **August Financial Report.** Finance Manager Eva Lindgren reported, for the most part, the general fund was on track with the exception of the grant revenues and the operating transfers in. She noted Community Development was experiencing some overage due to unemployment benefits, temporary salaries, and some emergency repairs, and she and Community Development Director Bob Nacht would be looking at that a little more closely.

There were no questions or comments concerning the enterprise funds.

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b. **Annual Debt Compliance Update.** Ms. Lindgren reported the city's bond counsel strongly advised that the city expand its existing Debt Management Policy to address post issuance compliance issues. She noted, because our debt issuance is a "limited tax bond," the Internal Revenue Service (IRS) gets very involved. Ms. Lindgren stated, as a matter of compliance, the IRS looks more favorably upon government entities that have written policies in place to address compliance with federal requirements.

Ms. Lindgren reported the agenda report included a copy of the policy portion that addressed the post-issuance compliance, and notes for each relevant section. Also attached was the Municipal Securities Rulemaking Board filing. She noted one of the biggest areas that small local governments don't meet the requirements is by not doing their federal filing.

Ms. Lindgren briefly explained the process of uploading the city's financials and operating data, and the necessary steps to maintain the files for the life of the bond.

c. **Retirement Notification.** City Manager MacReynold reported he received notice from Bob Nacht stating his anticipated retirement date of January 18, 2013.

#### 7. **Council Reports.**

a. **Update From Councilor Pope.** Councilor Pope reminded the council about the Chehalis Foundation's gala coming up on October 17. He noted the Foundation recently had their monthly meeting and were all in agreement with the continued support of the Chehalis pool renovation project.

b. **Update From Councilor Harris.** Councilor Harris reported earlier in the day he and a few of the holiday decoration committee members (Patty Kaija, Rich Trotter and David Hartz) went down to Crystal Valley in Oregon to look at decorations and supplies. He noted they came back with tons of information and were pretty excited about what they looked at. Councilor Harris reported the company did mostly steel work, and everything was made in the United States. He thanked the Chehalis Foundation for sponsoring the holiday decorations for the city.

Councilor Pope added, if anyone would like to make a tax-deductible donation towards the decorations, they could do it through the Foundation. He noted the Foundation would be putting \$20,000 towards the project. Councilor Pope indicated Lewis County PUD would be looking at the electrical outlets, adding the city may be able to do some lighting, as well.

8. **Resolution No. 13-2012, First and Final Reading – Adopting a Green House Gas Emissions Reduction Policy.** Ms. Fairbanks reported the green house gas emissions reduction policy was something that came about a few years back by virtue of the movement towards green power and sustainability amongst communities. She noted the state put a requirement, starting with the Public Works Trust Fund and the Public Works Board, to start requiring green house gas emission policies from agencies they provide funding to.

Ms. Fairbanks suggested this was a semi-proactive attempt at getting a policy in place without stressing or straining the city unnecessarily. She noted they didn't include anything in the policy that would further restrict the city; it was only stating on paper the things the city is already doing.

Councilor Spahr felt the policy included things the city should be doing anyway in the process of our daily business.

Councilor Spahr moved that the council adopt Resolution No. 13-2012 on first and final reading.

The motion was seconded by Councilor Dawes.

Councilor Harris stated nothing concerned him more than assistance with strings attached. He stated he also did not like signing a blank check in the sense this could result in unfunded mandates by regulatory agencies down the road. Councilor Harris reported he didn't like being put in a box, and it seemed like municipalities always get hit with the highest costs, even more so than the private citizens. He stated he wanted to make sure the city is able to attach itself to future loans, but in theory, he couldn't support it.

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Councilor Taylor agreed, noting this was one of those building blocks that the state and regulators use to build tougher regulations in the future. He noted he would be voting against it, but hoped there would be enough support for it to pass, so the city could get future funding.

Councilor Dawes felt they had to support it, adding while he understood the frustration when it comes to bureaucrats, they needed to do it to help the rate payers.

The motion carried 4 to 2, with Councilors Harris and Taylor voting against the motion.

9. **Resolution No. 14-2012, First and Final Reading – Revising Appendix Chapter “A” (Schedule of Fees and Charges) of the Uniform Development Regulations.** City Manager MacReynold reported the city has been working on improving its compliance with the state’s leasehold excise tax since last year. He noted one of the sticking points has been our city owned parking lots, adding we are being required to charge a leasehold excise tax on the leased spaces based on state requirements.

Ms. Lindgren provided a color-coded map of one of the city’s parking lots, and explained how the leasehold excise tax requirements applied. She noted the tax would not apply to individual parking spaces, but rather to the businesses that purchase spaces that are contiguous, for their employees.

Ms. Lindgren reported they evaluated both residential and non-residential users and the consensus was that they leave the residential untouched at the low rate of \$7.50.

Councilor Taylor inquired as to how much money the parking lot leases brought in. Ms. Lindgren thought it was in the range of \$30,000. She reported the driver wasn’t to increase revenue, adding supply and demand would dictate what we receive.

Councilor Pope suggested the city have a private company run the program. City Attorney Hillier stated the leasehold excise tax would still need to be paid on what the private company pays the city.

After a lengthy discussion between the council and the administration, it was suggested that the matter be continued to allow the administration time to approach the businesses to see if they would be interested in having their employees purchase the spaces themselves to avoid having to pay the tax.

Councilor Spahr suggested \$7.50 for a parking spot downtown was dirt cheap, adding the city couldn’t maintain the lot for that price. He thought they should look at raising the fee a little bit, suggesting \$10 or \$15 per month.

Councilor Spahr reported the leasehold excise tax issue also affected the Veterans Memorial Museum and wanted to know if the council would be getting a report on that soon. City Attorney Hillier reported the museum hired an attorney to help them through that issue and the city was in contact with them to give assistance to determine a way they can resolve that issue.

Councilor Dawes stated the part that rubbed him wrong was that businesses have control over their property 24/7 for the term of the lease, and those who lease a parking space get to park in their space 8 hours a day, Monday through Friday, and have no control over it. City Attorney Hillier stated they were shocked that it was in the RCWs that parking lots were applicable.

Councilor Taylor suggested they not make it overly difficult for the businesses.

Councilor Dawes stated he was sure the businesses would probably do anything they can to save the folks some money, and that was the way he would like to see the city work.

Councilor Taylor requested, that in the future, the council be given more than one option to consider, noting it would have been nice to have seen an option on how not to do this to the taxpayers.

Councilor Spahr suggested it might be that the businesses just pay the tax and leave it at that.

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Councilor Harris suggested, since this is another state mandate, every person the city talks to should be given the phone number for the Consumer Service Department at the Department of Revenue, so they can spend all of their time on it.

Councilor Dawes brought up the issue of cat licenses listed in the Appendix Chapter "A," and wondered why they were listed when the city doesn't even charge for them. He suggested that it be removed from the list.

Ms. Lindgren reported it was already proposed to have it removed.

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

Terry Harris, Mayor Pro-tem

Attest:

Judith A. Schave, City Clerk

Approved: October 8, 2012

October 8, 2012

The Chehalis city council met in regular session on Monday, October 8, 2012, in the Chehalis city hall. Mayor Pro-tem Harris called the meeting to order at 5:30 p.m. with the following council members present: Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Mayor Tony Ketchum was absent (excused). Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Peggy Hammer, Human Resources Administrator.

1. **Executive Session.** Mayor Pro-tem Harris announced the council would be in executive session pursuant to RCW 42.30.140(4)(a) – collective bargaining for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Pro-tem Harris closed the executive session at 5:56 p.m. and announced the council would take a five minute recess before opening the regular meeting at 6:01 p.m. Additional staff included Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; Herta Fairbanks, Public Works Director; Rick Sahlin, Street Superintendent; Dave Vasilaskas, Water Superintendent; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Kyle Spurr from *The Chronicle*.

2. **Presentation of Certificates.** Bob Nacht recognized the Bethel Church, St. Joseph Church, and the Church of Jesus Christ of Latter-day Saints for their participation in the 2012 National Day of Service, noting they did a significant cleanup/painting project for the city. Mr. Nacht presented a certificate of appreciation to Newell Jorgensen, representing the Church of Jesus Christ of Latter-day Saints, who had about 350 volunteers out in the community working on various projects for different agencies. He noted certificates were prepared for all three churches and he would be delivering the other two.

3. **Briefing on Updates to the 2012 Lewis County CEMP Annexes.** Lewis County Deputy Director of Emergency Management Ross McDowell briefed the council on the 2012 CEMP. He reported on the four new annexes, which included: the AMBER Plan (America's Missing: Broadcast Emergency Response Plan); the EAS Plan (Emergency Alert System Plan); the Counter Terrorism Response Plan; and the Hazardous Materials Emergency Response Plan.

Mayor Pro-tem Harris asked how they kept accurate information with regard to addresses, phone numbers, and such. Mr. McDowell reported their database is updated daily. He noted they request updates twice a year from the different agencies and ask the liaisons from each agency to keep them updated as things change within their organizations. The city's main liaison is Fire Chief Kelvin Johnson.

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

- a. Minutes of the regular meeting of September 24, 2012;
- b. Claim Vouchers No. 104232-104339 in the amount of \$122,462.20 dated September 28, 2012; Payroll Vouchers No. 35998-36080, Direct Deposit Payroll Vouchers No. 3448-3520, and Electronic Federal Tax Payment No. 115 in the amount of \$706,376.28 dated September 28, 2012; and
- c. Resolution No.16-2012, first and final reading - adopting the 2012 Lewis County Comprehensive Emergency Management Plan, including annexes.

The motion was seconded by Councilor Spahr and carried unanimously.

5. **Council Reports.**

a. **Update From Councilor Pope.** Councilor Pope reminded the council about the Chehalis Foundation's gala on October 17. He noted the emphasis would be on the fundraiser for the Chehalis Pool.

b. **Update From Councilor Dawes.** Councilor Dawes reported that he and the other two budget committee members, Mayor Pro-tem Harris and Councilor Spahr, had been working with the different city departments on the 2013 budget. He noted there were some items that would be coming back to the full council for discussion.

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Councilor Dawes reported the Lewis County Historical Museum would be holding its annual meeting on November 4. He stated he didn't know how many of the current officers would be returning, noting a lot of them committed to one year, until the museum got back on their feet.

Councilor Dawes reported on the North Lewis County Regional Fire Authority Planning Committee, noting they were getting closer to where they can start rolling in some more firm information. He stated the committee hoped to have something ready in 2013, at which time the council would have to decide what the next step would be for the city.

c. **Update From Mayor Pro-tem Harris.** Mayor Pro-tem Harris report the Lodging Tax Advisory Committee met on Friday, October 5 to review and put together a proposal for the 2013 funding allocations. He noted City Manager MacReynold and his administrative assistant Caryn Foley were also in attendance. Mayor Pro-tem Harris stated they planned to bring something back to the council on October 22 for their consideration.

6. **Resolution No. 15-2012, First and Final Reading – Adopting the Port of Chehalis Comprehensive Plan.** Mr. Nacht reported there was a joint effort between the city and the Port of Chehalis to get our planning documents in line with each other. He noted under growth management there were a number of plans associated with the city's comprehensive plan, which the city adopts by reference.

Mr. Nacht reported the Port's comprehensive scheme of development in the Industrial Development District was regulated by the city and its development review process under an interlocal agreement the city has with Lewis County. He reported the interlocal agreement provides an opportunity for the Port to be a reviewer for anything presented in the Port. Mr. Nacht stated the city also provides review in the case of permit applications presented by the Port for Port projects. He noted several years ago the city revised its subdivision regulations and created a special section to deal with the manner in which the Port develops property for their specific purposes.

Executive Director Jim Rothlin talked briefly about the primary mission of the Port, which was to bring new jobs and retain jobs for the community. He reported their focus over the last five years has been to provide "shovel ready" property, noting they signed off on a regional general permit last year that was approved by the United States Corps of Engineers (Corps) that allows them to pre-permit properties. Mr. Rothlin suggested by taking care of the items that require consultation by the Corps first, the property would be ready when the tenants come looking to develop. He stated their primary goal was to get it from a one to two year process down to a one to two month process.

Mr. Rothlin reported they were also looking at transportation, water capacity, and development guidelines. He noted they worked with Mr. Nacht on the current city development standards and adapted them to industrial use. Mr. Rothlin stated the Port's plan was very understandable, consistent, and affordable. He indicated they were starting to focus on flexibility and labor force, noting they never know what a client will be looking for.

Mr. Rothlin reported they were working on an incubator project through the University of Washington's Research and Development Department, and they were also tied in with the Centralia College Center of Excellence Program.

Mr. Rothlin thanked City Manager MacReynold for his support, noting he was very pro-development. He stated it was nice to have a city that works with you, which is not the case for most ports.

Councilor Spahr moved that the council adopt Resolution No. 15-2012 on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

7. **Ordinance No. 900-B, First Reading – Water Utility Rate Adjustments; Ordinance No. 901-B, First Reading – Wastewater Utility Rate Adjustments; and Ordinance No. 902-B, First Reading – Storm Water Utility Rate Adjustments.** Public Works Director Herta Fairbanks reported the three ordinances were proposing to adjust the utility rates for the water, sewer and storm water systems, based on the direction given by the council at the previous meeting.

Ms. Fairbanks briefly reviewed the direction given by the council, which was to take a conservative look at our reserve levels and keep all of our utilities in a financially viable position.



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Ms. Fairbanks noted the city had not raised rates since 2007, adding they had done everything possible to try to offset the need to have to come to council. She noted one of the main driving factors was the debt service requirement for the wastewater treatment plant.

Ms. Fairbanks talked briefly about the zero percent interest loan the city took out several years ago to build the new wastewater treatment plant. She noted they knew it would have an impact on the rates, but the offset that the city would be in compliance with environmental regulations and be able to treat the city's wastewater was worth the need to issue the debt and resulting debt service.

Ms. Fairbanks reported they were now at the critical point where they are going to have to start drawing down that debt service reserve, which would not sit well with our funding agencies.

Councilor Spahr stated, in light of the fact that they started the process when the plant was first built and stopped it midstream, the city needed to get back on track.

Councilor Spahr moved to pass Ordinance Nos. 900-B, 901-B, and 902-B on first reading.

Councilor Pope seconded the motion.

Councilor Taylor reported he understood that projects and taking care of maintenance are important to do, but the requirement of having to keep so much of the taxpayers' dollars in reserves didn't sit well with him. He felt the economy was still in a recession and for people who are finding it hard to find work, having to pay an increased utility bill was asking a lot. Councilor Taylor stated he understood the requirement put on the city and the need to raise more money to cover it, but he didn't think trying to do projects right now was the right thing to do.

Councilor Taylor stated he could see himself supporting the need to take care of the debt obligation, but couldn't vote for a rate increase at this time.

Councilor Lund stated he would be following Councilor Taylor and voting against raising the rates. He reported we have one of the highest unemployment rates in the state, and people can't afford to pay what they pay now. Councilor Lund noted he agreed with former Mayor Walter B. Graham, Sr. that the city should be run like a business.

Councilor Spahr stated it was a business, and it has responsibilities and debt. He felt by not raising rates they would put the loan in jeopardy, costing the rate payers a lot more money down the road.

Councilor Pope suggested deferring the rates over the past several years was not good business. He felt the city was stressed and they needed to raise the rates to take care of the debt.

Councilor Lund noted several times he's asked the question, "Why aren't we working on cutting the budgets in the utility departments like they were with the rest of the city." He reported he was told by several people that the city didn't have to worry about it because those departments have money coming in all the time. Councilor Lund suggested if they would have cut back, maybe they wouldn't be in the position they are in now.

Councilor Spahr stated the utilities provide a service, and the cost for providing service is now exceeding the city's revenues. He believed they had made some reductions in the utility departments, as much as they possibly could. Councilor Spahr suggested by not doing something right now would be pretty irresponsible.

Councilor Dawes stated he could certainly understand both side of the argument, but they can only mitigate so much. He suggested if they want to be ready for when things bounce back, they were going to have to put money into the infrastructure. Councilor Dawes noted it was unfortunate the city is being required to put a certain amount of money in reserves, but they should always have a certain amount put away because you never know when something big may blow.

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Councilor Dawes stated he was comfortable supporting the rate increases because he's been assured that only projects that absolutely have to be done will be done. He suggested if they don't do anything they may end up digging themselves into such a hole that they have to charge two to three times the amount they are looking at now. Councilor Dawes stated if they want the city to get better there are going to be sacrifices, and as the council, they were going to have to make those tough decisions.

Councilor Pope called for the question.

The motion carried 4-2, with Councilors Taylor and Lund voting against the motion.

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

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: October 22, 2012

October 22, 2012

The Chehalis city council met in regular session on Monday, October 22, 2012, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:00 p.m. with the following council members present: Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Harris participated telephonically. 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; Eva Lindgren, Finance Manager; and Herta Fairbanks, Public Works Director. Members of the media included Kyle Spurr and Stephanie Schendel from *The Chronicle*, and Christina Crea from *Business to Business*.

1. **Citizen Business**.

a. **Flood Authority**. Chehalis Flood Authority Representative Arnold Haberstroh reported on October 18 he attended his first flood authority meeting as the city's primary representative. He stated he thought they were at the point where they might start making some headway, adding the consensus of the members was that they want to get something done. Mr. Haberstroh thanked the council for the opportunity to serve as their representative.

City Manager MacReynold reported he was also in attendance at the Flood Authority meeting, adding Mr. Haberstroh jumped in with both feet and contributed to the conversation. He stated Mr. Haberstroh represented the city well.

b. **Chehalis Pool Renovation Fundraiser**. Lowell Wood stated it was good to be back again in his home town, and to be working with the Chehalis Foundation to help raise funds for the pool renovation project. He reported their initial goal was to raise \$500,000, adding, to date, they have received close to \$100,000 in gifts.

Mr. Wood reported, like with the library campaign, he was being paid by Orin Smith and his private foundation.

2. **Briefing on PacMtn. Targeted Industry Cluster Work**. Lewis County Economic Development Council (EDC) Executive Director Dick Larman briefed the council on the PacMtn. targeted industry cluster work, noting it was a cooperative effort paid for by the Pacific Mountain Workforce Development Council. He noted the PacMtn. region included the counties of Lewis, Thurston, Pacific, Grays Harbor, and Mason.

Mr. Larman reported the work outlined what the current top six industries are in the region, how many jobs they represent, and the dollars it takes to make them work. The number one industry in the five-county region was food manufacturing/ production, which provides 35,500 jobs, and a little over \$4 billion in sales. The total imports for this industry are nearly \$700 million, which he believed is where we have opportunity. The second largest industry was wood products, which provides 21,000 jobs, \$3.7 billion in sales, and about \$750 million in imports. The other four industries include: life sciences; chemical plastics and glass production; internet technologies and telecommunications; and entertainment and recreation.

Mr. Larman talked briefly about how machinery and computerization of large manufacturing facilities had changed dramatically over the years, requiring fewer workers. He also talked about wages, what's next with regard to the data they collected, and their educational outreach program.

Mr. Larman reported the larger counties, such as King, Pierce, Snohomish, and Kitsap pretty much set the policy statewide for what we do in regard to community and economic development. He reported money for doing community and economic development was no longer in the work force, but in education and training.

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

- a. Minutes of the regular meeting of October 8, 2012;
- b. Claim Vouchers No. 104340-104474 in the amount of \$593,924.31 dated October 15, 2012; and
- c. Set dates and time of November 13, 2012, and November 26, 2012, at 6:05 p.m. for public hearings on the 2013 budget.

The motion was seconded by Councilor Pope and carried unanimously.

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#### 4. Administration Reports.

a. **Third Quarter/September Financial Reports, and Third Quarter Sales and Use Tax Report.** Councilor Spahr inquired about the most recent sales and use tax report, noting the notes indicated it was attributable to construction and retail sales. He asked where the city was seeing an increase in construction, or was it just countywide. Ms. Lindgren reported she couldn't say, adding she had a call into the Department of Revenue because one of the largest construction contributors traditionally gets all of their sales tax correct-coded out of the city's account. She stated she wasn't sure if it was even the city's revenue.

Councilor Spahr stated there was one business in town that usually makes very large purchases once or twice a year and asked Ms. Lindgren if she knew whether or not those purchases had been made. Ms. Lindgren stated she hadn't noticed an anomaly that would make her take a closer look, so she suspected not.

b. **Report on Development of K-9 Program.** Police Chief Glenn Schaffer introduced Stephanie Schendel from *The Chronicle*, noting back in June she did a weekend addition piece on K-9 units around Lewis County. He also introduced Police Officer Warren Ayers, who has interest in the idea of a K-9 program for the city.

Chief Schaffer reported he spoke in length with Lewis County Sheriff Steve Mansfield and Centralia Police Chief Bob Berg regarding the programs they have in place, to see how we could make it work for Chehalis. He noted the last K-9 dog the city had was from 1994 to 1998.

Chief Schaffer reported the city currently relies on the dogs from Centralia and Lewis County, noting both agencies had been very generous in allowing the city to use them. He noted they've utilized the dogs approximately 30 times in the last year. Chief Schaffer suggested if we had our own K-9 available, it would most likely be used every night, based on the work the officers are doing. He reported the K-9 would be used for: suspect tracking, missing persons tracking, evidence tracking, narcotics detection, and handler protection. Chief Schaffer suggested the dog would also be used as a public relations tool, noting they are very popular out in the community.

Chief Schaffer reported there would be a couple of criteria that would have to be met before he would allow a K-9 program. The first had to do with protocol for utilizing the dog. He noted the city would return the favor to the other agencies, adding the dog would be available for call-out both internally and to the Sheriff's Department and City of Centralia. Chief Schaffer stated he did not want the dog to be used as a 'use of force' on minor crimes, adding Officer Ayers was very much on par with that philosophy. The second criteria had to do with the state of the general fund, adding the program could not be a burden on the city's general fund. Chief Schaffer stated, notoriously, K-9 programs are operated and funded by public donation. He talked briefly about the law that requires municipalities to compensate K-9 handlers for the care of the K-9 dogs while off duty. Chief Schaffer reported the contract would state "19 hours at time and one-half of the state's minimum wage," noting the basic math would be about \$260 per month. He stated he was satisfied with the program itself, and after they get the go ahead they would look at where the funds would come from to pay for the program.

Councilor Pope inquired about the startup costs. Chief Schaffer reported they were looking to spend between \$6,000 and \$7,000 on a dog that is bred for police type work, and the equipment and outfitting the car would run between \$12,000 and \$15,000. He noted they've already had contact with local veterinary clinics who have offered to provide veterinary care services. Councilor Pope asked if Chief Schaffer could put some information together on the program and include all of the costs. Chief Schaffer stated he would.

Councilor Taylor stated he would like to work with Chief Schaffer on getting the program funded through private donations. Chief Schaffer stated he appreciated that.

Councilor Dawes inquired as to how much was left in the K-9 fund from years ago, that Tom Bradley oversaw. Chief Schaffer reported it was right around \$6,000.

Councilor Spahr stated he has always appreciated the K-9 unit, noting it was originally funded by Herman Adolphsen. He reported there were things that happened that created the downfall of our previous K-9 program and he wanted to make sure

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those issues were corrected, so the city knows exactly what our responsibilities will be regarding costs. Chief Schaffer reported he read up on the history and was aware of the issues.

#### 5. Council Reports.

a. **Update From Councilor Dawes.** Councilor Dawes reported the budget committee was done meeting with staff on the 2013 budget. He noted the process had changed a lot over the years, adding it used to start out with a “pie in the sky” look with a real long wish list, but over the last few of years, and the realization of what the city has been faced with, that list has been reduced to only include what needs to be done.

Councilor Dawes reported the North Lewis County Regional Fire Authority Planning Committee had put together their draft regional fire protection plan for the participating agencies to review. He noted information about the plan would be presented to the council at the next regular council meeting. Councilor Dawes stated they would be asking for some direction from the council on some of the issues, adding as they go through the process they want to make sure they don't come up with any “deal breakers” that no one has thought about.

Councilor Dawes reported he would be attending the Association of Washington Cities regional meeting in Longview, on Tuesday. He indicated he was going to give up on the sales tax mitigation issue, noting his hand was tired from pounding the table about it. Councilor Dawes stated he would be bringing up the issue of the lodging tax to hopefully get some legislation that would continue to allow agencies flexibility in how the funding can be used.

b. **Update From Councilor Spahr.** Councilor Spahr reported he put together a list of some of the things Chehalis was going to have to ponder with regard to the Regional Fire Protection Plan. He noted there are a lot of liability and taxing issues the city needs to take into consideration, such as: level of service, the city's liability to LEOFF 1 retirees and Pre-LEOFF retirees; asset transfers, taxation, and governance of the new entity.

c. **Update From Councilor Pope.** Councilor Pope reported the Chehalis Foundation held its first gala to celebrate the first ten years and the accomplishments they've achieved. He reported the next big project for the Foundation would be the Chehalis swimming pool renovation project.

Councilor Pope stated the Foundation has helped to lighten the burden on the city on certain projects, and hopes to continue to do so. He noted they have a very good board of directors who are committed to working hard and have the best interest of the city in mind.

6. **Ordinance No. 900-B, Second and Final Reading - Adjusting the Water Utility Rates; Ordinance No. 901-B, Second and Final Reading – Adjusting the Wastewater Utility Rates; and Ordinance No. 902-B, Second and Final Reading – Adjusting the Storm Water Utility Rates.** City Manager MacReynold talked briefly about the workshop held in September, where the council looked at a couple of options regarding the utility rates. He felt the council had been very serious about saving the citizens the cost of raising rates over the last several years, but noted there comes a time when you have to begin to do the maintenance on your infrastructure and face the reality of any loan agreements you have.

City Manager MacReynold stated he understood the struggle the council was having, but didn't ever want to see the city in a position where we start having health department issues and/or have to start boiling our water like the City of Vader had to do. He believed that putting the city in that position would be very detrimental to any kind of economic development in the future.

Public Works Director Herta Fairbanks talked briefly about the changes the administration was proposing that were based on council direction given at the workshop on September 24. She provided the council with some additional information on residential customers who might use more or less than the average customer, as well as some information on what some of the higher commercial users might be looking at with regard to the increased rates.

Councilor Dawes inquired about patches done to the waterlines and asked if Ms. Fairbanks could provide a rough estimate on the number of temporary patches done within the city limits. Ms. Fairbanks stated she didn't have that number off the top of her head, but anytime a water main breaks they maintain that information for when they need to determine

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where to focus their efforts on future water main replacement programs. Councilor Dawes asked what the cost would be for a major repair. Ms. Fairbanks noted it varied, depending on the type of break. She stated they can usually repair smaller breaks by putting a saddle over the top with the use of couplers, but for something larger like a lateral break, they may have to dig up a whole section. They also have to take into consideration the type of equipment needed to do the repair, and traffic control if necessary.

Councilor Lund inquired about the utility reserves, wanting to know if they were gone. Ms. Fairbanks indicated they were not completely gone, adding they were using them to mitigate the necessity of having to increase rates over the last five years. She reported the ordinances passed in 2006 established the rates through 2010, adding if they had continued to the 2010 level, the rates being proposed today are actually less than what the 2010 level would have been.

Councilor Pope felt the council thought they were doing the community a big favor by not raising the rates a little at time, and now they are finding themselves in a position where they have to pay the piper. He suggested if the city loses its zero percent interest loan status it would cost the citizens a tremendous amount of money.

Councilor Spahr moved to pass Ordinance Nos. 900-B, 901-B, and 902-B on second and final reading.

Councilor Pope seconded the motion.

Frank Mason (545 N. Market Boulevard) reported he understood what Councilor Pope was saying and agreed; however, he felt they needed to think it through just a little more. He noted the last time the council did a drastic measure like this they lost L & E Bottling Company, which provided good union wage jobs.

Mr. Mason stated, on a smaller scale, he and his wife rent out space to businesses in town, and if the rates increase they will have to raise their rents. He asked if anyone was watching the purse to see how the reserve money was being spent; suggesting some projects might be able to be held off until things get better with the economy. Mr. Mason reported he would like to see the council consider going at it a little bit slower.

Buck Hubbert (Tires, Inc.) reported he and others had discussed the potential increases and agreed that it probably would have been better to raise them a little at a time over the years. He stated they understood the council's heartfelt reasoning for keeping them down, but it comes at such a large increase at this time.

Mr. Hubbert reported he read an article in *The Chronicle* that suggested the city had a \$1.3 million increase in expenses. He asked if that was from this year and did the council approve those expenses, or was the department allowed to increase their expenses a little at a time over the years.

Ms. Lindgren reported almost \$600,000 of the \$3.96 million budgeted in revenues was a refund for an interfund loan, which left a balance of roughly \$3.4 million in revenues. She reported the budgeted expenditures were almost \$4.5 million, which included \$290,000 in capital outlay and roughly \$1.7 million in debt principal and interest expenses. City Manager MacReynold added, each year they do a budget and every month the council receives an update on what's being spent versus what's budgeted, and in most all cases, the utility departments underspend their budgets.

Mr. Hubbert suggested the city look at surplussing some of its land to help reduce some of the costs it's holding.

Councilor Dawes reported the city faced a similar situation with the general fund a while back and sold a number of pieces of property. He noted a vast majority of property owned by the utilities is over in the flat land near the old sewer plant that was bought out through hazard mitigation grants and cannot be sold.

Mr. Hubbert asked that it be revisited, just to see if the city might have more to sell.

Councilor Spahr stated he appreciated what Mr. Hubbert had to say, noting most of the complaints he received had to do with the amount of the increase. He noted the council hadn't really taken a look at increases on anything for a number of years, and in his opinion they were way behind on a lot of their fees.

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Mr. Hubbert suggested by implementing too big of an increase you start losing the larger businesses. He asked that the council consider smaller incremental increases.

Councilor Taylor stated he understood the obligation the city has on its debt service and asked if there was a way that the city might use a piece of land as collateral in lieu of carrying the large reserve on the loan. He stated he had never thought about the idea of collateralizing property to supplant what the obligation would be, but those were the types of ideas that come from the business community, which he thought were amazing.

Ms. Fairbanks stated she had never heard of an entity collateralizing land as a way to cover a debt service obligation. She noted loans given out for utilities typically require that entities pledge the revenue of the utility, which is how the Department of Ecology (DOE) and other agencies are able to establish the loan programs they offer. Ms. Fairbanks reported the city was now in a position where all of the loans are at least five years old and require that the debt service reserve be in place. She noted they are working with DOE to see if they will allow the city to dip the reserve below the \$1.8 million requirement.

Councilor Spahr asked if Ms. Fairbanks knew how much Lewis County Public Utility District's (PUD) latest rate increase affected the city. Ms. Fairbanks noted PUD increased their rates by two percent, but didn't know the actual impact to the city.

Pat Sauter (National Frozen Foods Corporation General Manager) reported their company had been in business for 100 years, 85 here in Chehalis. He stated their current annual water bill for both facilities was in the \$216,000 range. Mr. Sauter reported several years ago they looked at some options to do some things different and those were still on the table. He suggested the last water rate increase was pretty brutal, and the new proposal was just as brutal this time around.

Mr. Sauter reported National was one of the last professional frozen food processors in Western Washington. He stated they have one plant in Moses Lake and another in Quincy, Washington. Mr. Sauter reported by the end of 2016, they would be looking at an annual increase of \$95,000 at their State Street plant. He noted the last two rate increases by PUD increased their annual cost at the State Street plant by \$60,000.

Mr. Sauter stated he understood the city's plight with trying to deal with environmental concerns, but the increase would be detrimental to their business and they could not pass the increase onto their customers. He briefly brought up the issue of industrial water rates, noting that's what they had in Albany, Washington.

Mr. Sauter reported his first obligation was to his employees in Chehalis, but they need to stay competitive with their other plants. He stated they put roughly \$16 million a year into the community, just in employee wages, local grow receipts, and vendors. Mr. Sauter reported they were the biggest customer for both the city and PUD, and the rates were a big hit for them. He stated the city and Lewis County have been very supportive of National, but things are getting tougher in Western Washington, and business is business.

Councilor Taylor reported he was one that battled over the rate increases, noting when the time is right to raise taxes he'll vote to support raising taxes. He noted he had been on the council for 11 years and it just hasn't ever felt like the right time, and for him it may never feel like the right time. Councilor Taylor stated the economy was not getting any better and everyone he does business with is struggling just to make their payroll every month. He suggested an increase to any business would be detrimental, especially if the city starts losing those businesses and large water use customers.

Councilor Taylor stated he's never made a bid deal about using the reserves during the tough times because he believes it's a good thing to have less of the taxpayers' money, adding it keeps the city honest with the citizens.

Mr. Larman suggested what the city was proposing seemed to be a surprise to the business community. His advice to the council was to be cautious because, on a competitive basis, potential businesses were not going to want to locate here if that's how the city does business. Mr. Larman stated he didn't want to give a history lesson, but noted free money usually gets us in these conversations and you have to be very careful with how and who you borrow money from.

Councilor Dawes stated he had some concern with the statement made by Mr. Larman concerning the "element of surprise," adding this should not be a surprise.

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Councilor Dawes reported he had been on the council for seven years and on the budget committee for five; and every year they've been asked to look at rate increases, and the council has said no. He stated it's been talked about in public meetings, and suggested it may be a surprise to some if they haven't been to the meetings.

Councilor Dawes reported the budget committee has been adamant that they only do the projects that absolutely have to be done. He suggested reserves were made for two things: to spend down in lean times if it makes financial sense; and to take care of the unforeseen catastrophes that you don't have immediate funds budgeted for. Councilor Dawes felt the city needed to keep healthy reserves should we ever have to go out for any kind of bonding capacity.

Councilor Dawes stated he hoped some of the things that attract people to this area are that we have the infrastructure in place to do what businesses need to do. He noted he didn't like rate increases any more than anybody else, but he didn't like being voted into a position at not doing his job either.

Councilor Spahr suggested National's diesel bill was probably tremendous compared to what they were paying in 2006. Mr. Sauter stated they spend \$160,000 per week to run the plant, which is quite a bit more than it was in 2006. Councilor Spahr reported the city was in the same position with their utilities and we have to find some way to approach it.

Mr. Sauter stated he didn't want to hurt the city or its residents, noting he's worried about everyone having to pay higher rates. He indicated he didn't want to pull out, but he had to consider all of his options.

City Manager MacReynold stated he completely empathized with what Mr. Sauter was saying about his costs going up, but the city has a business to run and our costs have gone up too.

Councilor Lund agreed with what Mr. Hubbert stated earlier, that the city is spending more money than what we're bringing in. He suggested perhaps there are some projects the city shouldn't be doing.

Councilor Spahr reported the utilities have experienced rising costs for years and the council has failed to take care of it. He stated the city is running a business and we have to keep our rates comparable to our expenses. Councilor Spahr noted you can bank all of the property tax you want to save it for a rainy day, but when that rainy day comes and you go use it, you're going to get pounded.

Councilor Taylor asked what the immediate needs of the city were, not including any projects. Ms. Fairbanks reported what was before the council did not include any projects for 2013. She stated they had taken a very conservative approach, and in her professional opinion, the proposal before the council was the barebones needed to keep the utilities operable and in good condition.

Councilor Taylor inquired about commercial rates and asked what that would look like and how it would work. Ms. Fairbanks reported the city already has commercial rates. She suggested they can be as complicated as they like, such as: targeting specific audiences; or having an industrial rate schedule where you have a high user during a short season, but you have to be able to justify how you calculate those rates, and it needs to be equitable from one class customer to another.

Ms. Fairbanks talked briefly about what a rate study would entail, noting it would take about one year to complete and cost between \$40,000 and \$50,000.

City Manager MacReynold stated one of the things that businesses are concerned about when looking at where to locate is the infrastructure; are the utilities in place and functional?

Councilor Harris stated this was not something new or enjoyed. He noted he was in Chattanooga, Tennessee, and there's a measure in front of the local jurisdiction to raise their rates 39 percent for the same programs.

Councilor Harris commented on the discussion earlier about helping out the businesses by offering commercial rates. He stated they have a dollar amount they have to raise and if they take that cost away from businesses, they put it on the backs of the residents and their rates go up even more.



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Councilor Pope stated it was something they had to do, and it wasn't pleasant. He suggested they could take a look at what they can do to lessen the burden on businesses, but they still have to do it. Councilor Pope reported he was open to suggestions if anybody had any bright ideas.

Councilor Pope reminded the council that they were elected to make the tough decisions, and if they can't make them, or they don't like to raise taxes or rates, then perhaps they were in the wrong place.

Ms. Lindgren pointed out that if there was no action taken, there wouldn't be any fund balance left in the wastewater fund.

Councilor Spahr suggested, if the ordinances pass, we keep looking at it to see if there are ways to make some adjustments as time goes on. He also suggested the city look at what it costs to service a residential customer versus a commercial user, including infrastructure, adding he felt the costs would be somewhat similar.

Councilor Spahr asked Ms. Fairbanks if the city gives bigger users any kind of discount. Ms. Fairbanks indicated they did not.

Councilor Dawes stated if they had to do it all over again, they probably would have done it differently. He added, "If we don't take some kind of action to get back to where we need to be, where are they going to be in two to three years down the road?"

The motion carried 4-3 with Councilors Lund and Taylor and Mayor Ketchum voting against the motion.

There being no further business to come before the council, the meeting adjourned at 7:54 p.m.

Terry Harris, Mayor Pro-tem

Attest:

Judith A. Schave, City Clerk

Approved: November 13, 2012

November 13, 2012

The Chehalis city council met in regular session on Monday, November 13, 2012, in the Chehalis city hall. Mayor Protem Harris called the meeting to order at 5:33 p.m. with the following council members present: Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Dennis Dawes. Mayor Tony Ketchum and Councilor Chad Taylor were absent (excused). Staff present included Merlin MacReynold, City Manager; Amanda Vey, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Bob Nacht, Community Development Director; Eva Lindgren, Finance Manager; Herta Fairbanks, Public Works Director; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Work Session – Discuss Regional Fire Protection Service Plan Annexation Draft.** Councilor Dawes reported the North Lewis County Regional Fire Authority Planning Committee had been meeting since March 2011, and were to the point where they need to make some decisions as far as continuing on. He stated before the chiefs start doing a lot more planning they need to know that the elected officials have bought into it and plan on continuing with the outlined timeline.

Councilor Dawes reported the four items for discussion included: governance; LEOFF 1 and Pre-LEOFF liabilities; assets and debt transfer; and taxation.

Councilor Dawes talked briefly about governance, noting when Centralia and Lewis County Fire District #12 first formed into the Riverside Fire Authority they started out with three elected commissioners and three members of the city council, who acted as fire commissioners. He indicated when the current board of commissioners' terms expire they will basically go to an at-large election.

Councilor Dawes stated he didn't see the LEOFF 1 and Pre-LEOFF liabilities being much of a discussion because by law the city would need to continue to take care of those liabilities. He noted the city levies the firemen's pension fund to take care of the Pre-LEOFF firefighters, and as for the LEOFF 1 firefighters, the city takes care of them much like it does any other LEOFF 1 employee, through the general fund.

Councilor Dawes talked briefly about assets and debt transfer. He noted, if approved, any asset such as equipment, personnel, and leave benefits (e.g., vacation/sick leave) would transfer to the fire authority, as well as any debt.

Councilor Dawes felt taxation would be the big issue of discussion since it involves money. He noted fire authorities are limited to \$2 per 1,000 (\$1.50 for fire services, and voted debt up to \$.50 for an EMS levy). Councilor Dawes reported he believed the city's current EMS levy was at \$.37 per 1,000, adding that taxation would transfer to the authority. He noted one of the decisions the council would need to make is whether the city gives up the \$1.50 that it currently taxes.

Councilor Dawes reported the city's general property tax brings in roughly \$1.3 million and the fire budget is \$1.7 million. He noted the only thing the city can keep out of the tax would be the Firemen's Pension Fund.

Councilor Dawes reported the planning committee and the various subcommittees have done a lot of work as far as identifying stations that could be closed down if not needed, potential equipment that could be surplus if not needed, and how they would respond to emergencies.

Finance Manager Eva Lindgren reviewed the information provided on the potential net savings to the city should the council choose to move forward with the fire authority. She talked briefly about the maximum fire authority rate and what the city was currently levying, and two potential revenue reduction options.

Councilor Dawes felt the information provided by Ms. Lindgren was a little complex, adding he would like to be able to tell the citizens what they are going to be paying in total taxes versus what they are paying right now. He felt, based on the information provided, there appeared to be some savings to the taxpayers if they decide to move forward with the authority.

City Manager MacReynold asked for some clarification on the EMS levy information provided by Ms. Lindgren. He noted the initial savings to the city's general fund, without any adjustment, would be \$260,443; and if the council decided to reduce the levy amount by \$.25 that would still leave the city with \$118,783.20 annually for other services; and finally, if the council decided to further reduce it by another \$.21 it would basically put them at zero. Ms. Lindgren stated that was correct.

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City Manager MacReynold noted there would be some additional cost savings to the city, such as: insurance premiums, future purchases of new equipment, and building maintenance and upgrades. He noted even though it's a little complicated, there were basically some significant benefits to the city not only in providing a better service, but also to the city in general.

Councilor Dawes stated he wanted to be able to articulate to the taxpayer that if they vote to move to the authority they were going to get better service and their tax rate was either going to be the same or lower than it currently is.

Ms. Lindgren reported the cost savings information provided was based on 2013 assessed values. She noted the fire authority is allowed to go out for the full \$.50 for EMS and the \$1.50 for general fire authority property tax. Ms. Lindgren stated the numbers presented made the assumption that the fire authority would exceed what the city is currently levying for the EMS levy in 2013.

Fire Chief Kelvin Johnson stated under the current plan, where they are annexing into a current fire authority, they would go in under the current tax rate until such time the new year comes around and the fire organization comes up with a new budget.

Councilor Dawes stated the bottom line is, if the city elects not to levy the \$1.50, there would be a savings, or at least no change.

Councilor Spahr stated there was no doubt that on paper there could be a savings to the city, but he had concerns about the authority's budget. He noted the city uses sales tax revenue to help support our fire department, and wondered if the authority would be able to survive as a unit on \$2 per 1,000. Another concern is that the city is statutorily allowed to tax a certain amount, and currently we do not tax the full amount. He asked if junior taxing districts would be allowed to use the amount the city does not tax. Ms. Lindgren stated she would consult with her colleague at Lewis County and get back to the council with an answer to that question.

Councilor Dawes stated he would like to see the city continue to the point of where they determine if it's in the best interest of the city to move forward. He noted at some point it would be put to the voters who will make the ultimate decision.

Councilor Dawes briefly reviewed the four items again, noting the one issue they want to make sure is not a deal breaker is governance. He strongly recommended the city have representation on the board, equal to what everybody else has. Councilor Dawes didn't believe there was any reason to discuss the LEOFF 1 and Pre-LEOFF liabilities, adding he didn't think they were going to be able to convince anybody to take on those liabilities. He suggested if they decide to move forward, anything tied to the fire department, such as vehicles, equipment, and the building, should be transferred over to the fire authority. Councilor Dawes indicated there was no debt or reserve to be transferred because there was none. With regard to taxation, he suggested they do it in a manner in which it is at or below what the taxpayers are currently paying in totality.

Councilor Spahr stated the planning committee had been studying the information for about a year and a half now and it was clear as mud to them; however, to put it in front of the rest of council and have a 30 minute discussion and expect them to make some decisions on it seemed extremely unfair.

Mayor Pro-tem Harris said he felt the same way. He stated he understood the taxing issues and the idea of turning over the equipment, but he would like to get some more details and information on turning over the building.

Mayor Pro-tem Harris reported he didn't see anything about it that would scare him away, but didn't want to say yes and later, after further review, have questions come up. He stated he didn't want to send any mixed signals to the organization.

Councilor Pope stated the Chehalis fire department building was a condemned building as far as he was concerned, adding it wasn't safe as is and wondered why they would want it. Councilor Dawes suggested because that's where the current fire department is located. Councilor Spahr felt that issue could all be hammered out as they go along.

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Councilor Dawes stated if the council was second guessing things now it was not going to give the committee a clear line as to what they need to do.

Councilor Pope reported he couldn't take the short discussion to fully understand it, and suggested the city's three representatives meet with City Manager MacReynold to put together a proposal on what they would like to see the council support.

Mayor Pro-tem Harris thought that would be a good avenue to go down, adding he would rather have the committee members who've been doing the work give them some guidance.

Councilor Spahr suggested they tell the planning committee that yes the city is interested in pursuing it, but is not completely done studying the details yet.

Councilor Dawes stated he was kind of getting a read from the council, questioning whether they even want to continue with it. He stated it was a little troubling to him because he's been giving reports to the council on the progress of the planning committee.

Councilor Pope stated it was his understanding that the planning committee was to come to a conclusion about a workable infrastructure by which we can jointly have fire protection. He reported he still felt they should do that.

Mayor Pro-tem Harris stated, on the surface, he didn't see anything wrong with where they were going. He thought it was a good idea to meet with City Manager MacReynold to get a proposal laid out to bring back to the council. Mayor Pro-tem Harris suggested they do it as soon as possible, so they don't throw the timeline off.

Chief Johnson stated the committee was to the point of looking at any true deal breakers. He noted what he was hearing from the council was that they were still in agreement to go forth with it, but needed a little more time to come up with a definitive answer on the assets and taxation issues. Chief Johnson reported the timeline was built around the election dates and they backtracked from there. He reported the planning committee hoped to have a pretty concrete plan in place by April 1, 2013, and on May 1 they would start the functional consolidation process.

Chief Johnson stated the planning committee is realizing now that this was a transitional plan and if they do go forth and put it on the ballot, and the citizens pass it, they would implement the plan over a two to three year period. He noted during that time they would immediately start on strategic planning for the long haul, to see what it's going to look like in the future.

Councilor Spahr talked briefly about governance, noting the Authority suggested the districts make it cumbersome and a little more expensive, while the rural communities have concerns that if the elected body comes from the cities, all of the resources would pour into the cities and they would be left out.

City Manager MacReynold noted Councilor Dawes suggested each jurisdiction have representation to deal with that specific issue.

Councilor Dawes stated that would only be for us, noting they couldn't change what they do at Riverside Fire Authority. He suggested it would not be advantageous to put all of your resources in one place because of the insurance ratings.

2. **Public Hearing on 2013 Proposed Budget and Revenue Sources, Taxes and Levies.** Ms. Lindgren provided an overview of the 2013 tax levies and revenues. She indicated they were not requesting any increases to the property tax levy other than what's associated with new construction, which was clearly identified in the levy ordinances before the council. Ms. Lindgren reported, in terms of the general revenues, they were not expecting any significant increases. She added, based on the economy, they were expecting a relatively stagnant revenue stream and budgeted accordingly.

Ms. Lindgren briefly reviewed the new budgeting requirements of the State Auditor's Office, which are reflected in the 2013 budget. She noted there are now certain revenues the city is no longer allowed to reflect as revenues that show up as reductions in expenditures instead.

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City Manager MacReynold thanked Mayor Pro-tem Harris, Councilor Dawes and Councilor Spahr for serving on the budget committee this year. He stated it was helpful for the council committee to work with the administration and departments to have real discussions about what the policy issues and concerns are. He also thanked Ms. Lindgren and the department managers and their employees for the tireless effort they put into putting the budget together.

City Manager MacReynold provided a brief overview of the 2013 proposed budget, noting it did not include any increases in property tax or fees, with the exception of the recycling program. He noted the recent utility rate increases, as approved by the council, were included. City Manager MacReynold listed the council's 2012 accomplishments and 2013 goals, as follows:

2012 accomplishments:

- Maintained fiscal viability of city during the continued economic downturn
- Provided regional leadership and actively participated in Chehalis Basin Flood Authority
- Worked cooperatively with local governments and organizations concerning the new FEMA Flood Maps
- Received funding from the Chehalis Foundation for Pool Improvement Project
- Developed programs for youth
- Provided leadership and actively participated on North Lewis County Regional Fire Authority Planning Committee to regionalize fire and emergency medical services with Fire District #6 and others
- Continued progress on planning, design and construction of the Louisiana Avenue Project with Lewis County and Washington State Department of Transportation
- Completed and approved updated city Comprehensive Plan, which includes the Parks Comprehensive Plan and Chehalis PROS Plan
- Held quarterly meetings between Centralia and Chehalis council committees and/or City Managers

2013 Goals:

- Continue to maintain fiscal viability of city
- Continue street maintenance throughout city
- Continue downtown aesthetics and infrastructure improvements
- Continue working cooperatively with other fire districts to explore feasibility of a Regional Fire Authority
- Continue improvements to city parks and explore ongoing funding
- Continue to cooperatively work on regional flood issues

City Manager MacReynold talked briefly about the city's revenue sources, noting 41 percent comes from sales and use tax, and 20 percent from property tax. He reported 56 percent of general fund revenues go toward fire and police services, and 16 percent toward Community Development.

City Manager MacReynold reported on the projected ending fund balance for 2013, noting the city tends to do a little better each year because we take a very cautious look at the revenues. He stated the 2013 estimated ending fund balance for all funds was \$5.7 million.

Mayor Pro-tem Harris closed the regular meeting at 6:33:00 p.m. and opened the public hearing. There being no public comment the public hearing was closed and the regular meeting was reopened at 6:33:22 p.m.

**3. Chehalis-Centralia Airport Quarterly Report.** Airport Manager Allyn Roe and City Representative Jim Buzzard gave a brief update on the quarterly activities at the airport. Mr. Roe reported the airport decided to forgo the \$100,000 grant for taxiway engineering services, primarily due to the costs. He noted because the grant was so specific to the engineering services they really couldn't utilize the funds for any other project. Mr. Roe reported the grant would be cancelled and the funds would be deposited back into their account that the FAA holds for them.

Mr. Roe reported, in looking long-term at what they want to do at the airport, the FAA mandates they have a master plan that looks out 10 to 20 years. However, they wanted something a little more specific and not so broad, so they were looking at putting together a 7-year capital improvement plan.

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Mr. Roe reported in the past they've consistently had a contingency fund of approximately \$100,000 and what they've done at the end of the year if they don't have to use it is apply it towards other projects.

Mr. Roe reported their ending fund balance for 2012 was looking very good due to the sale of some property and some additional income they received. He noted because it was getting too late in the year to do some projects he would be proposing to the Airport Board that they roll some of their 2012 expenses into 2013. He noted he would provide more information about that at the next council meeting when he brings the airport's 2013 budget to the council for consideration.

Mr. Roe reported the Pacific Cataract & Laser Institute (PCLI) hangar was moving along and they were moving forward with building a 3-bay garage to relocate the fuel truck for PCLI, their primary jet fuel purchaser.

Councilor Dawes reported the airport also added some fill in the "L" shaped property near Home Depot. He noted the new roundabout on Louisiana Avenue was probably one of the nicest he's seen and thanked Mr. Roe for their work on that project. Mr. Roe reported the fill in front of Home Depot was a benefit from the Louisiana Avenue/Airport Road Project, noting the contractor got ahold of him to say they had some fill material and he said they would take it. He noted the fill would have to sit for at least two years since it was not compacted as they lifted it in.

Councilor Spahr also thought the roundabout looked great, adding it really helped that whole area. Mr. Roe reported the costs for the project came in about \$10,000 under budget.

4. **Update on Children's Museum Pilot Project.** Mr. Roe reported they were looking at a February opening for the six-month Children's Museum Pilot Project, noting they found a location in the Twin City Town Center. He noted after interviewing a number of successful children's museums the one thing they all had in common was they all started with a pilot project.

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

- a. Minutes of the regular meeting of October 22, 2012;
- b. Claim Vouchers No. 104475-104607 and EFT No. 92012 in the amount of \$206,649.17 dated October 31, 2012; and Payroll Vouchers No. 36081-36150, Direct Deposit Payroll Vouchers No. 3521-3594, and Electronic Federal Tax Payment No. 116 in the amount of \$653,019.62 dated October 31, 2012.

The motion was seconded by Councilor Pope and carried unanimously.

6. **Administration Reports.**

a. City Manager MacReynold reported they recently held the 2011 audit exit interview with the State Auditor's Office and had no findings; however, there were two management recommendations that the Auditor's Office continues to work with the city on. The first had to do with how the city pays the council with reference to the utility funds, and the second was regarding a prevailing wage issue on smaller city projects. City Manager MacReynold stated he believed every city is struggling with the prevailing wage issue because there's more scrutiny being placed on all of us. He noted, with regard to the first issue, the Auditor's Office does not agree with how the city calculates the percentage of work being done by the council with reference to utility issues.

Ms. Lindgren reviewed with the council the process she uses to calculate the percentages of time the council spends working on utility issues.

7. **Council Reports.**

a. **Update From Councilor Pope.** Councilor Pope reported he was very excited about the pool project, noting every time they have a discussion with someone new, the plan changes. He noted the initial kick-off for fundraising will be in December. Councilor Pope indicated they asked Architect Norm Pfaff to draft some design plans for the facility.

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b. **Update From Councilor Spahr.** Councilor Spahr reported he attended the Lewis County Economic Development Council meeting, as well as the Chehalis-Centralia Transportation Cooperative meeting. He noted the Transportation Cooperative would be coming to the council sometime early next year with some ideas that will help out both street departments.

c. **Update From Councilor Dawes.** Councilor Dawes stated it was nice to see the old police department sign up and working again, adding it brings back a lot of nice memories.

Councilor Dawes reported the Lewis County Historical Museum had its annual meeting on November 4, noting they got a real infusion of new blood in officers. He indicated Councilor Lund would take over his position as the city liaison starting the first of the year.

Councilor Dawes reported the monthly North Lewis County Regional Fire Authority Planning Committee meeting would take place on November 14, noting he would be letting Councilor Spahr give the explanation of what the council talked about during the work session this evening.

Councilor Dawes reported he recently attended the Association of Washington Cities (AWC) regional meeting in Longview, Washington. He noted he brought up the issue of the lodging tax, adding a letter was being sent from AWC Chief Executive Officer Mike McCarty to the council, the Lodging Tax Advisory Committee, and the city manager's office to say yes, AWC would be working on the issue. Councilor Dawes hoped something would be done during the first part of the Legislative session, rather than during the last part.

d. **Update from Mayor Pro-tem Harris.** Mayor Pro-tem Harris stated he wanted to thank the Chehalis Foundation again for the donation of funds for the holiday decorations. He noted the city's facility department was working diligently to get the decorations taken care of.

Mayor Pro-tem Harris reported he attended the Lewis County Solid Waste Advisory Committee meeting a couple of weeks ago. He noted the City of Centralia and Lewis County are currently using the city's yard waste recycling program as a model for their own programs, and inquired to see if they might be interested in looking at creating one facility that all three entities can utilize, and do some cost sharing on the staffing. Mayor Pro-tem Harris stated both agencies were interested and would be open to a location amenable to all of the communities. He indicated they would not be able to do it at the Transfer Station because there just wasn't enough room.

**8. Ordinance No. 903-B, First Reading – Revising Sewer Rates for Lewis County Water & Sewer District #4 and Napavine for 2013.** Herta Fairbanks reported the city charges Lewis County Water and Sewer District #4 and the City of Napavine to treat and dispose of their wastewater. She reported before the council was the agreed upon approach for calculating what the annual rate will be for each entity. Ms. Fairbanks reported the only thing calculated into this charge is the operations costs, adding both entities pay their share of the debt service separately outside of this forum. She noted since they are on a two-year lag with the calculation, because of the way the agreement was structured, the information being presented to the council is based on 2011 actuals.

Ms. Fairbanks reported the operational costs from 2010 to 2011 did go down; therefore, the rates for the two entities went down slightly. She credited Wastewater Superintendent Patrick Wiltzius for providing a five-year look at what the rates had done, noting the annual average has been right around three percent for each of the entities.

Councilor Spahr moved to pass Ordinance No. 903-B on first reading – amending the sewer rates for Napavine and Lewis County Water and Sewer District #4.

The motion was seconded by Councilor Pope and carried unanimously.

**9. 2013 Lodging Tax Advisory Committee (LTAC) Recommendations.** Mayor Pro-tem Harris stated the report and recommendations of the LTAC were included in the council packet and offered to answer any questions.

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Councilor Pope made a general statement in regards to the lodging tax and the entities that the city funds. He thought the lodging tax should be awarded to organizations to help sustain them for a period of time, and at such time they become self-sufficient, they should become sustainable on their own. Councilor Pope suggested if they don't become sustainable and the city continues to provide funding over a long period, the city should ask for more of an accounting than what it's currently asking for.

Councilor Pope noted at one time he's suggested the city go about it in one particular way, but that would have created a financial burden for some of the organizations. He felt the city needed to look at some of the organizations more closely, particularly those who have the potential to become self-sufficient and do not make the effort to do so.

Lewis County Museum Executive Director Johanna Jones stated she wanted to express her gratitude and the Board's gratitude for the council's consideration in funding them for \$15,000. She stated it was a big deal to them, particularly this year.

Mayor Pro-tem Harris stated, in sitting on the committee, he could tell Ms. Jones that the amount recommended really wasn't as much as the committee would have liked to have done, noting they were all worthy programs. He reported unless the Legislature changes their minds, they can't do anything except supply money for marketing and promotions after July 1, 2013.

Mayor Pro-tem Harris reported they had a wonderful interview with Jan Jutte, Director of Legal Affairs for the Washington State Auditor's Office, during their annual meeting. He noted they chatted with Ms. Jutte for about an hour, specifically going over different scenarios to determine what would apply and what wouldn't.

Mayor Pro-tem Harris thanked City Manager Administrative Assistant Caryn Foley for the way she laid things out ahead of time and for the minutes she provided from the meeting, so everyone can see what was discussed and some of the hardships that the committee experienced in trying to figure out what they could do.

Mayor Pro-tem Harris indicated there were some entities that were willing to give up some of their funding in order to help out the historical museum this year. He stated it just goes to show you what kind of community we have here.

Mayor Pro-tem Harris reported the biggest thing the committee pinned everything on was whether it passed the sniff test of putting head-in-beds. He noted the biggest item to put heads-in-beds was the ball tournaments put on by the city through the parks and recreation department.

Councilor Lund reported one of the agencies had a big problem last year and the city asked a local CPA to draw up a list of items the city could request from the agencies. He noted there was also some discussion about doing audits on certain groups, but didn't believe the council gave any direction on when that should kick in. Councilor Lund stated he would like to hear from the other councilors as to when an audit should be requested. He stated it wouldn't look good if they city was giving funding to a group that wasn't up to snuff.

Councilor Lund stated he also agreed with Councilor Pope, they have some organizations that could be doing better, but are not, and that wasn't fair to the rest of the organizations.

Councilor Pope stated it would be financially prohibitive to ask some of the organizations to do audits. He suggested if there were other avenues by which they can acquire the same information, he believed they should.

Ms. Lindgren reported there were different levels for financial reporting that the city could request from organizations, such as: compilation, review and audit reporting. She noted the more in-depth the procedure, the more expensive.

Councilor Spahr reported they had a good group of people who work on this every year and he trusted them to do what checking they do on the different organizations. He stated it doesn't make any sense to make an organization spend \$5,000 to get \$5,000.

Mayor Pro-tem Harris thanked the committee members, adding they were a wonderful group to work with.



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Councilor Spahr moved that the council approve the recommendations of the LTAC individually and collectively to fund the organizations as outlined in the report in the amount of \$172,435 for use of lodging tax funds for 2013.

Councilor Dawes seconded the motion.

Councilor Spahr moved to amend the motion to not include Pope's Kids Place (Item No. 9) in the amount of \$5,000 to allow Councilor Pope to vote on the other items.

Councilor Dawes seconded the motion.

The amended motion carried unanimously.

The main motion, with the exception of Item No. 9, carried unanimously.

Councilor Lund moved to approve the recommendation of the LTAC to fund Pope's Kids Place in the amount of \$5,000 for use of lodging tax funds for 2013.

The motion was seconded by Councilor Spahr and carried unanimously. Councilor Pope abstained from voting.

Councilor Lund moved that the council reappoint the memberships of Todd Chaput, Natalie Ketchum, Satpol Sohal, Rick Burchett, Chip Duncan, and Jim Valley to the Lodging Tax Advisory Committee.

The motion was seconded by Councilor Spahr and carried unanimously.

10. **Ordinance No. 904-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2013; Ordinance No. 905-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2013.** City Manager MacReynold reported, as described earlier, the administration was requesting action on both levy items.

Ms. Lindgren reported the \$1,352,000 listed in Ordinance No. 904-B included both the general fund and firemen's pension fund because they were not allowed to split the two out.

Councilor Dawes moved that the council pass Ordinance Nos. 904-B and 905-B on first reading.

Councilor Spahr seconded the motion.

Councilor Spahr asked if the firemen's pension fund had increased this year. Ms. Lindgren reported she calculated it based on the statutory rate, and for budgeting purposed she backed that entire calculation out of the total general levy. She noted last year the general fund levy included the firefighter's pension trust fund and includes it this year as well. Ms. Lindgren stated the change listed in the agenda report had to do with the decreased valuations.

The motion carried unanimously.

Councilor Pope was excused from the meeting at 7:20 p.m.

11. **Ordinance No. 906-B, First Reading – Adopting the 2013 Budget for the City of Chehalis.** City Manager MacReynold reported he provided a general review of the budget earlier in the meeting and thanked everyone again who participated in the development of the 2013 budget.

Ms. Lindgren reported because of the new account coding, certain accounts within the budget went away, such as the engineering division. She noted she worked with the public works director to direct charge those expenses to where the work is being done.

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Mayor Pro-tem Harris thanked Councilor Dawes for his participation on the budget committee, adding he appreciated all of his hard work. He also thanked Councilor Spahr for joining the committee, noting sitting down with the department heads and going through the budget line item by line item was about the only way to really do their job.

Councilor Spahr moved to pass Ordinance No. 906-B on first reading.

The motion was seconded by Councilor Dawes and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 7:24 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: November 26, 2012

November 26, 2012

The Chehalis city council met in regular session on Monday, November 26, 2012, 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; Bill Hillier, 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; and Herta Fairbanks, Public Works Director. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Public Hearing on 2013 Proposed Budget and Revenue Sources, Taxes and Levies.** City Manager MacReynold reported there was no additional tax or fee increases included in the proposed 2013 budget. He noted there were, however, a few changes made to the budget, based on council action at the last meeting.

Finance Manager Eva Lindgren noted some of the more significant changes to the budget ordinance included the Lodging Tax Advisory Committee's recommendations, and the reduction of the wastewater treatment rates for the City of Napavine and Lewis County Water & Sewer District #4.

Councilor Dawes suggested it could be a little confusing with regard to the process the council just went through to raise the water and sewer utility rates to users both inside and outside the city, and then have a report saying they are reducing rate charges to other agencies. He asked Ms. Lindgren to briefly speak to that issue.

Ms. Lindgren reported the city provides wastewater treatment to both the City of Napavine and Lewis County Water & Sewer District #4. She noted the costs for the treatment process are re-evaluated annually and are based on expenses incurred two years prior. Ms. Lindgren reported it had nothing to do with the residential and commercial rates; it was for other agencies that use our plant to process their wastewater.

Councilor Spahr asked if the debt service was figured into the rates. Ms. Lindgren reported it was separate and the two agencies make payments twice a year on the debt service portion.

Councilor Harris inquired about the amount of banked capacity the city had for property tax. Ms. Lindgren stated she would have to go back and look at that information, and would report back.

Councilor Pope stated there were occasions when people on the council ask for additional information and don't always take the time to look at it and/or sign off on it. He suggested if someone asks for additional work to be done, the department directors should make sure the councilor who asks for it, comes and looks at it.

City Manager MacReynold felt that would put a department director and any staff in a precarious situation with reference to something that's been done based on discussion at a council meeting. He requested the council not look to the department directors to take that kind of stance.

Councilor Pope felt if they were going to be asking for additional information they should be obligated to go look at it.

Mayor Ketchum closed the regular meeting at 6:08:22 p.m. and opened the public hearing. There being no public comment the public hearing was closed and the regular meeting reopened at 6:08:40 p.m.

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

- a. Minutes of the regular meeting of November 13, 2012;
- b. Claim Vouchers No.104608-104728 in the amount of \$152,638.06 dated November 15, 2012; and
- c. Approve the revised 2012 budget for the Chehalis-Centralia-Airport.

Councilor Spahr seconded the motion.

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Councilor Lund inquired about the airport's budget, noting the income for the facilities was not broken down. He asked Airport Manager Allyn Roe if they included any anticipated income for the new Taco Time in the budget.

Mr. Roe reported they were projecting Taco Time to come on-line during the 2014 budget period. He noted they offered some concessions to Taco Time that also include commission agreements, which would prolong the time from when the doors open, to when they will actually receive anything.

Councilor Lund asked when the doors would open. Mr. Roe reported they were working with Taco Time on some requirements by the city.

Councilor Lund wanted to know what the holdup was, noting he had people bugging him wanting jobs and they keep getting pushed off. He asked if there was a reason why it hadn't been fired up yet.

Mr. Roe reported they were working with the city on a sewer study, which was submitted last month. He noted they were still waiting on the results of the study.

Councilor Lund suggested if Mr. Roe was having a problem he and/or his board needed to come to the city and ask for help because a month is too long to have to wait, and the citizens shouldn't have to wait for something like this.

Mr. Roe reported they were working on the issue and validating the report.

Councilor Lund stated he had heard good things about Mr. Roe, but maybe he needed to be more forceful and complain if he can't get something done.

The motion carried unanimously.

### **3. Administration Reports.**

a. **October Financial Report.** Ms. Lindgren reported the largest variances in the general fund had to do with timing issues. She noted earlier in the day she received the most current sales and use tax data, adding the year-to-date total was up by .3 percent. Ms. Lindgren believed they were going to exceed the annual budget, noting that was nice to see.

Councilor Dawes reported he heard on the radio that Chehalis was eighth in the state for sales per capita, which made it sound like we should be swimming in money. Ms. Lindgren reported that was because we have such a small "nighttime" population with a large volume of sales. She stated the amount of sales and use tax we pull in are very significant.

Ms. Lindgren stated most of the negative net budget income in the general fund was attributable to the property tax. She noted the second half was due to the county by the end of October, but would not be remitted to the city until November. She indicated she would provide the council with some additional information on the property tax at the next council meeting.

Ms. Lindgren reported on the water and wastewater funds, noting there were still some large variances in the interfund loans received and paid out. She stated she was waiting until the next meeting to see if any additional loans will need to be taken out against the appropriation. Ms. Lindgren hoped it wouldn't be necessary, but wanted to leave a safety measure there.

b. **Update on AT&T Settlement Agreement.** City Attorney Bill Hillier reported, within the last two years, the city was included in litigation with New Cingular Wireless Services, an affiliate of AT&T Mobility. He noted the litigation involved a refund of taxes attributable to various wireless services providing internet access reflected on customer bills as a separate charge from November 1, 2005, through September 30, 2010. Attorney Hillier indicated the city was included in the suit with virtually every city in the state that has any wireless connection capability. He noted five cities in Lewis County were included in the litigation.

Attorney Hillier stated a request was made for reimbursement from the city for \$18,200. He reported, after looking at the cost to defend the matter, it was decided it would be in the best interest of the city to try and settle the claim. Attorney Hillier indicated he was able to negotiate it down to \$12,154 and they were able to work it in as part of their budget.

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City Attorney Hillier stated it would be a big savings for the city in not having to defend it and still be responsible. He noted City Manager MacReynold signed the settlement document on his ability to do so, but he wanted to bring it to the council's attention so they are aware of the expenditure.

City Attorney Hillier reported they were able to fix the problem in 2010 and would not be faced with it in the future with regard to AT&T.

c. **Update on Community Development Director Selection.** City Manager MacReynold reported a special work session was set for Thursday, December 13, at 5:30 p.m. for the council to meet the four finalists for the community development director position.

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

a. **Update From Councilor Dawes.** Councilor Dawes reported "Author's Night" was coming up on Friday, November 30 at the Lewis County Historical Museum. He noted people would have a chance to purchase books on local history and have them signed by the authors.

Councilor Dawes reported, since the last council meeting, Lewis County Fire District #6 notified the North Lewis County Regional Fire Authority Planning Committee that they are going to pull out of the committee. He noted he was frustrated with the way it was handled and didn't believe District #6 gave it the proper chance to see it all the way through.

Councilor Dawes believed there was still an opportunity for the city to explore a way to provide a rather important service to the citizens with the potential of a reduced rate, or in worst case, at the same rate. He reported the committee would be taking a cool-off time for the later part of November and all of December.

Councilor Dawes reported the city's committee representatives would be meeting with City Manager MacReynold and Fire Chief Kelvin Johnson on Thursday to come up with a recommendation for the remainder of the council to consider, as to where they go from here.

Councilor Spahr stated he would still like to pursue it, adding if it can save the city money, and the entity can still exist, they should continue to explore it.

Councilor Lund felt they were all missing out with District #6 not following it through and pulling out early. He noted all three agencies realized they do things differently and they were supposed to start the functional consolidation soon. Councilor Lund thought the exercise would have been a big help to the community even if they decide not to consolidate, adding it would have given them the chance to be able to work together better.

Councilor Dawes reported they would have done the functional consolidation starting early next year for a period of one year, which would have given the public and the departments the ability to function as one unit without actually formally becoming one unit and intermingling money.

Councilor Taylor asked if Fire District #6 gave a reason for pulling the plug. Councilor Dawes noted one of the Commissioners said their constituency told them no way, they were not interested. Councilor Spahr stated governance seemed to be an issue with them also.

Councilor Dawes reported he didn't believe governance would have been an issue, although, one of the things that would have been a deal breaker was if the agencies disagreed on how the governing body would be set up.

Councilor Dawes reported after being on the budget committee over the last five years, it was very plain to him that we need to do everything we can to maintain what we have.

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b. **Update From Councilor Pope**. Councilor Pope asked Attorney Hillier to give a brief report on the last Chehalis Foundation meeting. Attorney Hillier reported Councilor Pope spearheaded a move for the Foundation to support the police department by taking on a one-time contribution for the K-9 program. He reported the Foundation agreed to fund the program for \$12,000 with two caveats: that the police department not be out actively soliciting donations that would contravene with their attempts to get donations for the pool; and that this was a one-time shot.

5. **Ordinance No. 903-B, Second and Final Reading – Revising Sewer Rates for Lewis County Water & Sewer District #4 and Napavine for 2013**. Herta Fairbanks reported the new rates to be assessed to the City of Napavine and Lewis County Water & Sewer District #4 were for operational expenses at the treatment plant only. She noted, as stated earlier, the debt service is charged separately and coincides with when the city makes its debt service payments on the plant.

Ms. Fairbanks reported the proposed rates were going down for the two jurisdictions by a very small amount over last year's rates, the primary reason being the two-year lag from when the rates are calculated. She noted the overall reduction for the City of Napavine was just shy of 7 percent for the year, and Lewis County Water & Sewer District #4's rate was 1.3 percent below last year's amount. Ms. Fairbanks stated the overall adjustment, if averaged out over the last five years, was just below 3 percent. She noted it was pretty close to what you would consider a CPI type rate, even though it's not based on any type of inflationary figure.

Councilor Spahr moved to pass Ordinance No. 903-B on second and final reading – amending the sewer rates for the City of Napavine and Lewis County Water & Sewer District #4.

The motion was seconded by Councilor Lund and carried unanimously.

6. **Ordinance No. 904-B, Second and Final Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2013; Ordinance No. 905-B, Second and Final Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2013; and Ordinance No. 906-B, Second and Final Reading – Adopting the 2013 Budget for the City of Chehalis**. Ms. Lindgren reported she just received the new estimated values for the tax year 2013 and provided copies of the information to the council. She noted the tax rate for 2013 would actually be 2.326, adding the assessed values increased from what they originally were. The EMS would also be going down to .398 from the .406.

Councilor Harris moved that the council pass Ordinance Nos. 904-B, 905-B, and 906-B as amended on second and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

7. **Ordinance No. 907-B, First Reading – Amending the 2012 Budget**. Ms. Lindgren highlighted some of larger changes being made to the 2012 budget. She noted they were not anticipating the large revenues, inflows, and expenditures out of the FEMA Home Elevation grant program this year. Also reflected were the AT&T settlement and some other items.

Councilor Spahr inquired about the FEMA grant, wanting to know what the problem was. Ms. Lindgren reported when the original grant was awarded their estimates for the cost of doing the actual elevations did not reflect the true cost.

Bob Nacht stated the issue they were facing with the grant program had to do with the way FEMA calculates the cost benefit ratio. He noted as they got into the program the bids came in higher than the original estimates three years ago. Mr. Nacht stated FEMA had to redo the cost benefit ratios and identified that our ratio was still within the program guidelines. He noted the city was currently in the process of dealing with our local administrator, Erin Hillier, and Rene Walker with FEMA, to get the program underway. Mr. Nacht stated, because we are now into the flood season, per FEMA guidelines, they wouldn't be getting any construction projects underway until April 2014.

Councilor Harris asked if they would need to recalculate the cost benefit ratio again next year due to costs going up. Mr. Nacht stated he didn't believe so, adding they were working with the contractors to try and get the bids good for a longer period of time.

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Councilor Spahr moved to pass Ordinance No. 907-B on first reading.

The motion was seconded by Councilor Lund and carried unanimously.

**8. Resolution No. 17-2012, First and Final Reading – Adopting the 2013 Budget for the Chehalis-Centralia Airport.** Mr. Roe reported, other than their capital expenditures, it was a pretty typical budget. He noted they were starting to look at the reserve balance and the needs of the airport, and made a seven-year financial projection of what it would look like.

Mr. Roe reported they really want to give a good first impression of the airport facilities and plan on reinvesting back into the airport. He noted their 2013 capital expenditures included the construction of a three-bay shop to house the snow removal equipment and their fuel truck. He reported 66 percent of those costs would be reimbursed by FAA. Also included would be a new Jet-A refueler truck, a used SUV for airport operations, one above-ground, double-walled steel tank for jet fuel, and a hangar for Pacific Cataract & Laser Institute.

Mr. Roe reported they showed a negative amount for the year 2013, primarily from deferring some of the capital projects from 2012 into 2013. He noted they will have a profit of approximately \$275,000 in 2012, which will offset the loss in 2013.

Councilor Harris asked if the reimbursement from the FAA was included in the 2013 budget. Mr. Roe reported it was.

Councilor Harris inquired about the safety and security issues of an aboveground fuel tank. Mr. Roe stated they were safer, noting they can secure them better and they will do better during a flood situation.

Councilor Dawes moved that the council approve the 2013 Airport budget by adopting Resolution No. 17-2012 on first and final reading.

The motion was seconded by Councilor Spahr and carried unanimously.

Councilor Lund suggested Mr. Roe keep up the good work. He stated he was amazed at the number of people from the Castle Rock and Longview, Washington, areas who come up here to shop.

**9. Request for Partial Reimbursement of Automated External Defibrillator (AED).** Ms. Lindgren reported the city was acting as a pass-through agency for the recently installed AED unit at city hall. She noted she had to record the donation received from the Chehalis Fraternal Order of Eagles, and the payment going out to Pope's Kids Place in the amount of \$1,000. Ms. Lindgren reported the payment would be added to the appropriations for the second reading of the budget amendment.

Councilor Harris moved to approve the request to reimburse Pope's Kids Place \$1,000 for the city hall AED unit.

The motion was seconded by Councilor Dawes and carried unanimously. Councilor Pope recused himself from voting on this matter.

There being no further business to come before the council, the meeting adjourned at 6:55 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: December 10, 2012

December 10, 2012

The Chehalis city council met in regular session on Monday, December 10, 2012, 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, Chad Taylor, and Dennis Dawes. Councilor Lund was absent (excused). Staff present included Merlin MacReynold, City Manager; Mark Scheibmeir, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Bob Nacht, Community Development Director; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Becky Fox, Count Administrator; and Herta Fairbanks, Public Works Director. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Interview Applicant for Sister City Committee Appointment.** The council interviewed Dennis Clark to replace Susan Gonzales on the Sister City Committee, whose term expires December 31, 2012.

2. **Briefing on New Program at American Behavioral Health Systems (ABHS), Inc.** City Manager MacReynold introduced Tony Prentice, ABHS Program Manager to brief the council on a new program in their facility.

Mr. Prentice reported ABHS was recently awarded another contract with the Department of Corrections to continue the work they are currently doing. He indicated their Chehalis facility was now an 'all male' facility, noting the females were now being housed in their facility in Spokane, Washington. Mr. Prentice reported ABHS has been reaching out to the community through various volunteer programs, such as The Salvation Army, Acres of Hope, Visiting Nurses, Providence Place, Love Inc., and the Southwest Washington Fair.

Mr. Prentice reported on a new pilot program (ABHS Specialty Services II) that recently opened at their Chehalis facility under a sister company for a legislatively mandated Medicaid funded program for both male and female clients. Mr. Prentice stated they had 16 clients in the program who rent the 3<sup>rd</sup> floor of their facility. He noted this reduced the client count in their portion of the facility from a capacity of 210 to 180. Mr. Prentice talked briefly about their new pilot program, noting after the nine month trial period they would go back to the Legislature to see if it is something they want to continue.

Mr. Prentice reported the last year had been pretty easy with regards to complaints, noting all of their clients are supervised 24/7.

Councilor Taylor thanked Mr. Prentice, noting he hadn't heard any complaints from his neighbors since their last meeting. He inquired about the new pilot program wanting to know what type of services those clients were receiving. Mr. Prentice reported they were there for drug and alcohol treatment, noting it was the same type of work they are doing, just under different funding. He stated it was a 30-day intensive in-patient treatment for low income people who are mostly on Medicaid.

Councilor Spahr asked if the specialty patients were supervised the same as the other patients. Mr. Prentice indicated they were.

Councilor Spahr inquired about the time the average patient stays in their facility. Mr. Prentice reported the specialty patients stay for 30 days. In the other part of the facility they have two separate programs: the Drug Offender Sensing Alternative Program where clients stay for three to six months; and the Offender Program clients who are there for 28 to 45 days.

3. **Employee Service Award.** Mayor Ketchum presented a certificate of appreciation to Finance Manager Eva Lindgren for five 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 November 26, 2012;

b. Claim Vouchers No.104729-104823 in the amount of \$287,334.81 dated November 30, 2012; Payroll Vouchers No. 36151-36218, Direct Deposit Payroll Vouchers No. 3595-3667, and Electronic Federal Tax Payment No. 117 in the amount of \$647,826.03 dated November 30, 2012; and

c. Approve appointment of Dennis Clark and reappointments of Etsuko Holmes and Sue Carmick to the Sister City Committee for four-year terms expiring December 31, 2016.



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The motion was seconded by Councilor Taylor and carried unanimously.

5. **Administration Reports.**

a. **Work Session Reminder.** City Manager MacReynold reminded the council about the special work session scheduled for Thursday, December 13, at 5:30 p.m. to meet the three finalists for the community development director position.

b. **December 24, 2012 Council Meeting.** City Manager MacReynold recommended the council cancel the December 24, 2012, council meeting.

Councilor Dawes moved to cancel the December 24, 2012, city council meeting.

The motion was seconded by Councilor Spahr and carried unanimously.

c. **Update on City Hall Fire.** Fire Chief Kelvin Johnson reported, earlier in the day shortly before noon, they were dispatched to an alarm at city hall. He noted crews found smoke in the building and tracked it to the elevator panel in the electrical room in the basement. Chief Johnson stated Lewis County Fire District #6 was called in to help ventilate the building.

Chief Johnson also recognized former fire fighter George Benton who recently passed away. He noted Mr. Benton started with the city in 1952 and retired in 1984 as a fire captain.

6. **Council Reports.**

a. **Update From Councilor Spahr.** Councilor Spahr reported he attended a Chehalis Community Renaissance Team (CCRT) meeting on December 6, adding they were doing a tremendous job. He noted they had a list full of things they've done and another list of things they still want to do. Councilor Spahr suggested anyone interested in helping out should contact the city.

Councilor Harris reported CCRT Chairman Larry McGee recently stepped down because of his busy work schedule. He indicated David Hartz from Book 'n Brush would be taking his place, adding he was a wonderful volunteer and advocate for the community and would carry the torch well.

Councilor Harris also thanked Senator Elect John Braun and Buck Hubbert for attending the last CCRT meeting.

b. **Update From Councilor Dawes.** Councilor Dawes reported on November 29 he and Councilors Spahr and Lund met with City Manager MacReynold and Fire Chief Johnson to discuss a proposal to present to the council for consideration regarding the Regional Fire Authority.

Councilor Dawes reported on December 4 he attended his last meeting of the Lewis County Historical Museum Executive Board. He noted Councilor Lund was vacating the position of Treasurer and would be taking his position as the city's representative. Councilor Dawes stated the museum was in much better shape than it was last year, noting a lot of modernization had gone in and they continue to have a good core of volunteers.

Councilor Dawes reported he attended the United Way Campaign Celebration at the Holiday Inn Express on December 6, adding it was a good event.

c. **Update From Mayor Ketchum.** Mayor Ketchum reported the Santa parade went off really well this year, adding they had a lot of good floats and candy.

7. **Ordinance No. 907-B, Second and Reading – Amending the 2012 Budget.** City Manager MacReynold noted there were some changes to the ordinance from first reading, which were summarized in the report.

Councilor Harris moved that the council pass Ordinance No. 907-B as amended on second and final reading.

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The motion was seconded by Councilor Taylor and carried unanimously.

8. **Recommendation Regarding the North Lewis County Regional Fire Authority**. Councilor Dawes reported, as stated earlier, the three city committee members met with City Manager MacReynold and Fire Chief Johnson to assess where they were at. He noted he was both surprised and disappointed that Lewis County Fire District #6 pulled out, but the city still had to do what was best for our citizens.

Councilor Dawes reported on the four areas that came up as questions. They included: governance; LEOFF 1 liabilities; assets and debt transfer; and taxation.

Governance:

Current - All of the fire commissioners are elected at-large.

Recommendation – Three council representatives for the city for four years; Representatives from city would be city council members; City would have equal representation (three) for at least four years. After four years, the governing board could look at possible changes to at-large positions.

LEOFF 1 Liabilities:

Current – Maintained by the city.

Recommendation – The city would keep LEOFF-1 and Pre-LEOFF liabilities.

Assets and Debt Transfer:

Current – No debt in city fire department.

Recommendation – All would go to the Fire Authority; Assets would go to Riverside Fire Authority, but there was interest in the building by the city should it no longer be used as a fire station.

Taxation:

Recommendation: Yet to be determined. Need to make sure whatever plan and staffing is determined, taxes paid by city residents would have to be the same or lower than current levels. Can the city give up \$1.50 of taxation and maintain remaining services?

Councilor Dawes reported he reviewed the recommendations with Riverside Fire Chief Jim Walkowski who didn't see any problem as far as anything being a deal breaker. He indicated they still needed to receive a resolution of withdrawal from Lewis County Fire District #6, adding he had contacted their board chairman asking for the resolution.

Councilor Dawes reported if the council concurs with the committee's recommendations, the city would need to pass another resolution similar to the one already adopted. He stated Riverside Fire Authority was going to look at doing that at their next meeting and Chief Walkowski would send him over a copy, so we don't have to re-create it.

Councilor Dawes strongly recommended they move forward with the process, adding the time was right and there was no doubt in his mind that the model that appears to be envisioned is one that would provide the city with a higher level of service than what we're able to provide right now. He noted that wasn't to say better people, only the possibility of more staffing at a cost that would not increase the overall taxation to our residents.

Councilor Taylor moved that the council support the Planning Committee recommendations as outlined in Attachment "A."

Councilor Harris seconded the motion.

Councilor Harris thanked the committee for getting together to work out the details. He noted the statement regarding right of first refusal on the building answered all of his questions concerning the building. Councilor Harris noted the only other thing he had questions on was the taxation issue. He suggested as soon as they get the numbers on that he would have no

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problem with it. Councilor Harris stated he too was disappointed that District #6 dropped out, adding it could have been a win for everyone.

Councilor Spahr asked if they might be getting a little ahead of themselves since District #6 hadn't officially withdrawn. Councilor Dawes stated they didn't have to take action that evening because the Regional Fire Authority Planning Committee wouldn't be meeting until January. He talked briefly about the timeline, noting the chiefs had been gathering information and felt they were not going to lose any steps in the process, and the timeline they originally set out was one that was still reachable. Councilor Dawes believed there was still interest by the Regional Fire Authority Planning Committee members to continue talks, as long as the city is interested. He indicated there was still work to do, adding it was suggested they start meeting twice a month to keep things moving.

The motion carried unanimously.

**9. Resolution No. 18-2012, First and Final Reading – Establishing an Employee Wellness Program.** Court Administrator Becky Fox reported the city has an opportunity to participate in an "Employee Wellness Program" next year, using the guidelines supported by the Association of Washington Cities. She noted the goal was to promote wellness for employees and to enhance their personal lives. Ms. Fox suggested the program might benefit the city by reducing absenteeism, and to gain better control of our healthcare costs. She stated they didn't anticipate a lot of group activities, but hoped to encourage employees to incorporate everyday healthy habits. Ms. Fox reported the first step in developing the program was to get council approval by resolution, to allow a committee to be formed.

Councilor Dawes asked if this was the same thing as the "Well Cities" program. Ms. Fox indicated it was. Councilor Dawes stated if they were successful with the program the city would receive a two percent reduction in health costs. Ms. Fox stated that was correct, but it wouldn't be realized until 2015. She stated they would try and reach that goal, noting the reduction of health care costs would be a great benefit to the city.

Councilor Spahr moved to adopt Resolution No. 18-2012 on first and final reading.

The motion was seconded by Councilor Harris and carried unanimously.

**10. Resolution No. 19-2012, First and Final Reading – Amending the City's Alcohol and Drug-Free Work Place Policy.** Human Resources Administrator Peggy Hammer reported there may be some confusion brought on by the passage of Initiative 502, noting the new law concerning marijuana states you cannot grow it, buy it, sell it, or trade it, but you can have it.

Ms. Hammer stated the administration wants to make sure it's very clear in our workplace policy that by illegal drugs they mean, "any drug considered illegal under any federal, state or local law or statute." She recommended the council adopt the resolution to have language added to the city's current workplace policy to that effect.

Councilor Pope moved to adopt Resolution No. 19-2012 on first and final reading.

The motion was seconded by Councilor Spahr and carried unanimously.

Councilor Taylor asked how the city was going to handle the new law. Police Chief Glenn Schaffer stated they were going by the recommendation of the prosecutor's office, which was the possession of one ounce of marijuana was legal. He noted they were still waiting for some clarification, so the direction to the officers at this time was to pretty much keep doing things as they always have been, and to follow state law until the state receives direction otherwise from the feds.

There being no further business to come before the council, the meeting adjourned at 6:43 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: January 14, 2013

December 13, 2012

The Chehalis city council met in a special work session on Thursday, December 13, 2012, in the Chehalis city hall. Mayor Pro-tem Harris called the meeting to order at 5:29 p.m. with the following council members present: Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Dennis Dawes. Mayor Tony Ketchum and Councilor Taylor were absent (excused). Staff present included: Merlin MacReynold, City Manager; Bob Nacht, Community Development Director; Eva Lindgren, Finance Manager; Becky Fox, Court Administrator; and Peggy Hammer, Human Resources Administrator.

1. **Resolution No. 20-2012, First and Final Reading – Declaring an Operational Emergency in City Hall.** City Manager MacReynold reported the fire in city hall on December 10 turned out to be more extensive than thought.

Bob Nacht reported the fire earlier in the week started in the control panel system for the elevator, noting all of the relays and electrical system burned up. He stated the city's insurance company was contacted and they were working directly with Human Resources Administrator Peggy Hammer and staff on what needs to be done to the building. Mr. Nacht reported they had a cleaning company on board, noting there were a number of issues that had to be addressed, particularly the contaminants that were in the smoke that was deposited throughout the building.

Mr. Nacht reported one of the issues the city was facing was the city's requirements for competitive bidding on public works projects. He noted in this particular case, staff was presenting a request to the council to adopt a resolution declaring an emergency to satisfy some of the RCW requirements on how to deal with emergency situations and the competitive bidding process.

Councilor Spahr moved that the council adopt Resolution No. 20-2012 on first and final reading.

The motion was seconded by Councilor Dawes and carried unanimously.

2. **Meet and Greet the Three Finalists for Community Development Director.** The city council met and asked questions of the final three candidates applying for the position of community development director. The three finalists were Dennis Osborn, Jeffrey Niten, and Lynn Deitrick. Each was given a chance to talk about their background and tell the council why they were interested in being the next community development director in Chehalis.

There being no further business to come before the council, the meeting adjourned at 6:01 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: January 14, 2013